# PARLIAMENTARY DEBATES

(HANSARD)

**SIXTH SERIES—VOLUME 315**

# HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-SECOND PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FORTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

**SESSION 1997–98**

COMPRISING PERIOD
29 June–10 July 1998

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*29 June 1998*

# THE PARLIAMENTARY DEBATES

## OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-SECOND PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 7 MAY 1997]

FORTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

**SIXTH SERIES** **VOLUME 315**

**TWENTY SECOND VOLUME OF SESSION 1997–98**


# House of Commons

*Monday 29 June 1998*

*The House met at half-past Two o'clock*

PRAYERS

[MADAM SPEAKER *in the Chair*]

# Oral Answers to Questions

## CULTURE, MEDIA AND SPORT

*The Secretary of State was asked—*

### Press Complaints Commission

1. **Mr. Clive Soley** (Ealing, Acton and Shepherd's Bush): What meetings he has had with the Press Complaints Commission to discuss the effectiveness of the PCC code. [46311]

**The Secretary of State for Culture, Media and Sport (Mr. Chris Smith):** I have had a number of meetings with Lord Wakeham, the chairman of the Press Complaints Commission. I welcomed the strengthening of the code of practice that was agreed on 19 December 1997, and I have made it clear that further changes should be considered to protect people in all walks of life.

**Mr. Soley:** I welcome that answer, but I ask the Secretary of State to bear in mind the needs of children. For example, on 7 May the *Daily Mail* named and photographed a four-year-old child on its front page just because her mother had been sent to prison in unusual circumstances. Would the PCC not be more convincing if it intervened after publication to point out to editors that such cases fall well below the standards expected both in normal life and under the PCC code?

**Mr. Smith:** I know that my hon. Friend has corresponded with the newspaper concerned in that case. The PCC code agreed last December extends protection to children of school age, unless there is an overriding public interest in publishing details about them. Both the procedures followed by the PCC and complainants, and the nature of the public interest test require further consideration in the coming months.

### Tourism

2. **Mr. Christopher Fraser** (Mid-Dorset and North Poole): What plans he has to encourage the growth of employment in the tourism industry. [46312]

**The Minister for Film and Tourism (Mr. Tom Clarke):** The new tourism strategy which we are developing with the tourism forum will seek to ensure that tourism fulfils its enormous job-generation potential, while the new deal will help to solve the industry's skill shortages and recruitment problems. The tourism and hospitality industry already supports 1.7 million jobs, and it is forecast to need many more people in future.

**Mr. Fraser:** I am interested in the Minister's professed interest in the tourism industry. Why has his Department consistently subordinated tourism to more glamorous and trivial matters?

**Mr. Clarke:** The plain and simple fact is that we have not. When I gave evidence to the Select Committee on Culture, Media and Sport, it was unfortunate that the hon. Gentleman appeared only for the last two minutes of it. I am not, therefore, surprised by his total ignorance of the Government's absolute commitment to a vital industry.

**Mr. Gordon Prentice** (Pendle): Has the tourism strategy examined the valuable, but neglected, British

resource of historic buildings associated with the birth and development of the Labour movement? The Minister will be aware that the sole surviving Clarion house, which dates from the days of the old Independent Labour party, is in my constituency. It would encourage the people of Pendle if I could tell them that the Minister will take on board the development of a resource of which we have much in the north of England.

**Mr. Clarke:** My hon. Friend makes an extremely relevant point. That part of our country's heritage is important in attracting tourists. I am delighted that my hon. Friend mentioned his constituency, which I look forward to visiting. I know that, when he returns to Scotland, he will pay a visit to Robert Owen at Lanark and to the Summerlee heritage park in my constituency, which meets my hon. Friend's excellent point.

**Mr. Cynog Dafis** (Ceredigion): What representations has the Minister received about the effect of the strength of the pound on the tourism industry? May I draw his attention to the profound gloom in the industry in Wales, which is combining with the collapse of livestock prices to lead to a crisis in the rural economy of Wales? Does the Minister accept that the combination of Government policies that are leading to the strength of the pound is having a serious effect on large parts of the country, and that the Government may have to pay a severe political price in the 1999 elections?

**Mr. Clarke:** The hon. Gentleman raises an interesting point which was last discussed with me in Cardiff last Wednesday. The problems are transient, but I am happy to report that new figures show that expenditure by overseas tourists has declined by less than 1 per cent. on last year, which was a record year. Given the self-evident problems of the Asian market, the House will welcome the fact that expenditure from, for example, north America is up by 6 per cent. The Government are determined to build on those figures.

## Design Promotion

3. **Mr. Barry Sheerman** (Huddersfield): What role his Department is playing in promoting good design in *(a)* the media and *(b)* elsewhere. [46313]

**The Secretary of State for Culture, Media and Sport (Mr. Chris Smith):** I visited the Royal College of Art's design, communications and humanities students' exhibition last week and was very impressed by the skill and flair of the works exhibited there. My Department works closely with the Department of Trade and Industry and the Design Council in promoting our designers and the importance overall of good design.

**Mr. Sheerman:** Does my right hon. Friend agree that, often, the media, energetically aided and abetted by the Opposition, sneer at anything that design contributes to this country? Is it not a fact that Government Members cannot be complacent, because we have to champion design in every industry and Government Department? If we are to be truly internationally competitive, good design is paramount.

**Mr. Smith:** My hon. Friend is right about the importance of design and the quality of the Opposition. It is no accident that, for example, there are 150 different car types on the road whose designs have had input from Royal College of Art students. That is a very good record for British designers and British design, and a strength on which we should build.

**Mr. Peter Ainsworth** (East Surrey): Does the Secretary of State recognise that good design is about not only presentation but content? Is not his problem that he is so obsessed with pinning designer labels on everything that moves that the real issues are ignored? While he publishes airy rhetoric about design and goodness knows what, the tourism industry faces uncertainty, the arts are in crisis, the Royal Opera house is a shambles, the heritage has been designed out of the English language, and sport, music and design are being downgraded in our schools. Through all this, the Secretary of State dithers and does nothing, except cave in to the Chancellor of the Exchequer, which I agree he is good at. The right hon. Gentleman is known to be decent, so why does he not do the decent thing and go before he is pushed? He would bring immense relief to his friends, and might even find time to write a proper book.

**Mr. Smith:** I had hoped that the hon. Gentleman's first question as Opposition spokesman would have been more accurate and have better content. He knows that his analysis of the arts, opera, design and the creative industries would have held true 13 months ago but does not now.

## Tourism

4. **Mr. Bob Blizzard** (Waveney): What support he is giving to encourage tourism as a means of economic regeneration for seaside towns. [46314]

**The Minister for Film and Tourism (Mr. Tom Clarke):** The future of our seaside resorts has been a key consideration for the domestic tourism working group, whose final report, containing specific proposals, we received recently. These will be reflected in the tourism strategy to be published later this year.

**Mr. Blizzard:** I thank my right hon. Friend for that reply and for his support for tourism in my constituency through his recent visit to Lowestoft to present the national blue flag beach awards and open our new marina, which was built with European funding. On the Agenda 2000 proposals for reform of the structural funds, will he press the President of the Board of Trade to support the inclusion of problems faced by seaside towns as a new criterion for objective 2? Will he ask the arts lottery board to take into account the capacity of projects for economic regeneration in considering applications? Lowestoft is submitting a bid for a spectacular glass monument to mark its position as Britain's most easterly point, which would be of great economic benefit to the town.

**Mr. Clarke:** I very much enjoyed my visit to my hon. Friend's constituency. I now understand—if I needed to learn—how popular he deservedly is. I am sure that my hon. Friend the Minister for Arts listened to the second part of my hon. Friend's question.

Tourism has already greatly benefited from European regional development fund money for projects that support and develop tourism and cultural attractions.

The total value of objective 1, 2 and 5b programmes for the period 1994 to 1999 is expected to be more than 3 billion ecu, or £2 billion. As the Minister responsible for tourism, I can assure my hon. Friend and others that I shall press for that support to continue.

**Sir Teddy Taylor** (Rochford and Southend, East): Is the Minister aware that Southend is a superb centre of tourism which he would do well to visit as soon as he can? Is he aware that some areas of high unemployment are included in travel-to-work areas of low unemployment, with the result that no funding can be provided for their special problems? Will he have a look at the unfair effects thereby created for some superb seaside towns such as Southend-on-Sea?

**Mr. Clarke:** I have not yet had the privilege of going to Southend, but I do look forward to it. I am sure that it is almost as attractive as Cathcart.

Unlike at least one Conservative Front-Bench spokesman, the hon. Gentleman makes serious points—in this case, about employment. Seaside resorts are an extremely important issue for us, discussed time and again at our tourism forum—which has not been mentioned once by Tory Front Benchers. I thank the hon. Gentleman for his fair point, and assure him that, as tourism provides 7 per cent. of all employment, I should like it to offer constituents such as the hon. Gentleman's still more employment, especially via the new deal.

**Mr. Lawrie Quinn** (Scarborough and Whitby): Does my right hon. Friend agree that areas such as mine need economic development not just at the seaside but more widely in the rest of the region? The region, after all, feeds the local tourism economy. Does he propose to have words with the regional development agencies, once they are set up, to stimulate regional tourism and the local economy by allowing local people an input?

**Mr. Clarke:** My hon. Friend is absolutely right. The tourism industry in Great Britain needs a closer working relationship between the regional tourist boards and, in due course, the RDAs. I know that my hon. Friend has contributed thoughtful ideas in that respect; I can assure him that the membership of the forum is much concerned with his excellent point.

**Mr. Ronnie Fearn** (Southport): How closely is the Minister working with the Heritage Lottery Fund on obtaining funding for piers, not just in my constituency but in many other places? I know that he will say that he has nothing to do with influencing such funding, but surely the Department can make recommendations.

**Mr. Clarke:** The hon. Gentleman, for whom I and all hon. Members have a great regard, has both asked and answered his question. Of course we cannot intervene in lottery allocations; the problems affecting his pier, and of expenditure elsewhere in England, were made considerably worse by the reckless and inadequate policies of the Conservative party. Over the past 10 years, the Tories reduced public expenditure on the English tourist board from £25.8 million to a mere £9.9 million a year. They should hang their heads in shame.

**Mr. Gordon Marsden** (Blackpool, South): Does the Minister accept that many Labour Members are extremely supportive of and grateful for the Government's work on the new deal and appreciate their responsiveness to the particular problems of seaside towns and seasonal employment? What further representations has he received from the tourism industry in support and in respect of the new deal?

**Mr. Clarke:** I am happy to say that support for the new deal has been absolutely massive—*[Interruption.]*—as those who really work in their constituencies and in the industry understand. Would Conservative Members challenge Tim Bartlett, chief executive of the English tourist board, who said:

> "We . . . believe that our industry can make a major contribution to the New Deal, and that the tourist boards can offer a practical access route to over 15,000 members—mostly small or medium sized businesses—throughout the country"?

That is very positive. It appeals to us, but of course it would not register with Conservative Members.

**Mr. Peter Ainsworth** (East Surrey): We have been told that a planned series of ministerial visits to seaside resorts this summer has been cancelled on the advice of officials. It was to have been called the seaside rock tour, or some such nonsense. Is it surprising that Ministers are afraid to show their faces at seaside resorts, given that all they have delivered so far to the United Kingdom tourism industry is a tide of European Union regulation and threatened abolition of the English tourist board? Was the Select Committee on Culture, Media and Sport not right to say that tourism is insufficiently glamorous for the current Secretary of State? Is it not true that, far from getting a kiss-me-quick on the promenade, any Minister who is rash enough to visit a seaside resort this summer is likely to be told where he can stick his rock?

**Mr. Clarke:** I know that Jonathan Aitken is not around these days, but one would think that the shadow Minister might have got a better scriptwriter. The fact is that my right hon. Friend the Secretary of State and I fully intend to visit many parts of the country; indeed, as the hon. Gentleman must know, we have already started. As for the speculation in which he indulges, it is that and no more. He encourages us to visit seaside resorts and we shall visit, with absolute delight, Labour Scarborough, Labour Blackpool, Labour Hove and many other resorts which will continue to return Labour Members of Parliament.

## Sport (Social Exclusion)

5. **Mr. David Lock** (Wyre Forest): How his Department is working with the social exclusion unit to ensure sport plays a role in combating social exclusion. [46315]

**The Minister for Sport (Mr. Tony Banks):** My Department is working closely with the social exclusion unit. The last meeting took place as recently as 16 June. We see great potential for sport to play a part and we have already announced that we are working on a comprehensive strategy on sport which will, among other areas, address the problems of social exclusion. Sport is a great motivator, as we can see at the moment; it has a role to play in youth social inclusion.

**Mr. Lock:** Does my hon. Friend agree that the Football Association has taken great strides over the years to foster

social inclusion through having schools of excellence for young footballers in clubs throughout the country? However, will he join me in expressing dismay at the FA's recent decision to limit schools of excellence to premiership and league clubs, thus leaving conference clubs such as Kidderminster Harriers in my constituency out in the cold? The 165 boys at that club will have no school from next year. Will my hon. Friend join me in urging the FA to think again and use his office to encourage it to take a broad approach towards tackling social exclusion in football through schools of excellence?

**Mr. Banks:** Obviously, football has a great role to play in programmes for social inclusion and I share my hon. Friend's disappointment that the Kidderminster Harriers club was not granted a licence to operate as an FA centre of excellence. However, that is a matter for the FA, and the technical control board that is responsible decided, for a variety of reasons, that it would not recognise Kidderminster Harriers' scheme.

I know that my hon. Friend has been campaigning, and I am more than ready to use my good offices to bring together my hon. Friend, the Football Association and Kidderminster Harriers so that we can explore that matter. We want football to flourish in Kidderminster and elsewhere. It was a great disappointment that, three years ago, Kidderminster was unable to join the football league because of its inability to meet the ground requirements. I shall certainly use my good offices to assist my hon. Friend and his club, and he is doing a great job in assisting it in the House today.

**Mr. Nick Hawkins** (Surrey Heath): Is the Minister not embarrassed by the fact that, last week, the Secretary of State introduced a new form of potential social exclusion—the social exclusion of those who are keen on test cricket, who may well be unable in future to watch it on terrestrial television? As someone who, as a Back Bencher, was a scourge of the tabloidisation of British politics, does the Minister not recognise that two days of adverse headlines have resulted in a wanton act of appeasement of the main proprietor of the tabloid?

**Mr. Banks:** I could never be disappointed in the actions of my right hon. Friend. The hon. Gentleman has a strange approach to this issue. Sky Television criticised my right hon. Friend's decision, while the British Broadcasting Corporation broadly welcomed it. Most importantly, the England and Wales Cricket Board welcomed the decision. Hon. Members must understand that the problem is how we get more resources into cricket while maintaining the maximum access through television. The money that the ECB will receive through Sky if the deals go ahead will enable cricket to be developed at school, county and local levels, which is why the Secretary of State made the right decision. It was a brave decision, but I am sure that it will lead to the development of greater cricketing ability in this country, which, as I am sure the hon. Gentleman agrees, we desperately need.

## 2006 World Cup

6. **Ms Claire Ward** (Watford): What discussions he has had on the 2006 world cup bid; and if he will make a statement. [46316]

**Mr. Banks:** I hold regular meetings with the Football Association. I have discussed the 2006 bid with key members of the FIFA executive committee, here in London and in their home countries, and the Government will continue to play a full part in the 2006 campaign.

**Ms Ward:** Does my hon. Friend agree that the criminal activities of drunken hooligans must not be allowed to knock off course England's world cup bid? Does he deplore the decision by the authorities in St. Etienne to allow all-day drinking, particularly in the light of the statement by the spokeswoman for the prefecture in Lens that the ban on alcohol was the main reason for the relative lack of trouble in that town?

**Mr. Banks:** I condemn unreservedly the behaviour of the small criminal element that caused trouble in Marseilles. When those who were imprisoned arrive back in this country, they will be dealt with using further restriction orders. Those who think that they may have got away with crimes in Marseilles should know that footage is still being examined. The French authorities will take action against them, and we support them entirely in that.

I cannot join in my hon. Friend's criticism and condemnation of decisions about drinking that might be taken in St. Etienne. It is amazing that a police officer in France, who said that the French want to keep their bars open so that they can keep the world cup festivities going, was condemned here by our tabloids as a lunatic who has escaped from an asylum, as if it is French people's fault that some of our fans cannot hold their drink. Drinking a lot is no excuse for trashing a town or beating up people. The French must be concerned about their town and their welfare, and I am happy to let them make their own decisions. I understand that there will be a press conference later this afternoon and the French authorities may change their decision. We should undoubtedly welcome that, but what a sad comment that is on the minority of English fans who still cannot mix football with drink.

**Mr. Michael Fabricant** (Lichfield): But will the Minister be any more effective in getting the world cup to come to the United Kingdom in 2006 than he has been in trying to get more than the derisory 2,000 seats for the next football match in France?

**Mr. Banks:** That is very good, but I am not Tone the Tout; I do not actually have tickets at my disposal. As hon. Members will know, I took a decision not to go on the ground that I somehow knew that this situation would develop. Obviously, the ticket allocation for England's match in St. Etienne is derisory, but the arrangement was made some time ago.

The blame lies with FIFA for allowing 60,000 tickets to go to French nationals, who clearly have not taken up their allocation but instead have sold them on the black market. A number of national associations did not need their tickets, but, instead of sending them back to FIFA so that they could be passed on to countries such as England, Germany, Holland, Japan and Argentina which needed them, they dumped them on the black market.

Hon. Members should not blame me. I would have loved to be responsible for ticket allocations. I might even have found one for the hon. Gentleman—or not, as the case may be. We must ensure that, after this is over,

FIFA carries out a thorough investigation so that this shambles is not repeated either in 2002 or in 2006, when England will host the world cup.

### Heritage Lottery Fund (Access Fund)

7. **Laura Moffatt** (Crawley): What plans he has to ensure that the Heritage Lottery Fund's access fund benefits projects targeted at disadvantaged people. [46318]

**The Secretary of State for Culture, Media and Sport (Mr. Chris Smith):** I am delighted to welcome the museums access fund, which will improve access to museums and galleries and will, of course, as part of its work, support access for those who are disadvantaged. I have recently issued new policy directions to the Heritage Lottery Fund, giving increased emphasis to the need to use lottery funding to promote access to the heritage for people from all sections of society and to take into account the scope for reducing economic and social deprivation.

**Laura Moffatt:** Does my right hon. Friend agree that access is not just about physically getting into a building? The many access groups throughout the country will be very willing to assist with this new direction, which I know they welcome very much. If we are truly interested in fairness for those on low incomes, the unemployed and those with young children, we must ensure that they can get into these wonderful buildings. If we are truly interested in equality, we must pay particular attention to that.

**Mr. Smith:** My hon. Friend is absolutely right. Getting as many people as possible to enjoy the riches in the great storehouses of this country is one of the major objectives of Government policy. It is why, for example, we were delighted to announce at the time of the Budget that we were maintaining free admission for everyone to great national collections such as the national gallery, the Tate and the British museum.

**Mr. James Gray** (North Wiltshire): In that case, will the right hon. Gentleman confirm that the British library will not charge for admission?

**Mr. Smith:** The hon. Gentleman may not have heard my speech at the opening dinner of the British library last week, when I welcomed the fact that access to the reading rooms for ordinary readers would be free.

**Mr. Bill O'Brien** (Normanton): I thank my right hon. Friend for his support and encouragement for help for disadvantaged people from the lottery fund. Is he aware that many of our local communities would like to help disadvantaged people in any way they can? Will he give them some advice on obtaining lottery funding to help disadvantaged people? It is important that we consider what is happening within our communities and what assistance should be given to them.

**Mr. Smith:** In a few months, we will be launching a pilot scheme in the east midlands, where the lottery distributors will join together to provide a fast-track scheme for local community organisations that wish to put in bids for small grants to help their own neighbourhoods and communities. I hope that that scheme will roll out nationwide from April next year.

### Broadcasting (Impartiality)

8. **Dr. Julian Lewis** (New Forest, East): If he will make a statement on the *(a)* provisions in the charter and agreement and *(b)* legislation which require the British Broadcasting Corporation and independent television and radio to treat politically controversial subjects with due impartiality. [46319]

**The Secretary of State for Culture, Media and Sport (Mr. Chris Smith):** The Independent Television Commission and the Radio Authority have a statutory duty to do all that they can to ensure that broadcasters in the commercial sector report news accurately and treat matters of political and industrial controversy with due impartiality. The BBC governors have equivalent obligations under the BBC charter and agreement. The regulators set out detailed requirements guidelines in their programme codes.

**Dr. Lewis:** I thank the Secretary of State for reminding the House about the statutory and other duties laid on the BBC and ITV to treat politically controversial subjects impartially. Is he aware of the fact that, on one of the most politically controversial subjects of the day—British entry into economic and monetary union—in a recent poll, 65 per cent. of people declared themselves against it, 33 per cent. in favour and only 2 per cent. undecided? In the light of that, will he agree that, if the BBC or ITV, in the months ahead, persist with pursuing a Euro-federalist propaganda initiative in their broadcasts, they will be behaving not only undemocratically, but illegitimately?

**Mr. Smith:** I see no difficulty in the true impartiality with which those matters—as all political matters—are dealt with by BBC and ITV journalists, in a truly professional manner. I notice that it has not stopped the hon. Gentleman, who was once a member of the Labour party in Newham, from doing a perfectly competent job at making a fool of himself on the Tory Benches.

**Mrs. Gwyneth Dunwoody** (Crewe and Nantwich): One way in which the BBC can escape its responsibilities is simply not to broadcast Parliament or any of its hearings—in other words, to substitute programmes in which political journalists interview other political journalists. What effort is my right hon. Friend making to monitor the correct reporting of Parliament?

**Mr. Smith:** I am very concerned to ensure that the BBC and other broadcasters continue to report Parliament fairly and effectively. I know that my hon. Friend, Madam Speaker and other hon. Members have made strong representations on that matter, and they will continue to monitor how the BBC performs.

**Mr. Robert Maclennan** (Caithness, Sutherland and Easter Ross): Bearing in mind the BBC's reluctance to listen to those who have made representations about its change of policies on the broadcasting of politically controversial issues, will the Secretary of State throw his weight behind proposals to establish an election

commission, which would be independent and would be capable of bringing under its purview the whole issue of broadcasting and fairness, in respect not only of elections but of referendums, with which we are becoming more familiar?

**Mr. Smith:** I am not sure that an election commission is needed to establish the clear principle of impartiality in all such matters, be they parliamentary elections, other elections or referendums. The BBC and other broadcasters must remain impartial; that principle is clearly established, and I emphasise that it is the duty of the governors and of the ITC to ensure that that impartiality is upheld.

## Football (Racism)

9. **Mr. Derek Wyatt** (Sittingbourne and Sheppey): What steps the football task force is taking to combat racism in football. [46321]

**The Minister for Sport (Mr. Tony Banks):** The football task force has completed an excellent report into racism in football and made numerous practical recommendations to combat this blight on the game. I have written to all the organisations identified in the report as having a role to play, asking them how they intend to implement the recommendations relevant to them. I am very pleased with the positive responses that I have received from those organisations to date.

**Mr. Wyatt:** I thank my hon. Friend for that reply. While we are waiting for a gap in the legislative process, could I persuade my hon. Friend to publish a league table of worst offenders in soccer, so that we can shame the clubs, and their shareholders?

**Mr. Banks:** On waiting for a gap in the legislative timetable, the House should be aware that the Government will amend the Football (Offences) Act 1991 to make racist abuse by individual spectators an offence, and that we want to do so as speedily as possible. My hon. Friend dangles before me an interesting and tempting proposition. I shall consider it in due course, and I may come back to him with a more considered response.

## Millennium Commission Grants (North-west Region)

10. **Helen Jones** (Warrington, North): What proportion of the funding available to the Millennium Commission will be spent in the north-west region. [46322]

**Mr. Banks:** To date, the Millennium Commission has awarded grants totalling just over £93 million to 15 capital projects in the north-west region, from a national total of just under £1.24 billion. The north-west will also benefit from the £100 million millennium festival fund and the millennium awards scheme for individuals.

**Helen Jones:** I thank my hon. Friend for that reply. However, is he not aware of the great disquiet in constituencies such as mine over uneven distribution of funds from the Millennium Commission? Will he undertake to do all in his power to persuade the commission to consider favourably applications from areas that have not yet received any millennium funding—which just happen to include my own constituency?

**Mr. Banks:** Yes, I accept that, for my hon. Friend, that is a bit of a bummer. We all like to see money coming into our constituency.

**Mr. Nicholas Soames** (Mid-Sussex): The hon. Gentleman is a statesman.

**Mr. Banks:** I like to move around.

I tell my hon. Friend the Member for Warrington, North (Helen Jones) that a series of projects in the north-west will be of enormous benefit to the entire region. She will understand that, because of changes that we are making to lottery administration in the National Lottery Bill, a fairness test will be possible, to consider strategically how funds are spent across the country. One wants there to be greater evenness and fairness in distributing lottery funds, and I think that my hon. Friend can look with some hope to the future in respect of her constituency and large amounts coming from the lottery.

## Creative Industries

11. **Mr. Martin Linton** (Battersea): What assessment he has made of the job creation potential of Britain's creative industries. [46323]

**The Secretary of State for Culture, Media and Sport (Mr. Chris Smith):** The latest job survey figures produced on behalf of the Department for Education and Employment by the Office of National Statistics show that some 1.5 million people are employed in the creative industries. I intend shortly to publish the results of an exercise undertaken on behalf of the creative industries task force to map in greater detail the wealth and job-creation scope of the creative industries.

**Mr. Linton:** Is my right hon. Friend aware that that 1.5 million figure, coupled with the 1.7 million figure comprising those working in the tourism industries, mean that he is responsible for two of the largest industries and biggest earners of foreign exchange in the United Kingdom? Is he aware that those industries have constantly to be replenished with new talent? Will he therefore discuss with employers in the theatre, film and television industries how they can make the new deal available to young self-employed artists, especially through open learning, in the same way as the music industry has made the new deal available to young musicians?

**Mr. Smith:** The answer to my hon. Friend's specific question is yes. We are already in discussion with those parts of the world of the arts to ensure that they can take full advantage of the new deal. On the general point, not only are those sectors of enormous economic importance but they are currently growing at twice the rate of the overall economy. That is why we take those parts of our economy seriously—although, from their earlier comments, it is quite obvious that Opposition Members do not.

## MINISTER WITHOUT PORTFOLIO (MILLENNIUM EXPERIENCE)

*The Minister was asked—*

### Millennium Experience

29. **Mr. John M. Taylor** (Solihull): How much money from the private sector has been raised so far for the millennium experience at Greenwich. [46342]

**The Minister without Portfolio (Mr. Peter Mandelson):** Over £100 million of private sector sponsorship has been identified so far. The New Millennium Experience Company is in active discussion with a number of companies, and is on course to achieve the target of £150 million by the end of the year.

**Mr. Taylor:** Can it be true that the Minister is spending £500,000 trying to find out what makes us British? Will he accept it from me that one of our finest manifestations is the English language, which he is murdering by calling the British zone "UK at Now"?

**Mr. Mandelson:** I am not quite sure what that question has to do with private sector sponsorship of the millennium dome. I should have thought that the hon. Gentleman—before moving on to a different matter, with which I shall deal in a moment—might have congratulated the company on its success in identifying that amount of money to date. One year ago, not one penny of private sector sponsorship had been identified by the previous Administration. I have read, with interest, the same articles as the hon. Gentleman on the national identity zone. However, I have to say that, just last Friday, as I visited the design company and team working on the zone, I did not recognise much in the reports that was true. As for the specific issue of the opinion poll—which will not be costing £500,000—I should prefer to see in the dome what the British people themselves regard and express as their national identity. I am rather more interested in the views of the British people than I am in those of any team of designers, the millennium organisers or the Minister without Portfolio.

**Mr. Ivor Caplin** (Hove): Has my hon. Friend seen the report by the English tourist board, which suggests that the millennium experience and the dome will be a huge boost for jobs in the south-east, which will have a direct impact on my constituency and the outlying areas of Sussex and Kent?

**Mr. Mandelson:** My hon. Friend is absolutely right. The report by the English tourist board is extremely encouraging and confirms one reason—employment creation and its benefit to the British economy—of the many for going ahead with the millennium project in the first place. In addition, the British Tourist Authority has said that, on a conservative estimate, the experience will generate £300 million to £500 million of overseas revenue, and the true amount could be double that—£1 billion could be the economic halo effect for Britain of our holding this millennium experience.

**Mr. Peter Ainsworth** (East Surrey): I am not entirely sure that the hon. Gentleman has finally crossed his t's and dotted his i's in terms of the sponsorship that he claims but, be that as it may, I want to be helpful about the dome—[Hon. Members: "No!"] Oh yes, I want to be helpful. Is not the single biggest impediment the fact that, in the hands of the Minister without Portfolio, the project is increasingly being seen as a party political bandwagon, albeit one that has already lost a couple of wheels? Would not the most helpful thing be for the Minister now to give way to a non-political person of real independence and stature who can get to grips with the project and pull in the remaining sponsorship that is so badly needed?

**Mr. Mandelson:** The hon. Gentleman says that he wants to be a little more supportive. He may not have noticed that the question that he has just asked is exactly the question asked by his predecessor, not only at the previous session of oral questions, but at the one before, so the hon. Gentleman seems to be stuck in a bit of a rut. I am surprised because the hon. Gentleman was a member of the Government and of the National Heritage Department team that originally developed the proposals for the millennium experience in the first place. I hope that, on that basis, we can look forward to a little more encouragement and support for the excellent work being undertaken.

**Mr. Barry Sheerman** (Huddersfield): Will my hon. Friend point out to the House that the private sector companies investing in the millennium dome are this country's world-class companies? It is a tribute to them that they see it as an opportunity to sell their wares and the talents and skills of this country. It is difficult these days to ask a question in support of the millennium dome because of the awful attitude of the Opposition; some London Labour Members who do not know what is a good investment in their own backyard; and *The Daily Telegraph*, which calls us sycophants if we show any support, but does my hon. Friend accept that he has our support and will continue to have it because the project is good for Britain and good for our future?

**Mr. Mandelson:** I am grateful to my hon. Friend for that support. The fact is that no comparable event has raised such a large sum of money so quickly in private sector sponsorship, or so far in advance of the event taking place. That is absolutely unprecedented and very encouraging. As my hon. Friend points out, our best and most forward-looking companies are picking up the challenge because they see their commercial interest coinciding with the national interest. We are on course to meet our ambitious sponsorship target. It is very ambitious indeed, but I am confident that we shall meet it by the end of the year. I look forward to announcements of further substantial sponsors quite soon.

### Spirit Zone

31. **Mr. Tim Loughton** (East Worthing and Shoreham): If he will make a statement on the progress of preparations for the spirit zone. [46346]

**The Minister without Portfolio (Mr. Peter Mandelson):** Details of the design for the spirit zone of the millennium experience were made public on 24 February this year. Since then, the New Millennium Experience Company has been working closely with

the Lambeth Consultation Group, which comprises representatives of the main Churches and other faith groups, to ensure that the zone reflects the spiritual values identified by the Lambeth group. Copies of the group's document setting out its approach have been placed in the Library of the House.

**Mr. Loughton:** Will the Minister suggest how a Christian visitor to the dome—celebrating, after all, the birthday of Christ—may enjoy spiritual contemplation in the spirit zone with the roar of the Blackwall tunnel below, the clamour of the Cirque du Soleil just yards away six times a day, and not a crucifix in sight?

**Mr. Mandelson:** The Lambeth group, on which the Churches are represented, has agreed the design brief and the approach that is being taken by the company to the construction of the zone and to the millennium experience. I am sorry that the hon. Gentleman, from his close examination of the proposals, is disappointed, but, when he comes to the dome, as I hope that he and his family will, he will be as excited as other Christians and members of other religious faiths. If, however, he does not want to come to the dome, he might bear it in mind that the Churches are organising a full programme of events in that year, focused on Pentecost 2000 on 10 and 11 June, and the millennium affirmation, which it is also sponsoring. There will also be national church services to mark the passing of the millennium. If that is not enough, the New Millennium Experience Company has already said that there will be a place in the dome for private prayer.

**Mr. John Maxton** (Glasgow, Cathcart): Has the British Humanist Association been involved in the discussions in relation to the spirit zone, to ensure that the growing number of people who have no belief in any religion, but who do believe there is a spiritual nature to mankind, are involved in the spirit level?

**Mr. Mandelson:** My hon. Friend touches on an important point, which is that, although the dome should reflect the important contribution that the Christian Church has made to our history and society, we also want the millennium experience to be open to members of all faiths and of none. I am sorry that some Conservative Members do not share that view. They think that it should be an exclusive event—only for those who go to church. It will be enjoyable and appealing to those who go to church, but it will also be appealing to those of all faiths and of none, and that is precisely what it should be.

## CHURCH COMMISSIONERS

*The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—*

### Overseas Investments

35. **Mr. Brian Jenkins** (Tamworth): What is the value of the commissioners' assets invested abroad. [46351]

**Mr. Stuart Bell** (Second Church Estates Commissioner, representing the Church Commissioners): The commissioners have £350 million invested in overseas equities, representing approximately 10 per cent. of their total assets.

**Mr. Jenkins:** I thank my hon. Friend for that answer. As he must be aware, newspaper reports in recent months have shown quite heavy losses in the far east. What is the extent of those losses to the Church's holdings? Will he take a message from me to the Church Commissioners? Will he remind them of the old adage, "In God we trust. Others pay cash"?

**Mr. Bell:** I am grateful to my hon. Friend for his supplementary question. In 1997, a total return of 10.6 per cent. was achieved on overseas equities, which compared favourably with the UK pension fund universal return of 7.5 per cent. That result has contributed to the commissioners' overall performance, which placed it in the top 1 per cent. when compared with other UK pension funds.

In relation to the far east, we are all aware that we live in a global economy, and one with a thatched roof. If there is a fire in the far east Asia part of the roof, it has some impact. However, I am happy to say that the impact on the Church Commissioners' money has been very limited. Our assets have moved from £2.1 billion in 1992 to £3.5 billion in 1997.

**Mr. Nicholas Soames** (Mid-Sussex): After a bad experience quite a long time ago, have not the Church Commissioners done a remarkable job in the past few years? Should we not all be pleased about the turnaround in their fortunes, which is a great tribute to the integrity and effort of the people who look after the money for them? Will the hon. Gentleman—just to reassure the hon. Member for Tamworth (Mr. Jenkins), who clearly does not understand—confirm that a portfolio of that size, by its nature, has to be invested throughout the world? I am sure that the Church Commissioners have taken whatever steps they need to take to respond to the crisis in the far east.

**Mr. Bell:** I am grateful to the hon. Gentleman for his comments, which will be greatly welcomed by the Church Commissioners and their staff, who spend an enormous amount of time investing £3.5 billion. The valuation loss from our far eastern equities has been proportionately minor compared with those of other institutional funds because of our relatively low exposure to those areas.

### Spirit Zone

36. **Mr. Peter L. Pike** (Burnley): What steps the Commissioners are taking to finance the spirit zone in the millennium dome. [46352]

**Mr. Stuart Bell (Second Church Estates Commissioner, representing the Church Commissioners):** The commissioners will not be providing finance for the spirit zone. They are required by law to use their income for the stipends, pensions and housing of the clergy of the Church of England. However, I have made it clear to the New Millennium Experience Company that, as Second Church Estates Commissioner,

I am willing, with others, to assist the company in opening discussions with potential sponsors who see the importance of that essential element for the zone's success.

**Mr. Pike:** I thank my hon. Friend for that answer. Press reports have said that several million pounds are needed to finance the spirit zone in the millennium dome. Is he confident that the money will be raised through sponsorship and that the zone will be ready when the dome opens?

**Mr. Bell:** I am grateful to my hon. Friend for that supplementary. My hon. Friend the Minister without Portfolio, the New Millennium Experience Company and the Churches, through the Lambeth Consultation Group, have demonstrated their determination to have a spirit zone in the dome and to make it a success. For what it is worth, I add my determination and commitment to ensuring that the spirit zone and other Church events referred to by my hon. Friend the Minister without Portfolio will be a success.

**Mr. Peter Viggers** (Gosport): Is the hon. Gentleman aware that many of my constituents have expressed concern that, while previous generations have built soaring cathedrals, we are building the dome? Given that we are officially a Christian country, will the hon. Gentleman confirm that there will be a place in the millennium experience for the celebration of the anniversary that the millennium is all about?

**Mr. Bell:** I am grateful to the hon. Gentleman for that supplementary. The Church has gone to great lengths to ensure a full Christian dimension in the spirit zone. The Archbishop of Canterbury went to see the millennium dome and missed the England-Romania game—greater love hath no man. He is content with the Christian element of the spirit zone, as is the Lambeth group. When it is fully revealed to the public and to the hon. Gentleman's constituents, I am sure that they, too, will be content.

**Mr. Simon Hughes** (Southwark, North and Bermondsey): Will the hon. Gentleman assure us that the Church Commissioners will use the opportunity of the millennium for a review of the assets of the Church of England? In some places, we have five churches where one would do. We have vicarages and houses that are inappropriate for our generation. Church plants are often made away from where the people are. One of the most useful things that we can do to get across the message of the Christian faith is to ensure that the money that we are spending is used wisely, economically and, above all, in the right place.

**Mr. Bell:** I am grateful to the hon. Gentleman. As the House knows, we passed the draft National Institutions Measure two weeks ago, creating an Archbishops Council. No doubt, the council will wish to consider the hon. Gentleman's question to see whether the Church's finances can be better focused and streamlined. As the hon. Gentleman knows, there are many sources of finance in the Church. No doubt, the Archbishops Council will want to consider his suggestion.

## Ethical Investments

37. **Mr. Paul Flynn** (Newport, West): If he will make a statement on the Church Commissioners' 30 per cent. threshold for ethical investments. [46353]

**Mr. Stuart Bell (Second Church Estates Commissioner, representing the Church Commissioners):** Precise benchmarking criteria are not operated. The benchmark that we use is whether the restricted areas represent a sufficiently limited proportion of the whole group, rather than the absolute size.

**Mr. Flynn:** How do the Church's investments in weapons of warfare advance the work of the prince of peace?

**Mr. Bell:** I am always grateful for helpful supplementaries, of which that is one. The Church welcomes the new European Union code of conduct on arms sales, which should tighten the laws on arms sales to repressive regimes. We work closely with the ethical investment working group of the Church Commissioners, which has developed a dialogue over the past two years with companies that manufacture arms. We ensure that companies always operate under Government licence and within the ethical guidelines of the Church Commissioners.

## Clergy Funding

38. **Sir Sydney Chapman** (Chipping Barnet): If he will make a statement on the work of the Church Commissioners during the past year in respect of funding clergy. [46354]

**Mr. Stuart Bell (Second Church Estates Commissioner, representing the Church Commissioners):** In 1997, the commissioners' total expenditure on behalf of the Church was £130.6 million—£82 million on clergy pensions. We contributed £24.6 million towards the total stipends bill of £159.7 million.

**Sir Sydney Chapman:** I thank the hon. Gentleman for that answer. In commending the commissioners and their advisers on the great and welcome increase in the returns recently secured on their investments, will the hon. Gentleman give an assurance that a large proportion of it will benefit clergy, stipends and pensions through the dioceses?

**Mr. Bell:** I am grateful to the hon. Gentleman. The commissioners' aim is always to achieve sustainable expenditure so that we can continue to meet our principal objective of supporting ministry in the neediest diocese. As part of that plan, as he will know, we aim to provide minimum support of £20 million for parochial ministry in the foreseeable future. On the dioceses, to which he referred, it is important that parishioners meet a growing proportion of needs of the Church through stipends costs and, of course, the cost of future service pensions. I am sure that he appreciates the floor of £20 million a year.

# Opposition Day

[15TH ALLOTTED DAY]

## The Economy

**Madam Speaker:** I have selected the amendment in the name of the Prime Minister.

3.30 pm

**Mr. Francis Maude** (Horsham): I beg to move,

That this House notes that the last Government left a golden economic legacy of low inflation, steady and sustainable growth and falling unemployment; that, since the General Election, there have been 17 tax rises and 6 increases in interest rates, leaving the typical family £1,000 a year worse off; that the economy is becoming dangerously unbalanced, with manufacturing in recession, the claimant count rising and the savings ratio falling to its lowest level since 1990 as a result of the Government's attack on pensions and savings; further notes that, at the same time, inflation has risen to its highest level for six years and believes that the Chancellor's decision to abandon control of public spending and to reverse his plans to repay national debt risks adding further inflationary pressure; concludes that the Government has created boom and bust at the same time; and deplores the Government's mishandling of the economy.

For the avoidance of doubt, I declare my business interests as set out in the register—all companies with an interest in the well-being of the British economy.

I have here a fax from the Chancellor of the Exchequer, which my office received at four minutes past 2 o'clock this afternoon. It reads thus:

"As President of ECOFIN, I must appear before the European Parliament's Economic and Monetary Affairs Committee at the beginning and at the end of the UK Presidency to give a report on the Presidency, and to answer questions from members of the Committee.

The Committee has arranged to meet today at 3pm in Brussels"—

four minutes before I received the fax, given the time difference. That was clearly a very urgent appointment. It says much about the Chancellor that it was more important to him to appear before the European Parliament—not even the whole European Parliament, but one of its committees—than to appear before the House of Commons to defend his handling of the British economy. We appreciate that the meeting might be only one of the few European meetings at which he is still welcome, but it is lamentable that he has failed to show up to defend what he has done.

**Several hon. Members** *rose—*

**Mr. Barry Gardiner** (Brent, North): Will the right hon. Gentleman give way?

**Mr. Maude:** I should like to get started. If the hon. Gentleman will contain himself in patience awhile, I shall give way to him.

**Mr. Barry Sheerman** (Huddersfield): On a point of order, Madam Speaker. Just in case the House is being misled, the right hon. Gentleman should clarify whether the Chancellor is speaking to a committee of the European Parliament, as he suggested, or to the Finance Ministers of all member states. The right hon. Gentleman led us to believe that the meeting was of some minor European Parliament committee. I think that he is misleading the House.

**Madam Speaker:** That is not a point of order; it is a matter of argument. I am sure that the right hon. Member for Horsham (Mr. Maude) will make the position absolutely clear.

**Mr. Maude:** I did make it absolutely clear.

**Mr. Sheerman** *indicated dissent.*

**Mr. Maude:** If the hon. Gentleman listens, I shall tell him the answer. The meeting is of the European Parliament's Economic and Monetary Affairs Committee; it is not ECOFIN.

**Mr. Sheerman:** The right hon. Gentleman said that it was ECOFIN.

**Mr. Maude:** I said that it was the Economic and Monetary Affairs Committee of the European Parliament; I read the whole thing out verbatim. *[Interruption.]*

**Madam Speaker:** Order.

**Mr. Maude:** It is a matter of regret that the Chancellor of the Exchequer does not feel that it is important to defend his handling of the British economy in the House of Commons.

Because of the central importance of the Treasury and of the Chancellor in the Government, on his decisions are placed the hopes and fears of millions of people. It is for that reason that the House must examine carefully what he has done, how it has affected the economy and how it matches the solemn pledges that he and the Prime Minister made, to secure their election.

I start with a prediction about the course of the debate. Madam Speaker, you should expect a succession of interventions—

**Mr. Gardiner** *rose—*

**Mr. Maude:** In fact, the first may be on his feet already.

The interventions will come from pre-programmed Labour Back Benchers, who will parrot out—*[Interruption.]* It is nice to hear that they are limbering up already.

No one should expect—

**Mr. Gardiner:** Will the right hon. Gentleman give way?

**Mr. Maude:** I shall give way to the hon. Gentleman in a moment.

No one should expect Labour to talk much about today's economy and about its prospects over the next few years. I predict that today the Chief Secretary will pound out the Chancellor's familiar mantras, and will do everything that he can to avoid talking about the current economy.

It is strange that while Labour was basking in the glow of the golden economic legacy that it inherited, it cheerfully took the credit for all that occurred.

**Mr. Gardiner:** The right hon. Gentleman alluded to "pre-programmed Labour Back Benchers". I wish to reassure him that I am a pre-programmed Back Bencher. However, from a fax addressed to the right hon. Francis Maude from Andrew Tyrie MP, which came to my office not long ago—I presume by mistake—it is apparent that the right hon. Gentleman had raised questions with the hon. Member for Chichester (Mr. Tyrie) on the very point of the economic legacy. For example, he asked:

"Are we saying that the public finances are strong or not?"

The answer was:

"Yes. Our legacy."

The right hon. Gentleman then asked:

"If yes, is this because we left them strong, or because Brown has been an Iron Chancellor?"

It continues in the same vein.

How does the right hon. Gentleman have the gall to come before the House and talk about the "golden economic legacy" and question the Government's programme, when he does not seem to know about those matters and has to question junior Conservative Back-Bench Members?

**Mr. Maude:** I am delighted that the hon. Gentleman raised that. He has referred to a document that was produced before the Chancellor came to the House two weeks ago, to set out what the real state of public finances is. I shall deal with exactly the questions that the hon. Gentleman raises. He might not find it quite so enjoyable when I do.

It is worth reminding ourselves just what the legacy was—not in dry numbers, but in terms of what was said about it. Labour Members may not remember this, because they have short-term memories, but it is worth reminding ourselves of what the International Monetary Fund said in 1996. It stated that

"recent economic performance"

in the UK

"has been enviable. Since 1992, output growth has rebounded, unemployment declined markedly and inflation been brought down to the lowest levels in a generation. The strong overall performance is a product of sound economic policies—the unfettering of market forces initiated in the 1980s and the medium term and stability oriented cast imparted to fiscal and monetary policies".

That was then, but what about now? Now that the trickle of bad news threatens to turn into a torrent, do not expect to hear so much about it today. If the Chief Secretary talks about it, I predict that it will all turn out to be somebody else's fault.

Let us start by recalling what Labour promised. Let us look at the early pledges. Labour said that it would

"set . . . rules for government spending and borrowing; ensure low inflation;"—

that is a good one—

"strengthen the economy so that interest rates are as low as possible."

**Mrs. Helen Brinton** (Peterborough): Will the right hon. Gentleman give way?

**Mr. Maude:** Those are the only pledges that the hon. Lady supported.

What do they mean? What did the Labour manifesto say? In fact, it said:

"We will provide stable economic growth with low inflation, and promote dynamic . . . business and industry at home and abroad."

Then there was that unequivocal promise not to raise taxes. I shall quote directly from the Prime Minister.

**Mrs. Brinton:** Will the right hon. Gentleman give way?

**Mr. Maude:** The hon. Lady will probably want an opportunity to listen to the Prime Minister's words. He said:

"We've no plans to increase taxation at all."

We are all becoming familiar with the way in which the Prime Minister says the first thing that comes into his mind at the Dispatch Box, whether it is true or not, but what does the Chief Secretary think he meant by those words? Which of those words is in any way ambiguous? Is it "we"? Is it "have"? Is it "no"? Is it "plans"? Is it "increase"? Is it "taxation"? How can the Government claim that that was somehow a non-operative promise? *[Interruption.]* If any Labour Member wants to explain how that pledge is compatible with the fact that the Government have raised taxes 17 times, I shall give way.

**Mrs. Brinton** *rose—*

**Mr. Maude:** If the hon. Lady wants to intervene on that specific point, I shall give way.

**Mrs. Brinton:** I thank the right hon. Gentleman for giving way. He seems to have some difficulty in mastering his new brief. Will he explain why, under the Conservative Government, this country suffered the two worst recessions since the second world war and the slowest period of growth?

**Mr. Maude:** It is nice to know that the pre-programming works. I said to the hon. Lady that I would give way if she was going to talk about the Prime Minister's pledge, which has clearly been broken time and again, but Labour Members do not want to talk about today's economy or the pledges that they made and then broke.

The Government's performance has turned out to be rather different from what the pledges suggested. Inflation has risen, interest rates have risen, the pound has risen, taxes have risen and unemployment has begun to rise. At the same time, the balance of payments has fallen, manufacturing output has fallen, investment growth has fallen, productivity has fallen and savings have fallen. The Government claim that they have cut welfare spending, but every welfare reform that they have introduced has cost more, not less, and will bring more people into welfare. *[Interruption.]* I hear the sounds of dissent, but Labour Members should look at their plans—every reform will cost more and bring more people into welfare. What a dismal record of failure.

We know what the Chief Secretary will say; he will say, "It's all someone else's fault." The promise on inflation was not only a pledge, but in the Prime Minister's handwriting. It is a pity that the Government have missed that pledge 12 months out of 13. The Government inherited inflation at 2.5 per cent., and it is

*[Mr. Maude]*

now at 3.2 per cent. That is an increase not of 10 or 20 per cent., but of no less than 28 per cent. We shall be told not to worry, however, as that is someone else's fault—it is the fault of the Bank of England, or of British businesses, which are, we are told, paying their staff too much.

Does the Chief Secretary have any idea how ridiculous he and the Chancellor make themselves when they—who do not have a day's business experience between them—strut around lecturing Britain's most successful companies on how much they should be paying their excellent staff? Do they not understand that, in the real world—not the cloistered world in which they move—people who face an increase in the cost of living because the Government have raised taxes on cars, houses, pensions, mortgages and marriage will ask for more pay? In the Government's never-never land, inflation is the fault of Marks and Spencer, which pays its staff too much.

The Chief Secretary may not have noticed that the Government are railroading through legislation to force many other companies to pay their employees more. We look forward with keen interest to hearing how he will reconcile lecturing Marks and Spencer on paying its people too much with ordering many more companies to pay their staff more.

**Mr. Geraint Davies** (Croydon, Central) *rose—*

**Mr. Maude:** If the hon. Gentleman wants to intervene on that point, I shall give way.

**Mr. Davies:** On the very point of inflation rates at the factory gate, does the right hon. Gentleman agree that, in terms of RPI(Y)—the underlying inflation rate, which does not take account of taxation and interest rates—the rate is down on average? RPI(Y) was at 3 to 3.5 per cent. between 1995 and 1997, but is now going down.

**Mr. Maude:** We have actually got someone to talk about what is happening today. The problem is that the hon. Gentleman took the wrong measure. The Government have failed to meet the Chancellor's chosen measure and target, and that is what they have to explain.

So far, we have had six interest rate rises, and the Governor of the Bank of England is predicting another this month, but that is someone else's fault, too. Does not the Chief Secretary realise that, by raising taxes, the Government have increased the cost of living and created pressure on earnings? Does he not understand that, by attacking savings, they boost spending? As interest rates have been pushed higher than they need have been, the pound has reached levels that cause intense pain to manufacturers and exporters.

The Government have committed themselves, in dogmatic principle, to scrapping the pound at the earliest opportunity, but do they have to choose such a painful way of setting about it? Is it surprising that we now hear talk of an ancient phenomenon that I barely recollect from my distant youth in the days of the previous Labour Government—the spectre of stagflation? We all thought that that word had disappeared, but it is reappearing among economic commentators—the spectre of stagflation again stalks the land.

**Ms Claire Ward** (Watford): Is not the truth that the real reason for the interest rate increases was that the previous Government played politics with interest rates and refused to raise them in the last year before the general election to stem inflation, and so forced this Government to take the necessary action and give that power to the Bank of England? Is not the real reason the Tories' failure when they were in government?

**Mr. Maude:** It is always someone else's fault; it is never the fault of this Government. It has nothing to do with them; they are merely the Government and they merely take the decisions. How have they managed that with the balance of payments figures heading sharply into the red—just the faintest whiff of a balance of payments crisis? With our economy turning down and the European economies starting a gradual recovery, this should have been the time at which the balance of payments turned decisively in our favour, but it is doing the reverse.

What has happened to our export-led recovery? Last week, the Confederation of British Industry figures showed export orders for May and June at their lowest for 15 years. The Government have blown it already—after only a year, they are frittering the legacy away and it is all coming apart. Therefore, it is not surprising that manufacturing is already in recession, with falling production in the past two quarters and jobs lost day after day.

**Maria Eagle** (Liverpool, Garston) *rose—*

**Mr. Maude:** I have already given way several times, so I shall continue for a while. Day after day, jobs are lost, investments are cancelled and businesses are going bust.

**Several hon. Members** *rose—*

**Mr. Maude:** So many hon. Members are cheerfully trying to take part that it is hard to choose among them. Today, the CBI survey shows that business failures are up nearly 10 per cent.

**Mr. Gordon Prentice** (Pendle) *rose—*

**Mr. Maude:** The hon. Gentleman should listen to these figures, as he might want to talk about the effect on his constituency. I am talking about business failures the length and breadth of the country. Small business failures are up nearly 25 per cent., and that is from new Labour, which claims to be the party of new business. However, for those small businesses, which have failed because of the Government's policies, the party is over now.

Will the Chief Secretary tell us today whether he still stands by the growth forecast set out in the Red Book? Does he still believe the figures that he and the Chancellor put in it? Will he guarantee that Britain will not go into recession during this Parliament? More and more commentators are asking not whether we shall have a hard landing but when. Let us hear now what the Chief Secretary has to say about that.

What did the Government say about savings? Oh yes, they said that one of their tax principles would be to promote savings and investment. They have made a difference, and for the many, not the few, they have made the situation much worse. In the Red Book, the Chancellor predicted that the savings ratio would fall to 9 per cent. during this Parliament. He must be feeling pleased with

himself as he has nearly got there already. The figures show that the ratio was already down from 10.1 to 9.1 per cent., just in the first quarter of this year. Is that what the right hon. Gentleman meant by an early pledge? To cut savings by 10 per cent. at the point in the cycle when the Chancellor should be encouraging saving took some doing. In case the Government have forgotten, yes, we told the right hon. Gentleman so.

Surely the Chancellor should have been able to work out that, if one raises a £5 billion-a-year tax on pensions and follows it with an attack on tax-exempt special savings accounts and personal equity plans, it will tend to discourage people from saving.

In case the Chief Secretary still clings to the old Labour belief that it is greedy and selfish to save for one's own and one's family's future, does not he understand the relationship between saving and investment? Even the current Treasury Ministers could not exclude entirely from the Red Book—it was tucked away in an appendix on page 94—the tell-tale number that shows growth of private investment falling in each of the years ahead.

Before the general election, investment-led growth was one of Labour's mantras, but investment and growth are both slowing down; it is all coming apart. That is not surprising, when one remembers what the Government have done to taxes. They said that they would not put them up at all—no ifs, buts or caveats—but they forgot to add—*[Interruption.]* Labour Members might want to listen to this, because their constituents will hold them to account. The Government forgot to add to their pledge, "unless you have a pension, a car or savings; and unless you are married, have a house or own your own business". It is not surprising that the average family is £1,000 a year worse off since May last year.

Not everyone, however, is average. We all remember the Chancellor's famous photo-opportunity at the children's party on the eve of the Budget. He may not realise it, but at children's parties these days everyone has to have something to take away: it is the party-bag culture.

**Mr. Gardiner:** On a point of order, Madam Speaker. Is it in order for the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) to wake up the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg)?

**Madam Speaker:** I did not hear anyone snoring.

**Mr. Maude:** That famous party was held at the house of Mr. Gavyn Davies, one of the partners at Goldman Sachs. He is a lucky chap and did very well in the party-bag handout: a change in capital gains tax will leave him £16 million better off. What about the small business man and the farmer? There was no special treatment for them. They were clobbered by the Finance Bill. What was that phrase about help for the many, not the few?

**Mr. Ivor Caplin** (Hove): Will the right hon. Gentleman outline why members of his party appear to have voted in Committee on the Finance Bill for about £6 billion in tax increases, which would be about 3p on income tax?

**Mr. Maude:** I make no apology for the Conservative party voting against tax increases, and I am grateful to the hon. Gentleman for pointing out the central difference between the Labour and Conservative parties: we believe in low taxes, Labour in high.

**Mr. Caplin:** Will the right hon. Gentleman give way?

**Mr. Maude:** If the hon. Gentleman wants to point out something else to his disadvantage, I am glad to hear from him.

**Mr. Caplin:** I am not surprised that the right hon. Gentleman tried to misinterpret what I said; he has done it before and no doubt he will try to do it again. I said that his party had voted for tax increases amounting to 3p in the pound—and he knows it.

**Mr. Maude:** The hon. Gentleman is totally wrong. The fact is that the Government have repeatedly increased taxes since the general election, in complete breach of their clear pledge not to do so.

We heard all the tough talk about spending, but that is all that it is: talk. We now know from the summer spending statement that the Chancellor never meant it. One does not need to rely on a hostile commentator to make the point. On the Chancellor's own figures, spending is due to increase by 2.75 per cent. a year for the rest of this Parliament, and by more than 3 per cent. if we count back in the numbers that the Government have fiddled out.

Last week, Mr. Irwin Stelzer, Mr. Murdoch's economic guru, wrote:

"Then came the numbers that belie the rhetoric, the Chancellor's parliamentary statement setting out his public spending plans for the next three years. Off with this New Labour facade, on with an Old Labour suit . . . Little wonder that the monetary policy committee of the Bank of England feels it must keep raising interest rates."

No doubt that is why the Chancellor has been summoned halfway across the globe next week to account for himself—another unbreakable appointment—when he addresses the Murdoch empire in, appropriately enough, Sun valley.

For all the brave talk of reducing debt, what do we find? Even on the Chancellor's own most lavish spending option, the Red Book in March showed a debt repayment. In his Budget statement, the Chancellor was at his most thunderous on the subject:

"Stability also requires a commitment to prudence in fiscal policy. The Chancellor is above all the guardian of the people's money."

He added:

"By 2000, the Budget is forecast to be in balance."

He also said:

"To balance the Budget for one or two years and then let it run out of control in the years that follow is simply to fail those who depend on public services . . . So this, more than ever, is the wrong time to . . . compromise our commitment to long-term fiscal stability."—[*Official Report*, 17 March 1998; Vol. 308, c. 1009.]

**Mr. Malcolm Bruce** (Gordon): Will the right hon. Gentleman give way?

**Mr. Maude:** In a moment.

That was March; this is now. The Government now plan, even on their hugely optimistic growth projection, to repay not a single penny of debt. They are committed to a permanent Budget deficit. For all their talk of a balanced

*[Mr. Maude]*

Budget, the Chancellor will not reach balance even in a single year. In every year at the peak of the cycle, the Government will add relentlessly to Britain's national debt. Compare that with the same point in the cycle 10 years ago.

**The Chief Secretary to the Treasury (Mr. Alistair Darling):** Does the right hon. Gentleman recall that in the six years from 1990—during two of which he was Financial Secretary to the Treasury—the Tory Government doubled the national debt, with the result that we are paying £25 billion a year just to service that debt?

**Mr. Maude:** That is all looking into history. If the right hon. Gentleman wants to examine history, the right time to consider is the same point in the cycle 10 years ago.

**Fiona Mactaggart** (Slough): Will the right hon. Gentleman give way?

**Mr. Maude:** I should like to finish my point because of what the Chief Secretary said.

At the same point in the cycle 10 years ago, the then Government were repaying debt at the rate of £40 billion in today's terms. They were also increasing spending in real terms on priority services, and cutting taxes. Today, it is tax, tax, tax, and spend, spend, spend. Labour cannot be trusted with the public finances, and admits it.

**Mr. Malcolm Bruce:** The right hon. Gentleman suggests that the Government are being profligate. Does not he agree with figures in the House of Commons Library showing that over this Parliament, and allowing for the Government's increase in expenditure, public service expenditure will increase by less than half the increase during the previous Parliament? What spending increase would the right hon. Gentleman allow, and how deep would the cuts be if he were in control of policy?

**Mr. Maude:** Perhaps it is a mistake to rely on Government figures, but that is what I am doing. The Government's figures provide for an increase in public spending of 2.75 per cent. above inflation over the rest of the Parliament, and, if the numbers that they have fiddled out are counted back in, it comes to more than 3 per cent. The Chief Secretary to the Treasury and the Labour party have claimed to find a magic potion, an elixir, that will provide the secret of perpetual motion. It was Labour who said that the circle could be squared so that we could have absolute fiscal rectitude and increased spending. Labour said that the way to do that was to cut welfare spending, but the Government have, on their own admission, failed to do so.

**Fiona Mactaggart:** The right hon. Gentleman suggests that we look back 10 years to the glorious work of the previous Government. However, he will recall that interest rates were exactly the same as now, inflation was 4.2 per cent, as it is now, and there was substantially greater unemployment than there is today. Within a year, the right hon. Gentleman's Government managed to double both interest rates and inflation, and made no serious inroad on unemployment. Does he accept that we should take no lessons from a party that wants us to look back to that?

**Mr. Maude:** I merely make the comparison that Labour Members invited us to make. At the top of the cycle, we had strong public finances. This Government are not even planning, on their own optimistic growth projections, a Budget that gets into balance in a single year. It was all phooey about repaying debt and getting back to a balanced Budget. They do not even do it in a single year.

**Dr. Nick Palmer** (Broxtowe) *rose—*

**Mr. Jim Murphy** (Eastwood) *rose—*

**Mr. Maude:** I have given way often and am drawing to a close.

We always said that Labour cannot be trusted with the economy. After only 14 months, it is coming apart. Its economic policies are in disarray and the public finances are unravelling. In a moment, the Chief Secretary will begin the old familiar rant. He will chant that we will have no more stop-go or boom and bust. He will do it not once but time and again, in the inane new Labour belief that if a mantra is repeated often enough, it becomes more plausible. When Labour dreamt up the phrase, "No more boom and bust," it must have meant no more boom followed by bust, because we have boom and bust at the same time. Boom-bust, stop-go, stability, security, and the long term were just mantras.

**Mr. Michael Fabricant** (Lichfield): Will my right hon. Friend give way?

**Mr. Maude:** No, I am coming to an end.

Those phrases were just mantras to persuade people that Labour could be trusted with the economy and the public finances. It is time for Labour to take responsibility for its actions and stop blaming everyone else. This is the Government's strategy. These are their choices and decisions. As the economy flags, it will be the Government's fault. It will be a downturn made in Downing street.

4.1 pm

**The Chief Secretary to the Treasury (Mr. Alistair Darling):** I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"notes that the Government inherited an economy in which the current Budget was in deficit by £21 billion, inflation was set to rise because of the failure of the previous Government to take the necessary action on interest rates and nearly one in five households of working age had nobody working; recalls that the previous Government presided over a boom and bust economy with interest rates peaking at 15 per cent. and the two worst recessions since the war, doubled the national debt in the 1990s, doubled unemployment during its time in office, worsened inequality and failed to tackle the weaknesses in the British economy; commends the actions of the Government in its first year, which has established a credible framework for monetary policy that has led to the lowest long-term interest rates in 33 years, set two clear fiscal rules which provide for both prudent public finance and strong public services in the years ahead, taken action to reduce government borrowing such that the current Budget was in surplus by £1 billion in 1997–98, supported British business through cuts in corporation tax and small

business tax to their lowest levels ever, launched the New Deal, the biggest employment programme for decades, reformed the tax and benefit system to tackle the unemployment and poverty traps and invested in education and skills; and notes that Britain now has a government which will ensure that the country does not return to the boom and bust and 15 per cent. interest rates of the late 1980s and early 1990s and instead has an economic policy based on stability, enterprise, employment and fairness.".

I am grateful to the right hon. Member for Horsham (Mr. Maude) for telling the House that he was about to come to the end of his speech. I congratulate him on getting in what might pass as a soundbite just before he sat down.

**Mr. Peter Viggers** (Gosport): On a point of order, Madam Speaker. The House should not take lightly the absence of the Chancellor of the Exchequer. In a parliamentary democracy with an unwritten constitution such as ours, there are unwritten rules that Ministers accept their responsibility to Parliament. When the Opposition table a motion naming the Chancellor and complaining about a range of Government action and he chooses not to attend, it shows an arrogance to Parliament that we should not accept. Is there any way in which we can oblige the Chancellor to appear before us if he behaves with such insouciance?

**Madam Speaker:** That point was made earlier by the right hon. Member for Horsham (Mr. Maude). I am sure that both his remarks and those of the hon. Gentleman have been noted by the Government.

**Mr. Darling:** I was going to allude to the shadow Chancellor's reference to my right hon. Friend the Chancellor. The Chancellor and I discussed at length which of us should reply to the Opposition. He was upset that, in his capacity as representing Europe and the European Finance Ministers, he felt that it was appropriate to attend the European monetary affairs committee, which is traditional at the beginning and end of each country's presidency. The previous Government would have done that when they held the presidency. We believe that the Government should honour our international obligations.

The Pavlovian response of the Conservatives every time that Europe is mentioned is interesting and instructive. They cannot conceal their hostility to anything to do with Europe or any idea that a Minister of the Crown might represent Britain in Europe and thereby further our interests there. They really cannot stand it.

Instead of spending about seven minutes skirting around the subject as he taxied to the end of the runway, so to speak, before delivering his attack on us, the shadow Chancellor really ought to have considered whether the point was worth the trouble he went to. My right hon. Friend is doing precisely what the country would expect him to do: representing Britain in Europe—which is what the Conservative party did not do.

**Sir Peter Tapsell** (Louth and Horncastle) *rose—*

**Mr. Darling:** I know that Europe always provokes a response from the hon. Gentleman, so let us hear it now.

**Sir Peter Tapsell:** In all seriousness, cannot the Chief Secretary understand that it is not just a question of a Pavlovian response to Europe? Some of us are Euro-sceptics, some are not; but most of us believe passionately in the sovereignty of the House of Commons. That is such an essential element of all our proceedings that if Ministers are not prepared to respect it, democracy in this country is at risk.

**Mr. Darling:** I can assure the hon. Gentleman that he will see and hear plenty of my right hon. Friend the Chancellor in the Chamber in the not-too-distant future.

I want to deal first with the points that the Conservative motion raises—in particular, with this golden economic legacy which keeps reappearing. I then want to deal with the measures that the Government have taken, and with the one glimpse that we have had of where Conservative thinking, if that is what it can be called, is taking us.

The Tories have done this before. For 18 years, they tried to delude us into thinking that they had achieved economic success. Today, they carry on with that by claiming that they left something called a golden economic legacy—this, as my hon. Friends have pointed out, from the party which used to proclaim the economic miracle of the 1980s, which became the economic disaster of the 1990s. This is the party which delivered two of the deepest recessions since the war. The United Kingdom was one of the most unstable of all the industrialised countries. And there was a legacy of boom and bust: 15 per cent. interest rates, and interest rates in double figures for four consecutive years. There were 1 million home owners with negative equity, and record repossessions.

The right hon. Member for Horsham tells us that the right period of history to look at is 10 years ago. It is indeed an instructive time to look at, as my hon. Friend the Member for Slough (Fiona Mactaggart) said. After 1988, when the then Chancellor Lawson started his unsustainable boom, within two and a half years inflation had doubled to nearly 10 per cent., and interest rates had risen to record levels. There were 22 tax rises to try to contain the debt that the previous Government began to pile up. Is that a golden legacy? Are these people in any position to lecture us?

**Mr. Andrew Tyrie** (Chichester): The Government's intention to abolish boom and bust has already been surfacing. Do the Government think that the economy is in an upswing or a downswing—or has Labour abolished the business cycle?

**Mr. Darling:** As we have often made clear, we are putting in place measures to ensure long-term, sustainable stability—that is what the Conservative party never managed. The Tories talk about unemployment. They are remembered for the mass unemployment of the 1980s. They left us with a country in which one household in five containing people of working age had no one in work. They talk about tax rises. This is the party which doubled VAT in 1979, having said that it would not. The Tories put VAT on fuel in 1993, having promised not to.

The golden legacy was a national debt that doubled in six years to more than £400 billion, costing us £25 billion a year to service. The Conservatives left us with a borrowing requirement of some £23 billion, a figure which we have had to get down.

Today, the Conservatives are at it again. I note that the Conservative attack was unveiled, it seems exclusively, to a national newspaper—but the bogus claims are the same

*[Mr. Darling]*

as they always were. The Tories claim that a middle-income family will be worse off. It is a spurious calculation; the structure of the family chosen is far from typical, and it has changed since its last outing. A few weeks ago, the family did not smoke; now it does.

The Conservatives complain about the increases in road fuel duty, but they introduced the fuel duty escalator at 5 per cent. When the right hon. and learned Member for Rushcliffe (Mr. Clarke) introduced it, he said:

"Any critic of this Government's tax plans who claims also to support the international agreement to curb carbon dioxide emissions will be sailing dangerously near to hypocrisy."—[*Official Report*, 30 November 1993; Vol. 233, c. 939.]

The tax rise faced by the family in the article includes rises in tobacco duty, which we have continued to impose because we, like the previous Government, believe that we should discourage smoking as a matter of public policy. It was the Conservative party which introduced that tax increase: are Conservatives now saying that they will reduce or do away with the duty, that they want to encourage smoking, and that they want to continue to damage the environment? How are they going to pay for that removal? What is their position? If they are going to criticise those measures, let them tell us what is the alternative.

As ever, the Conservatives have been highly selective. They might have told the family about some of the other measures in our Budget: the increase in child benefit for the eldest child worth £130 a year for 5.5 million families with children; the reduction in employee national insurance contributions, worth £66 a year; and the working families tax credit and the child care tax credit. All those measures will benefit families and help to make work pay. The measures in the last Budget will mean an average increase in disposable income for many families of about £100. As usual, the Tories have not given the full picture.

**Mr. Edward Davey** (Kingston and Surbiton): Will the Chief Secretary give way?

**Mr. David Winnick** (Walsall, North): Will my right hon. Friend give way?

**Mr. Darling:** In the spirit of cross-party co-operation, for the moment at least, I shall give way to the hon. Member for Kingston and Surbiton (Mr. Davey) first.

**Mr. Davey:** I am grateful to the right hon. Gentleman for exposing Tory hypocrisy, but why have the Labour Government abolished the series that was released for 18 years under the Tories, showing the direct and indirect personal tax burden? When will a new series be ready?

**Mr. Darling:** The hon. Gentleman and his colleagues have been asking a series of parliamentary questions about those figures, and we answer those questions as quickly as possible. We have no difficulty in making available to the House the position on tax and spending.

**Mr. Winnick:** My right hon. Friend is dismissing the Tory claims in a characteristically robust manner, but, while he is on the subject of income and rightly showing that families have by no means been disadvantaged over the past year, will he take this opportunity to condemn the increase in income of directors of Yorkshire Water, which might act as a signal to other companies? Is it not disgraceful that people who already receive a very substantial income have increased it by at least 30 per cent? Should not that be condemned? Why not show those greedy pigs the real way by introducing another windfall tax?

**Mr. Darling:** My hon. Friend makes the point that people sitting in boardrooms are in no position to lecture those on lower incomes about the need for restraint when they do not show restraint themselves. The right hon. Member for Horsham, who was kind enough to declare his interests, which he said were in the national interest, defended some of the people who have awarded themselves exceptionally high increases. My position and that of the Government is that people sitting in boardrooms must show exactly the same restraint as they expect others to show.

In the newspaper article, the Conservatives complained about two items relating to taxation that I find interesting. First, they criticised our decision to reduce the rate at which married couple's allowance is given. That is odd because, in 1993, Norman Lamont, who was then the Chancellor of the Exchequer, said that that allowance was something of anomaly and that, because of the need to raise extra revenue, the rate was to be reduced. Given the Conservatives' action throughout the 1980s to reduce the married couple's allowance, it is curious that they should now criticise such action.

The same applies to the cuts in MIRAS, about which the right hon. Member for Horsham complains. I read what he said in 1994, when he was out of Parliament, having lost his seat in 1992. He said:

"In one of my first speeches in the House of Commons . . . I argued for the full abolition of mortgage interest relief. As Financial Secretary in 1991, I was proud to take through the Finance Bill that among other things restricted relief to the basic rate.

Yet I believe it now could and should be abolished, and there would be barely a squeak of protest."—

presumably, not a squeak from himself. He added:

"The sooner it happens, the better."

What is his position? Would he abolish mortgage interest relief, or was that idea suitable only when he was outside the House? He should tell us his view.

**Mr. Maude:** I believe in Governments doing what they say they will do. The Government said in opposition that they would not raise taxes at all—there was no if, no but, no maybe and no caveat—and they broke their word.

**Mr. Darling:** I shall take the right hon. Gentleman at his word. He has given a solemn pledge in saying that the sooner MIRAS is abolished, the better. Now we know that that will be the Conservative party's policy at the next election.

**Mr. Derek Twigg** (Halton): Will my right hon. Friend give way?

**Mr. Darling:** In a moment.

I wonder whether the right hon. Member for Horsham stands by something he said last week which completely

undermines his complaint today. He told a Conservative party gathering that

"measured in any way you like, taxes are lower in Britain."

How on earth can he complain as he has done today? He cannot have it both ways—either taxes are lower, or they are not. The right hon. Gentleman might have thought long and hard before making his remarks last week or his remarks today, because he has used two different arguments in two weeks.

**Mr. Maude:** I am grateful to the right hon. Gentleman for drawing attention to the good legacy, which the Government inherited from us, of taxes that are much lower than those elsewhere in Europe, and I am delighted that the Government have not yet managed to narrow that gap as much as they no doubt plan to do. The gap is narrowing not because others are reducing their taxes, but because the Government are increasing our taxes.

**Mr. Darling:** We have honoured our promises on taxation. In particular, we have made sure that where we have increased taxes, we are directing help where it is needed; for example, through the working families tax credit to families on low incomes for whom we want to help to make work pay.

**Dr. Palmer:** Does my right hon. Friend agree that, far from narrowing, the gap between the UK rate of corporation tax, which businesses pay, and the European rate has widened since the election?

**Mr. Darling:** It has, and I would be less than fair to the right hon. Member for Horsham if I did not commend him for having pointed that out to his audience last week. He said that corporation tax was low, which we achieved through our reform of the corporation tax system.

We have taken other steps to help to put the economy on a stable footing. We have set out two clear fiscal rules that will provide prudent public finance and strong public services in the years ahead. We have taken action to reduce Government borrowing, and we have put in place a more credible framework for monetary policy, which has been praised by the OECD. We have the lowest long-term interest rates for more than 33 years, as the right hon. Member for Horsham knows well. He said last week that the UK's

"long-term rates are very low. Indeed our 10-year rate is lower than Germany's."

We remember that, 10 years ago, we were being lectured by the Conservative Government and told that they wanted to surpass Germany's achievement. Yet it is under a Labour Government that the UK has the lowest long-term interest rates since before England last won the world cup.

**Mr. Nick Gibb** (Bognor Regis and Littlehampton): The right hon. Gentleman mentioned the two rules that the Government have introduced. Does he accept the view of Professor Buiter, a member of the Monetary Policy Committee, who said:

"The Golden Rule . . . has no merits as a guide to optimal borrowing"?

**Mr. Darling:** Professor Buiter made several comments. I strongly believe, as do most commentators, that the Government's commitment to fiscal prudence will be of the utmost importance in the years to come because, time and again, successive Governments—Conservative and Labour—have found that any attempt to expand the economy has been undermined by capacity constraints. All too often in the past, an increase in public spending has had to be reigned back as soon as the economy begins to turn the other way.

We believe that stability is the essential foundation for public services and long-term economic growth, which is why, among other actions, we cut borrowing, gave the Bank independence—which has achieved those long-term interest rates—and significantly tightened the fiscal stance by some 2.5 per cent. of national income. We have taken action to tackle the long-term weaknesses in the British economy by supporting British business, making cuts in corporation tax and setting up the new deal—

**Several hon. Members** *rose*—

**Mr. Darling:** If hon. Members can contain themselves, I will give way in a moment.

The new deal is the biggest employment programme in this country for decades. Taken together, the tax cuts and the structural reforms will stand this country in good stead for the future. That essential foundation is necessary if we are to support the public spending that hon. Members on both sides of the House want.

**Mr. Ian Taylor** (Esher and Walton) *rose*—

**Mr. Darling:** I will give way to the one Conservative Member here who is not a Euro-sceptic.

**Mr. Taylor:** I am grateful to the right hon. Gentleman, who rightly identifies me as not being a Euro-sceptic. Given that the Government are committed to endeavouring to join the euro some time at the beginning of the next century, will he clarify what effect that will have on the fiscal balance?

Fiscal prudence sounds of virginal character, but, in reality, there will be some tough decisions on the fiscal balance if there is a single monetary zone in Europe. There will be problems with, for example, trying to ensure that mortgages do not explode as interest rates fall when we join the euro. Will he abolish MIRAS? Will he raise taxation as a lever to control the balance of the economy in a fixed monetary zone? He is avoiding all those questions.

**Mr. Darling:** It is not the Labour Government who want to abolish MIRAS; the hon. Gentleman should have a word with his right hon. Friend the Member for Horsham. The steps that we have put in place are good for the British economy, whether or not we join the single currency. Those fiscal rules are essential for this country and its long-term economic development. We would be adopting this fiscal stance and rules whether or not there was any question of joining the euro after a referendum.

**Mr. Nick St. Aubyn** (Guildford): Will the right hon. Gentleman give way?

**Mr. Darling:** Not just now, if the hon. Gentleman does not mind. I want to make some progress, and many hon. Members want to take part in the debate.

*[Mr. Darling]*

I want to explore the Opposition's approach to public spending, which appears to be confused and contradictory. It is not clear whether they believe that we are spending too much or too little; and, if we are spending too much, what would they like to cut. What taxes would they like to put up? We know that the Tory Front Bench has moved to the right. As we have seen this afternoon, it is more hostile to Europe than ever before.

This week is the 50th anniversary of the national health service—one of the greatest achievements of the Labour Government of 1945. In the view of many people, it was the foundation of the welfare state. Yet look at what the shadow Chancellor has said—we must assume that he speaks for all the Tory party, because we know that it is united now. In 1995, he said:

"There is a powerful case that the growth of the Welfare State in the first half of this century went a long way towards destroying a flourishing movement of private provision of education, health, pensions and housing."

He said that at the Hayek memorial lecture—where else? It highlights the difference between the new right-wing Tory party and the Government.

The NHS embodies our values. It is more efficient, effective and fair to contribute to a health service that is there when we need it, on the basis of need and not on the ability to pay. I should be interested to know how the right hon. Gentleman squares that with what he said in 1995.

**Mr. Maude:** It is reassuring that the right hon. Gentleman has spent so much time reading my old speeches. There is a great deal for him to learn from them. Does he accept that the analysis that I set out in that lecture is precisely the analysis that the Minister for Welfare Reform has been putting forward?

**Mr. Darling:** It is no part of what my right hon. Friend the Minister for Welfare Reform has been saying. He does not believe, as the right hon. Gentleman does, that the provision of public education and health services is harmful. He would not want to go back—

**Mr. Maude** *rose—*

**Mr. Darling:** I will let the right hon. Gentleman intervene in a moment.

**Mr. Maude:** The right hon. Gentleman is misrepresenting me.

**Mr. Darling:** I shall let the right hon. Gentleman intervene in a moment. In 1995, he was saying that the growth of the welfare state in the first half of the century went a long way to destroy what he described as

"a flourishing movement of private provision of education"

and

"health".

The clear implication is that he would like to return to that. Indeed, I have read some of his other speeches, in which he gives the distinct impression that the Conservative party is still wedded to private provision in education and health, and that public provision would simply be residual, for those who could not afford to pay. That is the precise inference that I take from his speech—a position from which, I believe, he has never departed.

**Mr. Maude:** The right hon. Gentleman has obviously been studying my speeches at great length, which is terrific, but he must not draw improper conclusions from them and certainly must not misrepresent them. The fact that the private provision and the mutual provision—the self-provision—of many of those services was harmed by the introduction of the welfare state in the first half of this century is incontrovertible. If he can provide evidence that that is not the case, let him do so. *[Interruption.]*

**Mr. Darling:** As the Economic Secretary to the Treasury and many of my other hon. Friends are saying, thank goodness for that in the health service, because a national health service to which everyone contributes, and which exists on the basis of need, not ability to pay, is the hallmark of a decent, fair and just society. If the right hon. Gentleman disagrees, I shall just have to put up with that.

I do not know whether the right hon. Gentleman was complaining or complimenting me on reading his speeches, but I read some more, and I noticed that, at the Tory party conference last year—probably the best place for such a speech—he made an interesting observation:

"when a right of centre party moves to the right it can become more popular."

I suppose it is worth trying anything in the Conservative party. That seems to conflict with what Michael Portillo told the same conference; he seemed to suggest that he wanted to regain the centre, and that the Tories should be more compassionate.

I wonder what the shadow Chancellor's position is on public spending. Last year, at the Tory conference, he said:

"There is no moral content in voting for more public spending."

I wonder whether that is the view of the entire party. Let us hear it from someone more on the wing of the Conservative party than the hon. Member for Esher and Walton (Mr. Taylor).

**Sir Michael Spicer** (West Worcestershire): It is flattering of the right hon. Gentleman to spend so much time on the Conservative party's policies, but the sad fact is that he is Chief Secretary; he is in government. Now that he is in the public expenditure section of his speech, surely it is fair for him to say something about the implications of his public spending plans. Does 2.75 per cent. growth in spending mean higher taxes? If not, does it mean higher borrowing? Does higher borrowing mean higher interest rates? Let us have some answers on the implications of his expenditure policy.

**Mr. Darling:** I had always thought that one point of an Opposition day was to examine what the Opposition had to say, and I was thoroughly enjoying doing so. Only a week ago, my right hon. Friend the Chancellor set out our position at length in the Economic and Fiscal Strategy report and when, shortly, we set out the conclusions of the comprehensive spending review, the difference between the Government and the official Opposition will be clear for all to see.

However, I want to explore the point that the shadow Chancellor made when he said that there was

"no moral content in voting for more public spending."

I wonder whether everyone in the Conservative party is fully on board, because it seems to me that one or two Conservative Members are off-message. The shadow Chancellor says that we have gone soft on public spending, but, given what some of his colleagues have said on health, perhaps he should tell that to some of his colleagues.

The hon. Member for Rutland and Melton (Mr. Duncan) said:

"The key point is that spending under this Government is less than it would have been had the Conservative party stayed in office."—[*Official Report*, 16 June 1998; Vol. 314, c. 183.]

So there would have been more spending under the Tories! It is not true, of course, because we have increased spending on the health service.

The shadow Health Secretary, who surely could not be accused of having no moral content in what she does, said:

"The effect that underfunding has had on the health service is now visible"—[*Official Report*, 16 June 1998; Vol. 314, c. 140.]—

so she wants more money to be spent.

When we announced £2½ billion more in the education service, the right hon. Member for Charnwood (Mr. Dorrell)—who, sadly, is no longer on the Front Bench—said,

"Today's announcement of extra money . . . represents a sticking plaster"—

so he wants to spend more public money.

The former chairman of the Tory party, the right hon. Member for Sutton Coldfield (Sir N. Fowler) agrees that there should be more public spending. He said that

"there is an unanswerable case for more police on the ground".—[*Official Report*, 15 June 1998; Vol. 314, c. 3.]

He wants more spending—despite the fact that we are still dealing with the spending plans fixed by the previous Government.

The shadow Chancellor says that there is too much public spending, whereas his colleagues say that there is too little. As my hon. Friends have pointed out, the shadow Chancellor—I know that he is new to the brief—really should have a word with his Tory colleagues serving on the Committee considering the Finance Bill. They voted for no less than £6 billion of extra spending—which is 3p on tax. They make the Liberal Democrats look a model of fiscal responsibility. The Liberals want to increase tax by only 1p to cover their modest list of promises—

**Mr. David Heathcoat-Amory** (Wells) *rose*—

**Mr. Darling:** In one moment.

The Tories have already committed themselves to 3p. I shall certainly give way to the guilty man. Although I was not there myself, I understand that, because of a breakdown in relations between the Whips, the right hon. Member for Wells (Mr. Heathcoat-Amory) was dragged back, to appear in his nightgown and hat to participate in an all-night debate. Perhaps that is why he voted for so many spending commitments.

**Mr. Heathcoat-Amory:** The Chief Secretary was a Committee member, but—as he has just reminded us—he could not be bothered to turn up. As I was a member and did turn up, may I remind him that, yes, we did vote and speak to reduce the tax rises in the Finance Bill? We make no apology for that. If he wants to characterise that as a tax or expenditure increase, I can only say that he has not understood the content of his own Bill.

**Mr. Darling:** The right hon. Gentleman still has to deal with the point that, if he votes for measures costing £6 billion, he will have to tell us what taxes would go up to replenish that revenue or, alternatively, what expenditure he wants to cut. However, he cannot do either, because it is a tax-and-spend policy without the tax.

**Mr. Gibb:** Will the right hon. Gentleman give way?

**Mr. Darling:** No; I want to make some progress.

When one examines what the Conservatives say on public spending to one audience and what they say about it to another audience, their confusion and contradiction become apparent. The shadow Chancellor wants to move the Conservative party to the right—to make it even more popular than it is today. He seems to be hostile to the welfare state—which, he says,

"erodes the bonds of duty and compassion that hold society together."

I believe that the welfare state reinforces those bonds and that compassion.

The shadow Chancellor says that there is no moral content in voting for more public spending. So his colleagues have no moral content? However, although they want to spend more, they will not tell us how they will pay for it. It is all very confused and very contradictory.

As I told the hon. Member for West Worcestershire (Sir M. Spicer) a moment ago, the Government will state our proposals in the not-too-distant future. Step by step, we are implementing our manifesto promises. We are modernising the welfare state; making work pay; reforming the labour market; and promoting enterprise and business success.

We have a fair tax system. As we have seen, today's tax claims by the Tories fall apart when we examine their actions in government and their comments in opposition. Again, the shadow Chancellor said that

"measured any way you like, taxes are lower in Britain."

The Government are providing investment and reform, and sustainable and affordable public services. We are providing £2.5 billion for education, and £2 billion for the national health service. We are investing in transport. We are taking the tough decisions that are necessary for the future.

We shall publish soon the conclusions of the comprehensive spending review, which will set out the Government's priorities for this Parliament and beyond. It will offer the United Kingdom a new direction, standing in stark contrast to the divisions, confusions and contradictions that represent the Conservative party today.

4.33 pm

**Mr. Malcolm Bruce** (Gordon): Listening to the shadow Chancellor's opening speech, one rather got the impression that the Tories were not only expecting a

*[Mr. Malcolm Bruce]*

downturn, but positively hoping for one. One really does wonder whether it is the job of the Opposition to try to talk the country into economic problems rather than to help it to get out of them—particularly as, contrary to their motion, the Tories contributed to creating some of the problems that we are now facing.

The Liberal Democrats are not surprised by the current state of the economy. I remind the House that, last July, my right hon. Friend the Member for Yeovil (Mr. Ashdown) warned the Chancellor:

"Instead of shackling businesses, he should have restrained the consumer, in order to prevent the higher interest rates, higher inflation and less competitive sterling that will surely follow."—[*Official Report*, 2 July 1997; Vol. 297, c. 325.]

In November 1996, when responding to the last Tory Budget, my right hon. Friend said:

"Within three months, interest rates will go up . . . if they do not, the only reason will be the fact that the Government have an election coming. Within a year, tax cuts will be reversed, and within 14 to 18 months inflation will be rising sharply again."—[*Official Report*, 26 November 1996; Vol. 286, c. 183.]

All those predictions have come true.

The principal reason for the present situation, which makes the Tory motion so cynical and absurd, is the decision of the previous Government to keep policy so lax before the general election, as the hon. Member for Watford (Ms Ward) rightly said. The previous Government cut personal taxes in spite of record consumer windfalls, a matter which was discussed in the House and in the Treasury Select Committee, and which the then Chancellor chose to discount. They kept interest rates down in spite of buoyant consumer demand, and they refused to accept the advice of the Bank of England about the risks to inflation.

It seems a long time ago now, but there was regular speculation about the Ken and Eddie show. The argument was about who was right—Ken or Eddie. It is unfortunate that the right hon. and learned Member for Rushcliffe (Mr. Clarke) is not here because at this point, he usually makes an ebullient intervention claiming that he is always right, always has been and always will be. He presumably believes that the Bank of England was always wrong and that the Government were always right.

The fact is that the results of keeping policy too easy two years ago are now coming through in high inflation, wage pressures and capacity constraints. The previous Chancellor was clear that policy worked with a lag, and that the success or otherwise of his policies would have to be judged after the passage of time. Well, time has passed and the results are now clear—Eddie was right and Ken was wrong. The Tory motion draws attention only to the legacy of the party's own policy failure and the bad old days, when interest rate policy was determined by the short-term priorities of politicians and not by the long-term interests of the country.

I find it astonishing that when operationally independent central banks are in place the world over—in almost every country in the free world—it is only the British Conservative party that wants to go back to the political manipulation of interest rates. That gave us entry into the exchange rate mechanism at the wrong moment—Black Wednesday—and the inflationary pressures under the previous Government, yet the Conservative party wants a return to the right of politicians to meddle in the short-term, day-to-day management of the economy and so damage the national interest.

In this context, the current Chancellor is to be congratulated on giving operational independence to the Bank of England and on his code for fiscal stability which, we hope, will entrench sensible rules for public borrowing. Both those changes should provide greater economic stability, lower inflation, lower interest rates and higher employment. Certainly, that is the justification for putting them in place.

As I argued on behalf of the Liberal Democrats before and during the last general election, long-term interest rates have already fallen directly because of expectations of lower inflation, which has resulted from the operational independence of the central Bank. If we secure lower levels of public borrowing, it means that when shocks to growth do occur—continued steady growth cannot be guaranteed—there is greater flexibility for fiscal policy and less risk of destabilising policy adjustments.

We welcome the changes—not surprisingly, as most of them were in our own manifesto. *[Interruption.]* They were, and I welcome the fact that the Labour Government have implemented policies that were in our manifesto. Indeed, it demonstrates that it is possible for an Opposition party to be influential. The only thing that was slightly odd was the inability of the Labour party during the election to acknowledge that it intended to do what we had specifically promised, but that does not in any way devalue the fact that we welcome the decision to move forward. Labour Members are happy to tease and challenge us, but, on occasion, it would be nice for the Government to acknowledge that there has been some agreement and congruence of policy, and not to try to manufacture a difference of opinion that does not exist.

As my hon. Friend the Member for Kingston and Surbiton (Mr. Davey) has said, one slightly worrying factor is that, on all the main series of statistics, the Government are clearly trying to manufacture discontinuity so that it will not be possible to monitor the progress of this Government and the performance of their predecessors in a like-for-like way. That is disturbing. They wish to rewrite history and draw a line at 1997.

**Mr. Christopher Leslie** (Shipley): I know that the hon. Gentleman is trying to stop other people from pointing out differences between the parties, but this is important. May I ask him his opinion? The hon. Member for Kingston and Surbiton (Mr. Davey)—50 per cent. of the Liberal Democrat party representation in the Standing Committee—made an important comment on the Finance Bill. He said that the Liberal Democrats wanted to consider equalising the income tax allowance with the capital gains tax allowance, moving it up to £6,800, which would cost £17.5 billion, equivalent to 8p on the rate of income tax. Is that Liberal Democrat policy?

**Mr. Bruce:** The Liberal Democrats are trying to ensure that both the capital and income tax systems fall equitably and fairly according to ability to pay. We wish to lower the burden on people who have low capital gains and low income. That is a perfectly reasonable policy.

Apart from the discontinuity of statistics, there have, of course, been some controversial reactions to Government policies. Some have argued that the Bank of England,

given its operational independence, has put up interest rates too sharply. Others say that the rise has come a bit too slowly. Personally, I take the latter view, but the important thing is not to second guess the authorities each month, or to criticise each twist in decision making.

There will always be controversy. Indeed, with a Monetary Policy Committee of nine members all expressing their opinions in public, we know that that debate will be carried out openly. It will be months or even years before the clear outcome of those policies can be determined, but the important thing is that monetary policy is now being run to meet the Government's inflation target, not the previous Prime Minister's re-election target, as happened two years ago. That has to be a welcome development.

Although the Chancellor has deservedly been praised for this new framework, particularly the monetary framework, he cannot entirely escape blame for our current economic problems. Although the post-election period has seen a big change in the structures, there has been much economic policy continuity, too. What was known as Clarkeism has given way to Brownism. As *The Economist* has argued, there is an element of continuity. I think that my hon. Friend the Member for Kingston and Surbiton described that as Clownism in the conduct of policy.

On fiscal policy, the deficit has come down, but the same relaxed approach to the taxation of consumption has continued. On the single currency, I get the feeling that the commitment to eventual EMU entry is shared more widely in the present Government than has been made public. Nevertheless, the wait-and-see strategy, or what I described once as the wait-and-wait-and-wait strategy, lives on. As a result, we suffer from the overvaluation and instability of the pound; that strategy is a substantial factor in that.

Of course, for the first two years of this Parliament, the Government's spending plans have remained fixed, preventing new measures to invest in education to start to tackle the skill shortages that are pushing up wages and threatening to abort the recovery. Education is vital not just for the quality of our society, but for our economic well-being, yet, on the Government's own figures, the proportion of gross domestic product that is spent on education has fallen from 4.9 per cent. before the election to 4.7 per cent. after, despite the fact that the Prime Minister said that education spending would increase in real terms as a percentage of GDP year on year under Labour—clearly a broken promise.

On that issue, I feel that both the Prime Minister and Treasury Ministers cannot go on getting away with trying to pretend that Liberal Democrat policies and priorities should be frozen in aspic as of 1 May last year, while Government spending and Government information are updated. We have, of course, made it absolutely clear that, on the basis of our commitments and the revisions that we have applied to those in the light of information that has become available since the general election, this party supports very much more substantial investment in education—and in health as well—than anything that the Government have pledged.

**Mr. Darling:** I do not like to interrupt this congruence of policy to which the hon. Gentleman has referred, but I cannot let him get away with what he has just said. What is undoubtedly true is that Liberal Democrat policy is not frozen in aspic—if, indeed, that is what people do with aspic—because every time we announce an increase in spending, the Liberal Democrats call for even more. We are spending more now, despite the fact that we said that we would hold to the inherited expenditure totals in the first two years. We are spending £2.5 billion more on education, educational maintenance and new building than the Liberal Democrats promised. It is true to say that, since then, they have upped the ante, and I expect that they will continue to do that. The difference between us and them is that we have to finance it and we are capable of financing it. I doubt whether the hon. Gentleman is.

**Mr. Bruce:** I must take absolute issue with the right hon. Gentleman on education. Our commitment on education is several times what the Government have so far pledged—*[Interruption.]* No; it always was. The commitment to put the equivalent of 1p on income tax for education over the entire Parliament is a substantially bigger commitment than the Government have made. That is a fact on which I stand firmly.

On the updating, the Chief Secretary to the Treasury is right. Of course, I accept that it is not credible to make pledges unless we are prepared to demonstrate where the money should come from, but, in the light of the improving finances that the Government have benefited from, we have certainly said that some of that money could and should have gone into health and education, whereas the Government have stuck to a policy of keeping the squeeze on those services in the first two years and then throwing substantially more money at them later, which we believe is damaging and may yet prove inflationary.

Already, the inflationary figures on which the Chief Secretary's forecasts are based have proved to be unrealistically low. He is running at a higher rate of inflation than the Chancellor's first Budget forecast and the inflationary pressures are upwards. If that continues, what will be the real effect on the commitment on expenditure on public services? Perhaps I could put it the other way around. At what point will the Government recognise that they have to review what their commitment will deliver? The argument is about not just who will spend more money—that is sterile and unproductive—but what we wish to deliver.

I accept that the Government are right to identify specific outputs or inputs, such as reduced class sizes and reduced waiting lists. Our contention is that, first, those have not been delivered and it may be difficult to deliver them. Secondly, they are modest aspirations which we wish to improve on. We have identified the fact that most people would like class sizes to come down well below 30 throughout the primary school sector, not just in the first three classes. Most people want hospital waiting times to be shorter, not just waiting lists. Those are all things that will require resources and the motivation of highly qualified, highly skilled people, who will not be retained in the public services if they face pay cuts year on year, which is this Government's policy.

**Mr. Geraint Davies:** Does the hon. Gentleman accept that the latest figure in the national accounts for quarter one GDP, year on year, is up 2.9 per cent., which is above the long-term GDP trend of about 2 per cent? The economy is booming above and beyond the rate set of

*[Mr. Geraint Davies]*

2.75 per cent. for public expenditure, which was mentioned by the Opposition. The problem is keeping the economy on a stable, growing footing, not the problems that the hon. Gentleman mentions.

**Mr. Bruce:** The hon. Gentleman is right in the sense that, at the moment, the economy is doing well. There are clear concerns on the horizon about whether that can be sustained. There is so much that the Government can do; there are things that are outside their control. Our contention is that it would have been wiser to have a more even flow of funding into public services, rather than to keep the stranglehold on—and then attempt to push money into them perhaps faster than they can absorb, and when the economy may be experiencing greater inflationary pressures.

The Chancellor is very keen to squeeze boom and bust out of the management of the economy, and he has adopted policies that he believes will lead in that direction. We agree with him on that. Unfortunately, his policies on the public services run the risk of creating a bust and boom that may prove equally unsustainable. Our critique of the situation bears some examination, and I stand by our record.

To tackle our economic problems, we must invest more in education and training. Without that, each recovery burns itself out on higher wages and inflation. The pressures are appearing already, despite still high unemployment, particularly in certain regions.

The Chancellor has made grave mistakes on fiscal policy. He raised taxes substantially and predictably after the election. Had the Conservatives won the election, I suspect that taxes would have gone up in the same way, although they did not say that they would do that either. Sensitive to the promises made on tax, the Chancellor has put the burden almost wholly on hard-pressed businesses and on savers rather than on high-spending consumers. The only consumer tax rises have been modest. The balance that the Chancellor has struck has not helped to bear down on inflation, which is his main problem.

**Dr. George Turner** (North-West Norfolk): One of the tax changes that the Government introduced was the windfall tax. Its key objectives were to ensure that we had a better-trained work force and to give people opportunities. The Liberal Democrats opposed the tax. They want the spending, but they oppose the means. Does the hon. Gentleman support the spending, and how would his party have raised the money?

**Mr. Bruce:** It is fine for the hon. Gentleman to say that, but I can reverse the challenge. We were committed to putting money into education and putting 1p on income tax, which his party opposed. As a consequence, education has been chronically underfunded. There is a legitimate debate between parties about priorities. We have made ours clear and the Government have made theirs clear. Some of the new deal spending from the windfall tax is not delivering all the results that were promised, not least because the situation is changing under the Government's feet.

I am conscious that the debate finishes at 7 o'clock, so I shall bring my remarks to a close soon. Relying on interest rates, which is the consequence of the Chancellor's fiscal stance, has forced the pound up further and unbalanced the economy even more. The one issue on which I agree with the shadow Chancellor is that we are creating a boom and a bust at the same time—a boom in the consumer sector and a bust in manufacturing. The Government's economic policies are undermining our wealth-creating base. A clear commitment to the single currency would have helped the Government and our exporters by stabilising the pound at a more competitive level and easing pressures on interest rates. It is not too late for the Government to take such issues on board.

Where the Chancellor has genuinely put the economy first, he has done well. The operational independence of the Bank of England is the best example. Where politics have come top, economic policy has been blown off course. There has been no fiscal tightening for the consumer, to avoid frightening new Labour voters. There has been no stability for the pound, to keep Mr. Murdoch, sweet. There has been no extra investment in education, to stick to Tory spending levels for political reasons. The Tories are not in a strong position, given their record, their pre-election economic policy and their lack of an agenda since the election. However, the Chancellor has to strengthen his nerve if he is to tackle the problems head-on. He must adopt a less relaxed fiscal policy, make a real commitment to education and deal with exchange rate stability, which he always refuses to talk about. Those issues must be addressed if we are to secure sustainable, long-term growth, which Liberal Democrats and the Government want and the country needs. The Liberal Democrats have set out their policies. The Government have acknowledged and adopted some of them and would do well to consider others to help secure the stability, long-term success and prosperity that we all want.

4.54 pm

**Ms Helen Southworth** (Warrington, South): The Opposition have called the debate in the hope of re-creating themselves in the public eye. They want to rewrite history, pretending that the Tory Government created a golden age and a dynamic economy. Maybe they are even pretending that they created a fair society. They seem to be hoping for collective national amnesia on a grand scale. They hope that we shall all join them in the land of make-believe. I am afraid that they are away with the fairies; they are in never-never land. Tory Britain was never how they say that it was, and they will never get the British people to believe them.

Let us look at the reality of what the Tories did to the economy when they were in power. The defining moment of the previous Tory Government was 16 September 1992—Black Wednesday. The Chancellor, the Prime Minister and the Government panicked. They took interest rates up by 2 per cent., immediately followed by a further 3 per cent. rise. While they were losing their heads, they were losing billions of pounds for this country. They provided management schools round the world with a text book case of how to cause chaos, then how to make it worse.

Then, in the 1993 Budget, the Tories were desperate to make up the money that they had wasted. They started raising taxes and put VAT on fuel, when Britain had more winter deaths among old people from hypothermia and cold-related illnesses than any other European country. That showed Tory priorities. Then they declared a beef war with the European Union over its response to the BSE crisis

that their mismanagement had created. They called the war off a month later with nothing gained, leaving British beef farmers and taxpayers paying the cost for years. The Tory Government brought the dreaded words "negative equity" into common parlance, which haunted middle-income families. One thousand homes a week were repossessed during the last months of their Government.

During the Tory years, Britain's manufacturing base declined from 58 to 28 per cent. of the economy, and the Conservatives took no effective action to restructure, reskill and stabilise industry. While the right hon. Member for Huntingdon (Mr. Major) was Prime Minister, more than 8 million British people experienced unemployment at least once. Job insecurity became endemic. That is what people remember about Tory Britain.

Another first: until the right hon. Member for Huntingdon became Prime Minister, all the Governments in the history of the United Kingdom had borrowed a cumulative total of £190 billion. Despite receiving £120 billion from North sea oil and £80 billion from asset sales, the Government of the right hon. Member for Huntingdon added more than £180 billion to the national debt in less than six years. That is a phenomenal and appalling achievement—truly one to remember. British taxpayers have to spend £25 billion a year on repaying the interest on that debt alone and they are still feeling the consequences.

The Tories were in government for 18 years and gave us the most unstable economy in the developed world, growth rates below those of every other European country and the two deepest and longest recessions in post-war history. The right hon. Member for Horsham (Mr. Maude) was querying boom and bust. He could not remember what it meant. The Tories had boom and bust, constantly changing policies, repeated rows over Europe, no plans, no strategy and no vision. When business was asking for urgent action on the skills gap, the previous Government reduced the training budget by £34 million in real terms. When business was asking for investment, they crossed their fingers and hoped that something would happen. When business was asking for action on transport, they came up with the cones hotline.

Just before last May's election, *The Economist* said of the right hon. Member for Huntingdon:

"his chief problem is that he leads a party which has taken leave of its senses."

This afternoon, that party is in its proper place: on the Opposition Benches. It has a new leader, but it is the same party. Who are the Tories in opposition? They are newborn babes; they have no recollection of the mess that they created. They are innocents who bear no responsibility for Black Wednesday, the skills gap, the investment gap, the doubling of national debt, the billions of pounds that were wasted and the millions of people out of work.

When it comes to the present economic strategy, what do these people say? They look at our public spending review and say that we must cut public spending. They look at our Finance Bill and say that we must increase public spending. They oppose reforms to close tax loopholes, but say that we must do more to close such loopholes.

**Mr. Gibb:** The hon. Lady was a member of the Committee that considered the Finance Bill. Will she give an example in that Committee of an occasion on which the Opposition called for a public spending increase?

**Ms Southworth:** I would be very happy to send the hon. Gentleman a list of the many more than 20 occasions on which Tory amendments would have increased public expenditure and reduced Government income.

We do not know—who does?—what the Tories say about Europe; that changes by the minute. In opposition, as in government, the Tories do not know where they are going; they have no coherent plan, no vision and no agreement among themselves. On top of that, it seems that, in the Finance Bill Committee, they could not add up. They were not credible as a Government and they are not credible as an Opposition. If they hope that the electorate will not notice, Conservative Members, like their new leader, will catch a cold.

By radical contrast, this Government are putting in place an overall economic strategy with discipline and effectiveness. Our central economic objective is high but stable growth with greater job opportunities, so that everybody can share in higher living standards. We are rebuilding the economic infrastructure, creating new partnerships between Government and industry to address the problems of instability that we inherited and to build prosperity. Our policies are clear. We are securing economic stability by ensuring low inflation and sound public finance. We are encouraging work, providing employment opportunities for all and making work pay. We are raising productivity by improving skills, increasing investment, ensuring that markets are accessible and competitive and encouraging research and development.

**Mr. Tim Loughton** (East Worthing and Shoreham): Will the hon. Lady give way?

**Ms Southworth:** If you are still in you seat, you cannot be asking me to give way.

**Mr. Deputy Speaker (Mr. Michael Lord):** Order. The hon. Lady must not refer to the Chair in that way.

**Ms Southworth:** I apologise, Mr. Deputy Speaker. I meant to say that the hon. Member for East Worthing and Shoreham (Mr. Loughton) cannot be asking me to give way if he is still in his seat.

**Mr. Loughton** *rose—*

**Ms Southworth:** I will not give way at the moment.

Current economic indicators show that our strategy is already beginning to take effect. Public sector borrowing, excluding the windfall tax, was £5.9 billion in 1997–98—down to 0.7 per cent. of gross domestic product. Next year, it is projected to be £1.3 billion—0.2 per cent. of GDP, compared with the massive borrowing of 8 per cent. in 1993–94. Despite increases in short-term interest rates, long-term interest rates have fallen sharply since the Government introduced the new policy framework in May. The rates are now at their lowest level for more than 30 years. Real personal disposable income is up by 5 per cent. on last year.

I should like to comment on some examples of the effectiveness of the Government's management of the economy that are particularly important to my constituents. Over the past year, I have discussed priorities with the Confederation of British Industry, the Federation of Small

*[Ms Southworth]*

Businesses, chambers of commerce and business people in my constituency. Business people in small and medium businesses right through to multinationals know that people are the key to success. They all recognise the drag on business, profitability and growth caused by the skills gap.

The Tory inheritance meant that, in Britain, less than half the number of students attained good grades at GCSE than in France or Germany. We were 42nd in the education league. Thousands of young people were trying to find jobs without basic literacy and numeracy skills. Such young people have the right to decent education and a decent opportunity in life. This Government—my Government—are tackling the skills shortage with imagination and vigour. Our careful and coherent plans for managing the economy are inclusive, and they draw on the experience and expertise of business. The new deal for young people has been designed with the active support and co-operation of industry and business. It is already working to give young people a step up the skills ladder.

**Mr. Geraint Davies:** My hon. Friend will be interested to know that, in Croydon, only on Friday, I spoke to an audience of more than 100 businesses that are interested in the Government's new deal. That is symptomatic of the new partnership between the Government and business to get our people back to work.

**Ms Southworth:** As my hon. Friend would expect, I am very pleased to hear that. Indeed, I heard the same message in a business breakfast this morning.

We know that the new deal is effective because 60,000 young people have joined it since January. Indeed, we are already receiving an enthusiastic and interested response to today's launch of the new deal for over 25s. We are also investing £100 million in opening 40 centres of technical excellence. We are training 20,000 people to tackle the millennium bug which, as one of my constituents said, is one of those normal problems that will not go away, which small and medium businesses need the Government's help to tackle, and which the previous Government ignored.

We are creating a culture of lifelong learning with an infrastructure that helps people access knowledge and skills. In addition—an issue that is brought up constantly by my constituents who are business people—we have committed £2.5 billion extra to education, and will increase that spending year on year as the economy grows.

That brings me to another area of exceptional importance to many of my constituents. After the Warrington bombing, local people worked hard to support a framework for peace in Northern Ireland. They have raised £1 million in the past three months to build an international peace centre for young people from north and south Ireland and England. A peaceful future for Northern Ireland really matters to us. The £315 million invested in the renewal and modernisation of Northern Ireland, which the Government have allocated to build economic and political stability, get people back to work, equip them with skills and create an infrastructure for a modern economy, effectively shows the Government's priorities. Economic growth and social cohesion are working together to build a better present and a better future for the people of all these islands.

5.7 pm

**Sir Peter Tapsell** (Louth and Horncastle): The House has just heard a most powerful, fluent and charmingly delivered speech from the hon. Member for Warrington, South (Ms Southworth), to which I listened with great interest. It used to be a tradition in the House that one replied to the previous speaker, so I shall deal first with one or two of her points.

The hon. Lady is quite wrong in thinking that none of us Conservatives has a recollection of events leading up to British entry into the exchange rate mechanism and those flowing from it. I was strongly opposed to, and argued strongly against, joining the ERM. During the two years that we were in it, I continually urged that we should leave. To this day, I regard so-called black Wednesday as one of the most fortunate events in post-war British economic history. However, throughout the late 1980s, day-in, day-out, the Labour party strongly urged the then Conservative Government to join the ERM. I remember Neil Kinnock, then Leader of the Opposition, and John Smith, then shadow Chancellor, urging in the twice-weekly Prime Minister's Question Time—Prime Ministers used to come to the House twice a week—that Britain join the ERM.

I may say in an aside to the Liberal economic spokesman, the hon. Member for Gordon (Mr. Bruce), that the Bank of England was also strongly in favour of our joining the exchange rate mechanism, as was much of the City of London and the great international firms. In other words, exactly the same people who were then in favour of our joining the ERM are now urging us to join the single European currency, and for the same reasons.

One of the extraordinary things about the highly intelligent remarks of the hon. Member for Warrington, South is that she seems not to appreciate, given the very things for which she was criticising the Conservative Government in the past—I fully recognise that it was a terrible mistake for us to join the ERM—that her Government are now seriously contemplating making exactly the same mistake again.

**Mr. Nigel Beard** (Bexleyheath and Crayford): Is it not the case that, when the Conservative Government went into the exchange rate mechanism, they went in at too high a rate and with a take-it-or-leave-it attitude that meant that we had no friends in the arrangement when the crisis arose? If anything, that was an example of the way in which the Conservative party dealt with the European Community throughout its period in office. The disaster that followed was the sort of disaster that would follow any policy that the Conservative Government took up, with that sort of bullying manner.

**Sir Peter Tapsell:** I fully accept—events demonstrated it all too clearly—that we joined the ERM at the wrong rate of DM2.95 to the pound. However, there will never be a right rate at which to join any fixed exchange arrangement. The essence of international currency markets, as we have seen in the relationship, for example, between the yen and the dollar in the past month, is that currencies can fluctuate dramatically from day to day and week to week. That is one of the great safety mechanisms in the international trading community. When we remove that mechanism, we are in serious trouble.

That is one of the reasons why the whole of Asia is now in chaos. The countries involved were operating on quasi-fixed exchange rates throughout so they did not devalue and did not change their exchange rates until they were in a desperate situation. In my view, that is exactly what will happen in the European Union in the course of time.

**Mr. Geraint Davies:** Does the hon. Gentleman accept that the high level of sterling is a symptom of international business confidence in the British economy? Given what his colleagues have said about getting the exchange rate down, how would he suggest reducing the confidence of the international business community in the British economy so as to push down exchange rates, which it appears the Conservative Opposition want to do by some sort of whim?

**Sir Peter Tapsell:** I am being delayed in getting on with what I really want to say. However, I am much more interested in the subjects that are being raised.

It is true, to some extent, that the great strength of sterling today is due to the high regard that the international community has for the state of the British economy at present, as a result of 18 years of Conservative government. However, it is not true that the whole British economy is very confident at present. The exporting element of the economy has a lower confidence than at any time since 1983, as the latest CBI report proves.

Much of the strength of sterling is due to the fact that people are anxious about the future of the euro. A great many rich Germans have been moving out of deutschmarks into the Swiss franc, the United States dollar and sterling. To a considerable extent, the strength of sterling is due to anxieties about the euro by the international community.

The other thing, while I am on this subject—having referred to it, I shall conclude on the question of the past, as it were, and the euro—is that it is not possible to say what would be the right rate at which to join the euro, if the Labour Government eventually decide to join and the British people are unwise enough to vote yes in a referendum. At the moment, the exchange rate with the deutschmark is significantly higher than when we joined the ERM. It was 3.02 this morning, not 2.95. No one who looks at these matters has ever seriously considered that we should join the euro at a higher rate than 2.65, and many would put it at 2.60, or even lower.

As my hon. Friend the Member for Esher and Walton (Mr. Taylor), who does not always share my euro-sceptic enthusiasms, mentioned earlier, we are talking about a problem that the Labour Government seem not to have considered. Certainly they do not discuss it in public. If they decide to join the euro and they are to avoid the mistake that the Conservative Government made of joining at much too high a rate, how will they get sterling down from DM3 to the pound to 2.60 without greatly increasing inflation? They would have to reduce interest rates—the experts guess that it would involve a reduction in interest rates of 3 or 3.5 per cent. It is said that that would involve a huge increase in income tax to offset the inflationary pressures that would ensue. Even if we decided in theory that we wanted to join the euro, it seems to me that there are almost insuperable technical problems just about that aspect of it.

**Mr. Geraint Davies:** Is it not the case that, in the middle of May, the exchange rate slipped from DM3.10 to the pound to 2.90 due to the agreement of leaders in Europe to set a date for the start of the new currency? Is it not therefore obvious that, if the currency is successful following its launch at the beginning of next year, the rate for the pound will converge down towards 2.65 anyway?

**Sir Peter Tapsell:** I do not think that anything is ever certain about the movement of currencies. I have earned my living in this sector, often with some difficulty, for 40 years. If one even knew what the exchange rates of the world were to be tomorrow, one could become another Soros overnight. It is absurd to project forward months ahead what would be the possible rates at which the great currencies would relate to one another.

I turn to the terms of the motion of censure that my party has rightly put on the Order Paper. The Chief Secretary advanced the rather curious and, I should have thought, entirely novel constitutional proposition that an Opposition censure motion was an opportunity for the Opposition to set out their policies. I have listened to a great many Opposition motions over the past 40 years in the House and it has never seemed to me that that was the object of the movers of such motions.

I have always thought that a censure motion on a Government was exactly what it said, and that it set out the criticisms that the Opposition of the day have of the Government. The Government are then expected to defend their policies and answer in detail the criticisms that have been made. There has been no attempt to answer our criticisms in detail and the Chancellor of the Exchequer has even pushed off to continental Europe. It is extraordinary. It is not surprising that the Chief Secretary wants us to start behaving as though we were the Government, which I have no doubt that we shall be again in a few years' time.

When the economic historians come to study the reasons for the failure of this Government, I believe that they will point to the origins of the failure arising on the fourth day of the Government's life, when they suddenly announced the new arrangements for the Bank of England. The whole of that episode will be of great fascination to political and economic historians. That immensely important decision, incidentally, reversed at a stroke a Labour Act of Parliament, not a Conservative one. It reversed the Bank of England Act 1946, which was introduced by the post-war Labour Government.

The decision was taken furtively and in a tremendous hurry. The policy was not in the Labour party's manifesto, and, in the campaign before 1 May, no Labour Front Bencher said that such a decision would be taken. Indeed, I understand that it was not even discussed and approved by the Labour shadow Cabinet before 1 May. However, it was one of the most important constitutional and economic decisions of this century—indeed, since the reign of Charles II, as anyone who knows the history of the Bank of England will accept—and it was taken in what David Smith, the economics editor of *The Sunday Times*, described yesterday as a frenetic hurry. It will have

*[Sir Peter Tapsell]*

tremendous implications for the duration of the Labour Government and will, I believe, have very adverse effects on the British people.

The effect of giving the Bank of England independent operation on interest rates is—as I have said repeatedly in the House from the moment that it was announced—to separate fiscal and monetary policy. The hon. Member for Gordon (Mr. Bruce) pointed out that a number of major countries separate fiscal and monetary policy, but sometimes the number is exaggerated—Japan does not separate the two, although I do not want to use Japan as an example for us to follow. People are usually thinking of the United States and Germany, but we should consider the effects of that separation on those countries' recent economic history.

Nye Bevan, who was the best speaker that I have heard during my time in the House, was fond of saying that one did not have to look into the crystal ball when one could read the book. Recent books show that the United States ran a slack fiscal policy and a tight monetary policy in the 1980s, and that Germany did so in the 1990s, after the Berlin wall came down. The slack fiscal policy in Germany required a tight monetary policy as a counterpoise, which was the cause of all our difficulties as a member of the exchange rate mechanism. The fact that interest rates had to be high in Germany meant that they were inappropriately high in Britain at a time when we were entering deep recession, which—or the reverse—is exactly what might happen if we were in a single European currency. An economy can be organised much more efficiently if elected Ministers are responsible for both fiscal and monetary policy.

**Mr. Beard:** Is it not the case that, immediately after the Monetary Policy Committee took control of interest rates, long-term interest rates fell? That fall, which was the result of the policy about which the hon. Gentleman complains, had a direct impact on one of the longest-standing problems of the British economy—the lack of investment.

**Sir Peter Tapsell:** Treasury Ministers have often made that point, but I do not think that they understand—any more than I think that the hon. Gentleman understands—the significance of long-term interest rates. It is perfectly true that long-term interest rates in this country are exceptionally low—they are at 6 per cent. In the United States, however, which has a totally different system and is not preoccupied with the things that we are discussing, long-term interest rates are 5.5 per cent.—that is almost a post-war low. One can, this afternoon, buy the 30-year US long benchmark bond on a 5.6 per cent. yield. In Japan, which also faces a totally different set of circumstances—it is in technical recession, perhaps moving into slump—long-term interest rates are even lower.

There can be a variety of reasons to explain the fact that long-term interest rates are low. People may fear a recession and savers may not be spending. There are many influences on long-term interest rates, and it is a great mistake to make deductions of the kind that the Government make from the fact that our fixed interest yield curve is more or less flat and that our long-term interest rates are low—one would have to make a close and scholarly comparison between Britain and the United States if one wanted to draw such academic conclusions.

The fact that the Government sacrificed control over monetary discipline—they can no longer determine it—means that the Chancellor can pursue a laxer fiscal policy than he otherwise could. I suppose that he was so keen to give the Bank of England independence over interest rates because he knew that, sooner or later, political pressures would force him to increase public expenditure, contrary to the pledges that he gave before the general election—he wanted to be able to blame another body for the increase in interest rates. There have already been six increases in interest rates since the general election, as the motion points out, and there are undoubtedly more to come. The effects of those increases are serious and extremely damaging to our exports. Indeed, I fear that sterling will become even stronger and that the high pound will persist for many months. The impact of that on the green pound will have a tremendously bad effect on British agriculture. We always talk about this problem in terms of exporting, but I represent an agricultural constituency and I know that farmers are having a desperate time as a result of Government policy.

The Chancellor has now announced a 2.75 per cent. increase in public expenditure per annum, but, when he is challenged on it, he says what I have heard Chancellors say time and again over the years—the deja vu that I experience in listening to him and the Chief Secretary is uncanny. Last Thursday, in response to a supplementary question, the Chief Secretary said:

> "When the Tories . . . accuse us of going on a spending spree or of having too loose a fiscal policy, they really must tell us, what do they want us to cut? Are we spending too much on health, too much on education, too much on transport? They must answer those questions."—[*Official Report*, 25 June 1998; Vol. 314, c. 1161.]

No Opposition have ever answered those questions, but I tell the House who has—first, between 1964 and 1967 under the Wilson Government, they were answered by the international community, which forced the 1967 Callaghan devaluation of the pound, and secondly, between 1974 and 1976, when Lord Healey was Chancellor, they were answered by the International Monetary Fund, which told the Labour Government how the show was to be run.

I am sorry that the right hon. Member for Ashton-under-Lyne (Mr. Sheldon), who was a Treasury Minister at the time, is temporarily not here, as he could confirm that, after the IMF had told the Government what to do, the quartet of Labour Treasury Ministers imposed the most savage cuts on all the public services. The Chief Secretary asks what services Opposition Members would cut and reads out all the popular public services on which the Liberals ask him to spend more. Those were precisely the services—health, education, transport and so forth—that the IMF cut most savagely under the last Labour Government. No new hospitals or roads were built: new building was cancelled—the whole thing.

I hope that we shall not have to listen for another three or four years to Treasury Ministers saying, whenever they increase public expenditure, "What would you cut?" I have never been one of those Conservatives who opposed public expenditure in principle. I am a Keynesian—I believe in public expenditure when it can be justified. One has to be careful not to increase public expenditure too quickly or out of line with GDP indexes.

Indeed, until his extraordinary statement on the matter a fortnight ago, I thought that the chief message that the so-called iron Chancellor had for the country was that public expenditure had to be kept under the tightest possible control. However, because of a few minor revolts by a few Labour Members whom the Government are now trying to strike off their candidates list, that iron Chancellor was panicked almost overnight into announcing that restraints would be considerably eased. We shall wait to find out how long it is before the IMF starts to take an interest.

The shadow Chancellor said the other day that we have boom and bust at the same time, which is true. The Organisation for Economic Co-operation and Development said only last week that our latest increase in interest rates might well tip this country into recession, and I share that view. On 27 November last year, in a supplementary question to the Chancellor of the Exchequer, I asked:

"Has it occurred to the Chancellor of the Exchequer that by 1999 the danger of inflation may be rather less than the danger of deflation?"—[*Official Report*, 27 November 1997; Vol. 301, c. 1082.]

That is my view, and I said that before the Thai baht collapsed and before the chaos in Indonesia and the economic crisis in Asia. The dangers of deflation are demonstrably much greater now than they were in November, and the latest increase in interest rates by the Bank of England was a mistake.

The Bank will make further mistakes, which brings me back to my opening remarks. I do not have much confidence in the new Monetary Policy Committee that has been set up to run such affairs instead of the elected Government. Members of the MPC are mostly respected economists, but they do not have wide business experience—certainly not in exporting—and they are not at all preoccupied with employment levels as far as one can tell.

When the Chancellor announced the new Bank of England set-up, he said that its chief obligation would be to keep inflation at 2.5 per cent. If Labour Members are right that he felt when he came to office that he had inherited from the Conservatives far too lax a monetary policy and that an inflationary danger was building up so that a 2.5 per cent. inflation target had to be announced, surely he must have understood the implications. If one suddenly introduces a 2.5 per cent. target at the beginning of an inflationary splurge—this is what Treasury Ministers are now trying to pretend that they thought—one is, in effect, asking the Bank of England to take severe monetary measures indeed, which will dramatically affect employment levels. It is worth remembering that the level of unemployment under every one of the five previous Labour Governments has been higher when they left office than when they took it, and I am certain that that will again be the case.

**Maria Eagle:** Does the hon. Gentleman recall the effect of Conservative economic policies on manufacturing employment between 1979 and 1981, particularly in Liverpool, which I remember well at the time? They destroyed 24 per cent. of manufacturing jobs and one sixth of all jobs in Liverpool.

**Sir Peter Tapsell:** I remember that clearly because I resigned as a Treasury Front-Bench spokesman on the issue and spent the period from 1979 to 1981 attacking Lady Thatcher's Government and Lord Howe's chancellorship precisely on the grounds that their monetary policy was far too tight. I publicly described the 1981 Budget on the day that it was delivered as being economically illiterate. When Sir Alan Walters was eventually appointed as her economic adviser by Lady Thatcher, his first report to her confirmed exactly what I said and she changed her policies.

Getting things wrong once is not a good argument for getting them wrong a second time. We made great mistakes over the exchange rate mechanism and excessive monetarism, but, apparently, this new Government have learnt nothing. They are the Bourbons of modern times—they have learnt absolutely nothing—and, as the Talleyrand of the House, I am trying to remind hon. Members that we faced some of those problems before, and the wrong answers were given. For goodness' sake, do not let us do so again.

One of the great problems is that people develop a commitment to a general theory. During my time in the House, the theories have changed. First, we had socialism, then corporatism, then monetarism and now we have Euro-federalism. One of the great advantages of an Oxbridge training, which is under considerable attack from Labour, is that it develops in one a mood of intellectual scepticism at an early age. I was deeply sceptical about all those four "isms". We really should aim for a situation in which all "isms" are "wasms" and in which we concentrate on good, sound Government by experienced Ministers rather than thinking that all the world's problems can be solved by one theory.

Finally, every Government ought to aim at four things simultaneously. I am thinking of the 1944 all-party White Paper at the end of the war. People go on as though the Labour Government invented everything after 1945 and one would not think that there had been a Beveridge report on the social services, a Willink report on the health service or anything of the sort. George Isaacs and Nye Bevan did a good job, but a lot of work was done for them beforehand. They inherited the blueprints for the post-war welfare state, including the educational structure, which was based on Rab Butler's Education Act 1944, and it was built on plans that had been drawn up under Churchill's wartime Government, largely by Conservative Ministers.

The 1944 White Paper on employment stated that one must aim simultaneously for stable prices, a high level of employment, a healthy balance of payments and an expanding economy. If one gives a particular instruction to the monetary authorities—now the Bank of England—as this Government have and tells them that they have to give a 2.5 per cent. rate of inflation overriding priority, those other three aims will all be put at risk and this Government will come to the ignominious end that I am longing to see.

5.39 pm

**Mr. Michael J. Foster** (Worcester): It is perhaps in the nature of debates on a censure motion, but Ministers will be grateful to the hon. Member for Louth and Horncastle (Sir P. Tapsell), and the faces of Opposition Front Benchers show that they were not too keen to hear his relatively interesting contribution.

The Government are hoping to achieve long-term economic stability. Businesses share that aim; they want to avoid boom and bust, with the peaks and troughs of

*[Mr. Michael J. Foster]*

economic activity. I think that everyone in the House will understand the analogy of a small ship that does not want deep, heavy waves, because there might be the occasion when one rides the crest like a surfer and has super-success but, more often than not, businesses will be wiped out when the wave crashes down.

Between 1991 and 1993, nearly 70,000 companies were liquidated: wiped out. In the same period, there were 170,000 business failures.

**Mr. Gibb:** Will the hon. Gentleman comment on the Dun and Bradstreet report, published today, showing that business failures among small companies have increased by 25 per cent. under the Labour Government?

**Mr. Foster:** The popularity of the new Labour Government among business people is as high as it has ever been.

Stability in the economy is a great aid to planning. Certainty is essential when we plan long-term investment in new technology, in research and development, or even in people. That is why I welcome the news that long-term interest rates are at historically low levels. We must acknowledge the fact that there will be some variation in our economy. We are not operating in a closed economy. The essence of good government is to avoid economic shocks and destabilisation.

The motion refers to

"6 increases in interest rates",

but those increases have raised the base rate only 1.5 percentage points, from 6 to 7.5 per cent. As regrettable as that may be, we should consider what happened when the Conservative Government were in charge of the economy. In one day alone, they raised interest rates first by 2 per cent., and then by a further 3 per cent. The base rate was in double figures for four consecutive years; in 1989, it peaked at 15 per cent., remaining between 13 and 15 per cent. throughout 1989 and 1990, yet Conservative Members have the brass neck to criticise the Labour Government, under whom interest rates have peaked at only 7.5 per cent.

In Worcester, business has welcomed the new Labour Government. On our first anniversary, BBC Television came to find out what Worcester woman, Worcester man and Worcester business people thought. Mr. Noel Duffy, finance director of Dolphin Computer Systems, said how much he applauded what the Government were doing for business.

A stable economic environment will be essential in addressing the fundamental problems that we inherited from the previous Government. The most obvious problem is that economic growth is more often than not associated with wage-push inflation. That effect is caused partly by skills shortages, as workers can bid for higher wages when they know that their skills are in demand and there is no competition from other skilled workers.

The Government are addressing that serious supply-side problem. A Japanese-owned manufacturing tool company, Mazak, has its European headquarters in Worcester. It has great difficulty in explaining to its Japanese owners that, when it takes on new workers, productivity does not immediately go up and it takes six months before there is any noticeable increase. That is because the workers who are being taken on do not have the skills or education standards of their German or Japanese counterparts.

I am pleased to say that the Government are addressing such problems. The university for industry will enable people in work to train and to develop their skills, and will give access to the best possible management practice. Individual learning accounts will enable people to take the time to bring themselves up to speed with new skills. That is good for their motivation, for the business, which will benefit from greater productivity, and for the economy as a whole. The new deal will give quality training to unemployed people and bring them back into work, not only making work pay for them but making taking on workers pay for businesses.

We have endeavoured to improve education standards across the board, with nursery provision for all four-year-olds; the pledge on small class sizes for five, six and seven-year-olds; a focus on literacy and numeracy; and encouragement for more young people to go into further and higher education. That is all absolutely essential if we are to solve the problems that we inherited.

For many years, the economy has been troubled and unable to grow without causing the bust part of the business cycle to come into play. We intend to tackle that problem through a stable economic plan and I hope that, after 20 years of Labour government, we shall be able to look back on what will truly be a golden legacy.

5.47 pm

**Mr. Shaun Woodward** (Witney): It is incredible that the Chancellor has chosen to be elsewhere for such an important debate. That shows some contempt for Parliament, and may say a great deal to businesses that have been looking to him for leadership. Everywhere, we see signs that the economy is in severe difficulties, but he cannot be bothered to come to the House.

Over the past few weeks, report after report, including the most recent one from the Organisation for Economic Co-operation and Development, has warned of real danger in the economy, yet the way in which the Government and their Back Benchers have responded this afternoon shows complete contempt for the warnings that have been offered. The economy is in real peril. While the Chancellor fiddles, the economy burns.

It is an extraordinary fact that inflation has almost doubled in the past year, yet Government Members want to talk about history. The reality is that the economy requires leadership and attention today, but the Government are deaf to all pleas. Mortgage interest payments have increased by almost 30 per cent. since the Government came to power, but they are deaf to our arguments. We have seen excise duties increase by nearly 20 per cent., but Labour wants to talk about tax rises under the previous Conservative Government. We have seen dramatic increases in council tax bills, but the Government choose to ignore the consequences.

It is hardly surprising that the result of all those increases is that wage settlements have increased. The average family must pay nearly £1,000 more a year because of the Government's tax increases, and the only way to fund that is to ask for more money. Meanwhile, the Governor of the Bank of England tells us that the economy is closer to overheating than it has been for a

long time. Do the Government pay any attention? No. They prefer to talk about history than take responsibility for dealing with the economy now.

The Governor is not alone. Other members of the Monetary Policy Committee say the same. Soon—probably on 9 July—interest rates will rise once again. The inflation target has been missed 12 times out of 13—a pretty impressive record. Yet the Government prefer to talk about the time before they came to power instead of taking responsibility for their appalling economic choices over the past year. That is why headline inflation is up from 2.4 per cent. last April to 4.2 per cent. today.

**Mr. David Borrow** (South Ribble): I have listened with interest to the hon. Gentleman's arguments, but my right hon. Friend the Chief Secretary said that in the Standing Committee on the Finance Bill, the Conservatives supported increases in taxation and expenditure equivalent to £6 billion. That would add £6 billion to the public sector borrowing requirement, and that is what the Conservatives supported. How does that fit in with the Governor of the Bank of England's concern that the economy is overheating? To put £6 billion more into the economy would surely add to overheating, and would add to, rather than reduce, pressure for increased interest rates.

**Mr. Woodward:** The reality is that running the economy requires prudence. The Chancellor likes to borrow the language of prudence, but shows none. There are areas in which the Finance Bill should be amended, and we shall debate them over the next two days. However, the action that should have been taken by the Chancellor—the United Kingdom's Chancellor, alas—has not been taken. He pretends to be an iron Chancellor, but he is in reality in the vein of old Labour Chancellors. He wants to spend, spend, spend.

The UK faces two futures. In the first, and better, our economy will soon give way to a very hard landing. In the other, more worrying scenario, which we can read about in every newspaper and every forecast, our economy is on course for recession. In either case, there will be a downturn, and that is bad news for Britain. Both scenarios were created in Downing street by the Chancellor's poor choices and bad judgment. He may not want to be here today, but they are his fault, arising from his decisions, for which he must bear responsibility. The Chancellor does nothing but allow the economy to slide into downturn or recession.

**Mr. Borrow:** Will the hon. Gentleman give way?

**Mr. Woodward:** I shall not. I have given way once to the hon. Gentleman. If he wishes to make a speech, the House will look forward to hearing from him.

The Chancellor wants to wear the clothes of prudence, and wanders round the country telling us how prudent he is. In truth, however, he is about to set off on a huge spending bonanza that every commentator says should not happen. Soon, the Chancellor will preside over public spending of nearly £1 billion a day, and it will be upward from there. Why does he claim prudence? Why not admit to being a giveaway Chancellor? He has been dazzled by his legacy, and by the tax revenues that he has received. In February, he let himself believe, from what his Treasury officials said, that his Budget would balance. In true Labour speak, with the help of the spin doctors, out he went to claim that that was all his doing because of his prudence.

As the Chancellor has claimed to be prudent in the past, he must accept responsibility now for what he has done. Consumer spending has been, and remains, out of control. The march of consumer spending has been closely followed by a battalion of pay rises. If the Chancellor had asked what had really gone wrong with the economy, and what was the real reason why tax revenues were going up, he would have learnt that they were consequences of the market's marching ahead, and had nothing to do with him. The economy is overheating, and it has been for a long time. He has refused to take the right action. He should have reined expenditure in, but he is about to let it go. The economy is overheating, and the Chancellor is in the kitchen stoking up the flames.

Monetary policy can, of course, be used to rein in the economy, but the consequence will be higher interest rates. Tell that to a single person in manufacturing, exports or farming, the people who suffer the consequences of the Government's disastrous interest rate policy. The Chancellor claimed that he would end boom and bust, but he inherited a boom and the evidence suggests that he is taking Britain towards being bust. Our balance of payments plunged into the red for the first three months of this year; after a year and a half of surpluses, the deficit for the first three months of 1998 was £3.2 billion. Is that prudent? Of course not. The trade deficit has widened by £500 million, and our exports are falling. Earnings from Britain's stock of overseas assets have declined by £600 million.

The Government seem complacent. They tell us about history, and will not accept responsibility for their policies of the past 14 months, which are driving Britain headlong towards recession. Industries, businesses and farmers are going bust, but the Government arrogantly deny that anything needs to be done. They pretend that everything is fine. The consumer boom continues, not funded by exports as our recovery was, but because spending is being funded by a massive plundering of savings. To the left of him, to the right of him, in front of him and behind, the Chancellor is surrounded by people who say that the economy is in trouble. Yet he cannot be bothered to come to the House to answer legitimate questions.

The Chief Secretary has shown the same contempt for what we say, but what we say is what others are reporting all over the country. The latest evidence from the OECD warns that rising inflation, tight labour market conditions and upward pressure on earnings will mean a bumpy landing and a "serious challenge". Where is the leadership from the Chief Secretary, which would show that the Government take that challenge seriously, or even that they recognise it? All we hear from Government Back Benchers is what they read on their pagers, readings that tell them that everything is fine.

The hon. Member for Worcester (Mr. Foster) talked about businesses in the midlands doing well, but today's Dun and Bradstreet report shows that all is not well. Perhaps the hon. Gentleman would do well to learn from the mistakes that were made by the Conservatives when we were in government. It is vital to listen to businesses on their problems, and businesses are screaming with the pain of the Labour Government's policies.

*[Mr. Woodward]*

The truth is that, as the *Financial Times* said, Britain is stumbling towards recession. The reality is there to be seen if people are prepared to look, but the Government continue to paint another picture. They talk about getting rid of boom and bust, but they are the ones bringing back the bust to this country. As my right hon. Friend the Member for Horsham (Mr. Maude) said, the spin doctors tell them that if the mantra is rehearsed often enough, people will come to believe it. The problem is that the same people will soon join the unemployed. This month, for the first time in years, the number of unemployment benefit claimants rose. It rose because of this Government's policies. It is the fault of the Chancellor and the Government. If they believe that soundbites are a substitute for policies, this country will come undone.

**Mr. Geraint Davies:** The number of claimants rose by 1,000 in May, but it went down by 35,000 in the quarter to May. In the first quarter of this year, business investment went up 10 per cent. and the annualised growth rate was 2.9 per cent. against a trend rate of 2 per cent. Things are growing; people are investing. We are in a boom and things are looking good. There is pressure in the labour market because people are getting jobs. That is not a recession but success.

**Mr. Woodward:** I am grateful for that intervention. As every newspaper points out, under the new way in which the Government wish to calculate the unemployment figures, one could argue that this month was as good as the previous one. Under every other method of calculation, more people are losing jobs than for years. That will not be assisted by the minimum wage, which the Government introduced for perfectly honourable reasons. No one wants people to live in bad conditions. A minimum income yes, but a minimum wage is a guaranteed route, as shown by what has happened elsewhere in the world, to throwing people on to the unemployment scrap heap. That is not the right way forward for a prudent Chancellor. When the Government took power from the Conservative party last year, they inherited falling interest rates,falling unemployment and falling inflation, yet today they are rising. If the hon. Gentleman seriously thinks that the economy can be in a better condition because of those appalling reversals in our economy, he should think again.

What will happen when the impact of the problems in the Asian market starts to hit this country at the end of the year? Presumably the Chancellor will blame someone else, because he believes that it is always someone else's fault. The Chancellor and the Government must learn what the Conservative party learned painfully last year. Ultimately, when they are in No. 10, they are in charge. The Government must recognise that they must take responsibility. It is a reckless Government who continue, as do this Government, not to recognise the signs of economic disaster, yet the Chancellor refuses to face the problems.

**Mr. Beard:** If there is such havoc in the economy, why do the international markets demonstrate such confidence in the Government and their policies that the pound has risen since the day they took office?

**Mr. Woodward:** That intervention is extraordinary. The reality is simple. If one continues to push up interest rates in the way that the Government have allowed policy to be prosecuted, the pound will rise. The consequence for manufacturing, farming and the service sector, which is beginning to suffer, is disaster. If the hon. Gentleman went around the country and heard people's worries, he would learn that the so-called encouragement of investment because of high interest rates is not so good for Britain. That is what we are talking about: the right thing to do for Britain.

Only last week, the *Financial Times* reviewed the Government's policy and said:

"The economy lies stranded in treacherous territory. Every indicator . . . says that the business cycle cannot be wished away."

However, the Government believe that if they practise the mantra of the day, it can be wished away. While the Government continue to believe in spin doctoring as a substitute for policy, Britain moves from a possible to a probable recession.

The Chancellor says that he wants a strong, competitive pound. He has a strong pound, but it is not competitive. Ask anyone in manufacturing or business whether they believe that sterling at its current level is the right thing for Britain and they will say no. The villain of the piece may be sterling, but the father of the villain is the Chancellor. He may wish that long-term policy frameworks could banish short-term problems. An independent Bank might allow him to lay the blame for high interest rates elsewhere today, but tomorrow the country will blame him. The sums show that Britain is teetering on the edge of a serious recession. The party is over.

**Mr. Beard:** The Conservative party.

**Mr. Woodward:** It does not behove the hon. Gentleman to say that. It shows ruthless disregard for the evidence. It is not our evidence, but that of every commentator. Labour Back Benchers fail seriously to address what people who have worked in business say. Most Labour Members have pursued honourable professions, but few have worked in or run a business. That lack of experience is beginning to tell in the way that they run the economy.

Tomorrow, Britain will face real problems. Inflation is at its highest level in six years. On 9 July, interest rates may rise again. The Government continue to be complacent. The Chancellor goes elsewhere and pursues his interest in Europe. That is fine, but the problem is that Britain still needs to be run by its national Parliament here. His absence is serious and shows utter contempt for running the economy in a responsible, proper way.

While Rome burns, the senators of this Government are at play, spending here and there and clocking up their new plans for the future. It is totally irresponsible, given the condition of the economy. Ultimately, Britain will pay, and pay heavily. The next rise in interest rates will force all those who have to borrow to pay even more dearly.

Next year, two futures lie ahead. Either the Chancellor will be here telling us about his package of cuts and postponements or he will not be here at all. To save his own skin, the Prime Minister, a man who likes to be characterised as tough on crime, tough on the causes of crime, will find the villain of this crime. The Chancellor may find that he has different responsibilities.

6.7 pm

**Mr. Christopher Leslie** (Shipley): I am glad to follow a speech so full of bonhomie, wit and joviality. It was interesting to hear an attack on the Government, because attacks have been conspicuous by their absence so far.

I have listened carefully to the debate. The shadow Chancellor, who is not in his place, did not get to grips with what is going on. His main beef seemed to be the absence of the Chancellor. As we are debating a motion in the name of the Leader of the Opposition, perhaps it is important that he is not here. Where is he? That is equally pertinent. What a flagrant abuse of democracy. What contempt for the House of Commons.

**Mr. Heathcoat-Amory:** On reflection, the hon. Gentleman may want to apologise for what he has just said—or perhaps he is embarrassing himself by not knowing that the Leader of the Opposition is in hospital.

**Mr. Leslie:** I did not realise that. Of course I apologise if the right hon. Gentleman is indeed incapacitated, but the deputy leader of the Conservative party has also signed the motion and he is not here either. Lots of people who signed motions today are not here, so it is a little hypocritical to start criticising others for their absence.

This idea of a golden legacy is a wonderful piece of revisionism—the rewriting of history. Some golden legacy it was: interest rates at 15 per cent., inflation at 10 per cent., public sector borrowing and national debt costing, because they doubled in six years, £25 billion in interest payments—*[Interruption.]* The Tories do not like to hear about that—which is intriguing—but the public know it.

The Conservatives seem not to realise that they lost the election because of their abysmal failure to manage the economy. People looked at their claim to a golden economic legacy and laughed at it.

**Mr. Gibb:** The hon. Gentleman mentioned revisionism. What did the leader of the Labour party mean when he said, in 1996 during the lead-up to the election, Labour had no plans to raise taxes?

**Mr. Leslie:** The hon. Gentleman knows full well that the Labour manifesto set out my party's plans and policies on taxation and spending in black and white, whereupon we were elected by an overwhelming majority. We are keeping every single one of our pledges—a concept with which the hon. Gentleman is unfamiliar. That is why his party lost the election: it could not keep its promises, meagre though they were.

It has been interesting to see, in the Standing Committee scrutinising the Finance Bill, the amendments the Conservatives have tabled. As we have heard, they do not deny that they were going to abolish mortgage interest tax relief—earlier, my right hon. Friend the Chief Secretary hammered that point home. We have also seen in Committee the Tories committing themselves to reducing public sector income by astronomical amounts. Where would they find the savings? From putting up taxes—even income tax? From cutting vital public services? Or from adding to the national debt?

Taken together, Conservative amendments proposed in the Standing Committee amount to a staggering £5.8 billion in reduced spending. With their proposed amendment to the social security bill of £1.5 billion and their commitment to abolish capital gains tax, at a cost of £1.3 billion, they would leave an £8.5 billion black hole in the national finances and wipe out the public sector debt repayment that the Chancellor has proposed for 1999–2000.

**Mr. Borrow:** Does my hon. Friend agree that if we followed the advice of the Conservative party and increased the public sector borrowing requirement by as much as £8 billion, we would only repeat the mistake made by the Chancellor of 10 years ago—a mistake that led to the boom of the late 1980s and the bust of the early 1990s?

**Mr. Leslie:** My hon. Friend is correct. It is clear that the Conservative party has learnt nothing from its defeat as it continues to table profligate amendments to the Finance Bill, espousing reductions in tobacco tax and bingo tax, for instance. The Tories have not as yet proposed any reductions in income tax—it will be interesting to see whether they do. We want to know where all the money will come from.

**Mr. Gibb:** There is a limit to how much one can stand of this nonsense. It is the Labour Government who have raised taxes although they said before the election that they could fund all their spending programmes by reducing spending on social security. The fact is that they are spending a mammoth amount more on social security, not cutting it. When will the hon. Gentleman apologise for misleading the public during the election about how Labour would fund its spending pledges?

**Mr. Leslie:** That was a brave attempt by a stalwart member of the Finance Bill Standing Committee to defend ill-thought-out Conservative amendments. He deserves full marks for trying. The hon. Gentleman should know that the Government are reducing the welfare sector's consumption of public money over the lifetime of this Parliament by means of initiatives such as the working families tax credit and welfare to work, which will take people off benefit and into work, thereby reducing social security expenditure. It is that sort of fiscal prudence which will ensure sound long-term public sector finances.

**Mr. Woodward:** Does the hon. Gentleman think that all the reports being written about Britain heading for a probable recession are wrong?

**Mr. Leslie:** The hon. Gentleman's reading glasses are obviously tinted a certain shade of blue. Not all the reports predict such doom and gloom. The Chancellor has done a remarkable job of striking the right balance between the sort of depression and recession being experienced by Singapore, Indonesia and Korea—in the space of one year their economies have shrunk by between 8 and 20 per cent.—and the enormous rates of growth, perhaps unsustainably high, in America.

**Mr. Loughton:** Why is a booming economy in America not a problem for inflation there, whereas in this country, uniquely, inflation is rising and has hit 4.2 per cent; indeed, the underlying rate is well above the Chancellor's target? How does the hon. Gentleman explain that dichotomy?

**Mr. Leslie:** Perhaps it has something to do with the national minimum wage in America. Perhaps we need to

*[Mr. Leslie]*

look into how the Americans operate it in such a way that their inflation stays low. It proves, at any rate, that it is not impossible to combine a minimum wage and low inflation.

I want to reiterate a point I made earlier about the Liberal Democrats' spending commitments. The hon. Member for Gordon (Mr. Bruce) did not deny the Liberals' commitment, made in the Finance Bill Standing Committee, to a policy of, effectively, an extra 8p on income tax. That derives from the £17.5 billion involved in equalising the personal income tax and capital gains tax allowances.

**Mr. Edward Davey:** The hon. Gentleman pulls his fantasy claims out of the air, but fails to explain his party's policies or what they would cost. For example, the Chancellor is on record as proposing a 10p income tax rate. If that were introduced tomorrow, it would cost billions.

**Mr. Leslie:** I am sure that any proposals the Chancellor introduces will be fully funded and costed, just like all the other Government proposals so far. The hon. Gentleman said:

"We should consider making the income tax allowance and the CGT allowance the same . . . In the next few weeks and months, my party will put on record the cost of our proposals for an increased income tax allowance."—[*Official Report, Standing Committee E*, 16 June 1998; c. 799.]

We await that announcement with bated breath. I look forward to hearing how the Liberal Democrats propose to fund their commitments—it always appears easy for them to spend, spend, spend in a way that the Conservative party is learning to do, but they never say where the money will come from and that is what we need to hear. A bit more responsibility from Opposition Members would not go amiss.

On fiscal policy, it is important to highlight the way in which the Government have been working towards reducing the national debt and the public sector borrowing requirement, so ensuring that that burden around the necks of taxpayers is reduced. The hon. Member for Louth and Horncastle (Sir P. Tapsell) claims to be a Keynesian; I wonder what Keynes would have to say about the astronomic levels of national debt created by the Conservative Government. I was interested to hear Opposition Members' rather contradictory arguments on that point.

**Sir Peter Tapsell:** Keynes was in favour of deficit financing during a recession.

**Mr. Leslie:** And, boy, we certainly had recessions—not just one, but two. We are glad that the hon. Gentleman has reminded us of that.

I also want to highlight the way in which the Government have chosen to prioritise capital and infrastructure investment. That announcement, made in the past few weeks, has not yet been fully appreciated: the state—the great oil tanker—has begun to be turned around. Year on year, taxpayers' money was consumed at the expense of investment in capital infrastructure in schools, hospitals and transport networks.

Capital infrastructure helps to improve the quality of the economy and helps business by ensuring that we have long-term infrastructure available throughout the economy to support the industrial capacity we need for future generations. The Government's well-placed policies to give tax breaks through the working families tax credit and the lowest ever corporation tax rate are also welcome; and the acclaim with which many in the business community have greeted the Government's policies has been alluded to.

In monetary policy, the Government have struck the right balance by depoliticising interest rates and passing decisions to the Monetary Policy Committee of the Bank of England.

**Mr. David Ruffley** (Bury St. Edmunds): Before the hon. Gentleman reaches the end of his list, will he explain why, under the Chancellor's economic stewardship, the savings ratio has fallen from 12.7 per cent. in the second quarter of 1997 to 9.1 per cent. in the first quarter of this year?

**Mr. Leslie:** The hon. Gentleman was not listening to me—it might be useful if he made his own speech. My point in respect of monetary policy relates to the depoliticisation of interest rate decisions and their removal from the scope of political intervention of the sort seen under the Conservatives. In the run-up to the election, they took great risks with the economy at the expense of long-term investment in their attempt to front-load the economy and make it appear as sweet as possible to the electorate. They failed abysmally and, as a consequence, the new Labour Government had to clear up the mess they left.

**Mr. Geraint Davies:** Does my hon. Friend agree that the reduction in the savings rate is a symptom of a buoyancy and confidence in the economy which, as the motion tells us, we last saw in 1990, during the boom years of the Lawson era? It is a symptom of confidence and it is not necessarily linked with tax changes, as has been spuriously argued.

**Mr. Leslie:** That is right. Commentators have talked about consumer confidence.

**Mr. Loughton:** Given the hon. Gentleman's comments about how right it is that the House is no longer in charge of setting interest rates, will he applaud the Bank of England if, on 9 July, it puts up interest rates for the seventh time, with the result that mortgage rates rise for many of his constituents and mine?

**Mr. Leslie:** The hon. Gentleman falls into the trap of the previous Government. Politicians have always tried to make decisions about technical and important economic indices, but I prefer to leave such matters to the intelligent and informed views of the members of the Monetary Policy Committee of the Bank of England, who are in a far better position to take such decisions than I am as a politician.

The hon. Gentleman likes to think of himself as an expert on such matters—I am sure that his ambition is to be Chancellor one day. He has been impressive as a member of the Finance Bill Standing Committee, making many long and intricate speeches—and he certainly has

the braces for the role. I am sure that the country prefers experts to make decisions on such important matters, and the Chancellor's depoliticisation of monetary policy has been widely acclaimed. However, it is not wholly outside the realm of the Government to influence monetary policy; it is important that we deal with inflation and try to achieve targets when and where we can.

Something that has disappointed me most as Member of Parliament for a Yorkshire constituency is the ridiculous boardroom excesses of companies such as Yorkshire Water. This week, the board of directors of Yorkshire Water awarded themselves a 30 per cent. pay rise. Kevin Bond, the chief executive, has, in one year, awarded himself a 69 per cent. increase in salary, taking it to £298,000. The salaries of the board of directors now total almost £1 million, with increases of 69 per cent. at the helm and 30 per cent. as a whole—but what are they going to say to Yorkshire Water's employees when they come seeking pay increases for the new year? Are the directors going to tell the employees that they are not important? Are they going to give them 30 or 69 per cent. pay increases? It will be interesting to see what they do. It is vital that company directors across the country act responsibly, recognise that they must set an example and show pay restraint.

**Mr. Woodward:** As the hon. Gentleman has such high moral views on the subject, will he comment on the remarks made earlier today by my right hon. Friend the Member for Horsham (Mr. Maude)? Having castigated those involved in the water industry, what is his response to Mr. Gavyn Davies's reaping a £16 million benefit from changes that the Labour Government have made to capital gains tax? Does the hon. Gentleman applaud Mr. Davies for doing that, or does he think that he should hand the money back, as he would have those working in the water industry do?

**Mr. Leslie:** The hon. Gentleman lists in the Register of Members' Interests a shareholding in Sainsbury and, although he might no longer do so, the shadow Chancellor, the right hon. Member for Horsham (Mr. Maude), has declared a directorship in Asda. I should be interested to know what were the pay awards to the directors of those companies. [HON. MEMBERS: "Answer."] Perhaps the shadow Chancellor will tell us what pay was awarded to him as a director of Asda—

**Mr. Woodward:** The hon. Gentleman cannot answer my question.

**Mr. Leslie:** It would be interesting to discover whether the award was within the inflation target or above it. *[Interruption.]*

**Mr. Deputy Speaker (Mr. Michael J. Martin):** Order. We should not have all this noise.

**Mr. Leslie:** Thank you, Mr. Deputy Speaker. It is important that company directors set an example by showing restraint. The same applies to all people in a position of responsibility.

Throughout today's debate, we have watched an Opposition who have not got their act together. They attack the Government for not spending enough in some respects, but say that we spend, spend, spend in others. It is difficult to know whom we should believe. We have had an interesting look at the history of the Conservative party in office, and the House has been reminded of the exchange rate mechanism debacle. That has been very instructive in reminding us of the mess that the Conservative party created. It is clear that the legacy that it calls golden is an outrageous, appalling mess, and it is left to us to help to clear up the problem and put the economy on a sound footing, ensuring that we focus on the long-term interests of the people and businesses of the country.

6.29 pm

**Mr. David Heathcoat-Amory** (Wells): In this debate, Government Members, particularly the Chief Secretary to the Treasury, have talked about every period of economic history except the past year. They were willing to debate every policy except their own. It seems that, after only a year, Labour Members are already terrified about talking about what the new Government have done. We can understand their embarrassment, but it does not excuse the failure of the Chancellor of the Exchequer to answer the debate or at least be present to answer for his policies.

We understand the Chancellor's discomfort, because he has created two economies in this country. We heard in the debate about the boom economy affecting the City, the service sector and consumer expenditure, but there is another economy for manufacturing and exporting, which is going into recession. That ought to worry Government Members. Instead of making platitudinous remarks about how everything is wonderful in their constituencies, they should start to take note of the letters that we know they are receiving from businesses in their constituencies which tell a different story.

We know that Labour Members are receiving those letters because businesses have begun to copy them to Conservative Members on the Standing Committee on the Finance Bill. My hon. Friends will confirm that we are receiving letters from businesses exasperated by the failure of Labour members of the Committee to speak up about the gathering recession in their constituencies.

**Mr. Woodward:** Does my right hon. Friend agree that it was extraordinary during the Committee stage of the Finance Bill that Government Back Benchers had letters from their constituents that were copied to Conservative Members, but they consistently failed even once to speak on behalf of their constituents and simply allowed themselves to be railroaded by the Government Whips?

**Mr. Heathcoat-Amory:** My hon. Friend was a member of that Committee, and he knows that the Forum of Private Business copied to us letters written by businesses represented by Labour Members, who were entirely silent about the difficulties that those businesses faced as a result of tax increases. It was up to us, as it always will be, to defend the interests of working Britain.

The reason for that distortion and the two economies that the Government have created is that this country has not one economic policy, but two. Indeed, one could almost say that we have two Chancellors, or a single Chancellor in two disguises. One Chancellor is panicked

*[Mr. Heathcoat-Amory]*

by the broken promises on waiting lists and class sizes into reverting to the tax and spend policies that Labour Chancellors always follow.

**Mr. Geraint Davies:** Will the right hon. Gentleman give way?

**Mr. Heathcoat-Amory:** If the hon. Gentleman will forgive me, I will complete this point.

The other Chancellor is a stern monetarist. He is in favour of higher interest rates, a tightening of monetary policy and suppression of wage rises. However, that policy is not working, for the reasons so well outlined by my hon. Friend the Member for Louth and Horncastle (Sir P. Tapsell) in a notable speech. He showed that one cannot have a sensible economic policy that pulls in two directions. There is a mismatch between monetary and fiscal policy, which we pointed out last year and which is causing damage.

The mistakes were first made almost exactly a year ago in the Government's first Budget, in which they broke all their promises on tax, as has been amply demonstrated. The average family are now enduring an extra burden on their budget of £981 a year because of the tax and mortgage increases that they have suffered. However, not only have there been 17 tax increases, but the Chancellor deliberately took the opportunity to target savings. He carried out a £5 billion a year raid on pension funds, which is exactly what the economy did not need. The economic damage will be with us for many years.

**Mr. Beard:** The right hon. Gentleman made the charge, which has so often been repeated, that the abolition of advance corporation tax was a hit on pension funds. The aim was to give an incentive for profits to be put into investment and research and development rather than distributed, so that the economy would be put on a proper foundation. Nothing could demonstrate more the difference in economic policy between Conservative and Labour Members. We are concerned about the real economy, and Conservative Members' sole concern is manipulating money.

**Mr. Heathcoat-Amory:** The hon. Gentleman makes that remark from the comfort of a protected parliamentary pension scheme. That sophistry does not go down well with the millions of pensioners and contributors to pension funds, all of whom know perfectly well that there was a £5 billion a year hit on their savings by a Government whose rhetoric was all about the need to build up long-term savings and increase personal self-reliance. They will never again trust the Government on savings. My economic point is that that is exactly what the economy needed least.

One does not need to be an economist to know that if one taxes savings, there will be less savings. The Government figures support that. I hope that the hon. Member for Bexleyheath and Crayford (Mr. Beard) will at least heed the Chancellor's Budget statement. Page 91 clearly shows that the savings ratio is due to fall this year, next year and even further the following year. Instead of building up savings, the Chancellor is predicting that there will be a further drop in savings. He has made that worse with his botched attack on TESSAs and PEPs—the most successful savings vehicles of all time—which the Government are simply abolishing.

The Bank of England is now left with the job of salvaging something from the anti-inflation strategy. Its only response can be to put up interest rates, which it has had to do again and again. There have been six rises since the general election. The Bank is now required by statute law to give overriding priority to the Government's inflation target, which is being missed month after month. Policy will not work as long as there is a mismatch between the tax and spend policies of the Treasury and the monetary policy enforced by the Bank of England.

That tale of two economic policies gets worse.

**Mr. Geraint Davies:** Will the right hon. Gentleman give way?

**Mr. Heathcoat-Amory:** If the hon. Gentleman will forgive me, I will not give way, because I am conscious of the time.

A new chapter has been opened in that tale of mismatch. Two weeks ago, the Chancellor announced a dramatic further loosening of expenditure policy. Expenditure is now due to rise by at least 2.75 per cent. above inflation each and every year. The rise is greater if all the fiddles and changed definitions are added in—a point which my hon. Friend the Member for Witney (Mr. Woodward) made well in his speech.

What is particularly shocking is that the Bank of England, which is supposed to be in charge of counter-inflation policy, was not even told of that development. The Governor said rather lamely that he had been informed by the Treasury that nothing in the Chancellor's statement would affect the economy for two years. That is untrue—the Governor was misled. The brakes come off expenditure from 1 April next year. Either the Treasury representative on the Monetary Policy Committee was kept in the dark or he failed to inform the Bank of England about what the Chancellor had in mind.

Frankly, there is already enough confusion about interest rates, without this further failure to co-ordinate monetary and fiscal policy. We already know that, at its May meeting, the MPC voted 7:1 against raising interest rates, but in June it raised interest rates. Now, the Governor of the Bank of England has signalled a further increase. The Bank of England is not to blame. It has been given an impossible task—trying to make sense of the Government's economic policy, which is muddled and contradictory.

There have been two economic policies, one pursued by the Treasury and the other by the Bank. That has created two economies, one in boom and the other in bust. The Government's achievement is that they have done both at the same time. That is why the inflation target is being missed month after month. The Chancellor's only response is to blame firms for paying workers too much—and that from a Government who are trying to intervene in the labour market to get those same firms to pay other workers more.

In the non-boom parts of the economy, it is an entirely different story, as I am sure Labour Members truly know. Unemployment is rising, and there is a yawning and growing balance of payments deficit. Bankruptcies are up 10 per cent. in this quarter over the last quarter,

and investment is down. Again, Labour Members only have to read their Chancellor's statements on investment. We have heard a great deal about the need for investment, but I refer hon. Members to page 94 of the Red Book, which shows that investment in the whole economy is falling this year compared to last, is due to fall again next year and is due to fall even further in the year after. With business investment, the fall is even steeper.

If Labour Members do not believe the Treasury's statistics, I refer them to Goldman Sachs, which said in its recent circular that

"the rise in net capital spending to 1.4 per cent. of GDP by the year 2001/02 is less than the average of 1.6 per cent. of GDP achieved during the last Parliament."

After all the huffing and puffing, future investment will be less than we achieved in the last Parliament.

It is not just the economy today that is going wrong; the Government are storing up problems for the rest of this Parliament. I believe that, in their hearts, Labour Members believe that. That is why, in the debate, they have talked about everything except the past year. Apart from the feeble attempts to justify their record in their constituencies, their bleepers have quite clearly told them, "Keep off the economy."

I am sure that both sides of the House know—certainly the country does—that the Government inherited the strongest economy in Europe, with steady growth, stable inflation and falling unemployment, all confirmed by the statistics. It took considerable determination by the Chancellor to mess up that legacy, but he has done it in less than a year. He has done it through a series of policy mistakes, all of them preventable and all of them pointed out to him at the time. All our warnings have turned out to be true.

Hon. Members who served on the Finance Bill Committee will remember one particular moment when it was shown, again by their constituents, that the abolition of retirement relief and its replacement by a highly complex and probably unworkable system of tapering capital gains tax was highly regressive. It is all very well if one is a partner in Goldman Sachs and enriched by, it is estimated, £16 million simply by one clause in the Finance Bill—but it is not quite so rosy for small entrepreneurs planning for retirement, especially as they would have had to pay no capital gains tax under the Conservative Government's provisions.

The reality is always different from the rhetoric. The reality is that the Finance Bill that we will be discussing tomorrow and the next day is in practice highly regressive. It was an interesting glimpse of new Labour priorities that the Government make the rich very rich and the smaller entrepreneurs—

**Mr. Leslie:** No, we did not.

**Mr. Heathcoat-Amory:** Yes, the Government did. The hon. Gentleman voted for this regressive provision and he will be getting letters from small businesses in his constituency. If he wants anything done about them, all he has to do is pass them over to us.

The golden economic legacy has turned into a boom-bust economic derailment. It is not surprising that the Chancellor has chosen to address a committee of the European Parliament rather than defend his policies in this House. That is a disgraceful affront to the privileges and rights of the House—but, in his absence, we judge him and, in our motion, we condemn him. I invite the House to vote for that motion.

6.45 pm

**The Economic Secretary to the Treasury (Mrs. Helen Liddell):** I deeply regret that my right hon. Friend the Chancellor is not present this afternoon, because he could not possibly believe just how bad the Opposition have been. The debate had made being savaged by a dead sheep seem like a stimulating experience.

The right hon. Member for Horsham (Mr. Maude) began his attack on the Government's economic policy by saying that my right hon. Friend the Chancellor was addressing a committee of the European Parliament. As my right hon. Friend the Chief Secretary pointed out, there is a Pavlovian response from Conservative Members at the mere mention of the word "Europe". What galls them even more is that, after 14 months in government, Britain at last has a respectable position in Europe. The Government are acknowledged by the British people to be carrying out their responsibilities in Europe. It is a measure of the extent to which this country was undermined by the previous Government that we had a beef ban.

The Opposition are thoroughly ashamed of their record; otherwise, why would they be so frightened of our going back over their record of 18 years in government? I can tell hon. Members who are new to the House that, in 1997, the previous Government were very fond of casting minds back to 1979. Is it not interesting that they were prepared to count back 18 years, but object to our counting back 18 months. We have to live with the consequences of their economic incompetence, which was so graphically exposed by my hon. Friends earlier.

**Mr. Tyrie** *rose—*

**Mrs. Liddell:** I will come to the hon. Gentleman later. After all, he is giving seminars to his Front Bench on whether the public finances are sound.

It is no wonder that hon. Gentlemen and hon. Ladies—in fact, no hon. Ladies took part in the debate; perhaps they have too much good sense in these matters—are ashamed of the previous Government's record. We have only to look at their performance: whole economy investment fell by 16 per cent. from its 1989 peak to its 1993 trough; business investment fell by 20 per cent. from 1989 to 1993; manufacturing investment fell by 27.7 per cent.; labour force survey unemployment rose by almost 1 million, but they laughed at rising unemployment—*[Interruption.]*

**Mr. Deputy Speaker:** Order. The House must come to order. We cannot have conversations all over the Chamber. The hon. Lady should be heard.

**Mrs. Liddell:** Thank you, Mr. Deputy Speaker. I am not surprised that Conservative Members do not want to hear about their record in government. It was a shameful record. Indeed, it is clear from some of the performances that they have learnt nothing from the arrogance of their years in government. They should have come to the House tonight and apologised for the state in which they left the

*[Mrs. Liddell]*

economy. They talk about the golden legacy, but it is fool's gold. We are now having to deal with an economy that has inherent structural problems caused by the incompetence of the previous Government.

Talk of a golden legacy is nonsense. Thanks to the boom-bust policies of the Conservative party—policies which have damaged growth, held back investment and cost jobs—in the past 20 years we have had the two deepest recessions, and one of the largest booms, since the war. We must set the economy to rights, because it affects ordinary people.

Let us consider some of the structural problems that have been caused by the performance of the Conservative party. Productive investment has fallen. We badly need to boost productivity in our economy, for the simple reason that, from day one of the Conservative Government in 1979, government was characterised by short-termism and a lack of attention to the fundamentals of the economy.

**Mr. Tyrie:** By how much did the British economy grow under the last Labour Government, and by how much did the British economy grow, on average, during the 18 years of Conservative rule?

**Mrs. Liddell:** I thought that we were not supposed to look back. The last Labour Government was 18 years ago, and we are now setting right the errors of the Conservative Government. *[Interruption.]* As Conservative Members want me to talk about the Labour Government's performance, I am happy to do so. Gross domestic product growth in the first quarter of 1998—*[Interruption.]*

**Mr. Deputy Speaker:** Order. I do not expect anyone to shout at the hon. Lady while she is speaking.

**Mrs. Liddell:** Thank you, Mr. Deputy Speaker. Shouting is usually the way in which Conservative Members try to get through these arguments; they want to introduce irrelevancies because they do not want to talk about facts.

**Mr. Maude:** If productivity and investment are so important, why do Government figures show that productivity, which was rising, is now falling, and why does the Red Book show business investment falling consistently in future years?

**Mrs. Liddell:** Perhaps the right hon. Gentleman should have another seminar from his hon. Friend the Member for Chichester (Mr. Tyrie) about the impact on productivity of the previous Government's performance. There is a fundamental requirement to make basic structural changes in the economy. Structural changes are about improving education and skills, and about putting back to work people whom the previous Government abandoned on the dole queue. From their patrician standpoint, the Conservatives do not care about the ordinary people who were thrown on the scrap-heap by their policies. Labour Members lived daily with the consequences of their economic performance.

Less than two years into a Labour Government, GDP growth in the first quarter of 1998 was 3 per cent. higher than a year earlier. Whole-economy investment in the first quarter of 1998 was up 8.6 per cent. on a year earlier. Over the same period, business investment was up 10 per cent. In March, employment was up 429,000 on a year earlier. The International Labour Organisation figure for unemployment in April was 264,000 lower than a year earlier.

Conservative Members do not like those facts; they have gone quiet because they cannot deny the impact that we have had on the economy. With our long-term policies, we shall restructure the economic policies and economic performance of the country. We want to do that partly because we want to ensure that the people of the country enjoy a much better life style.

There was an interesting vignette as the Chief Secretary was talking about the national health service. This is a week of extreme importance to Labour Members, as we mark the 50th anniversary of the national health service. Fifty years ago, the Conservative party opposed that national health service. During earlier exchanges, my right hon. Friend pointed out that the shadow Chancellor had said that the national health service—and the welfare state—was responsible for a downturn in private provision of medical services. Yes, it was—and thank goodness, because, where I come from, before there was a national health service, young and old people died. Day in, day out, we lived with the consequences of the objections that the Conservative party has to public funding of the health service.

In 1998, the Government are proud of the national health service, and our policies are designed to ensure that we will maintain—*[Interruption.]*

**Mr. Deputy Speaker:** Order. I have already appealed to the House to come to order.

**Mrs. Liddell:** That noise was a measure of the contempt that Conservative Members have for the national health service and for ordinary people.

I shall discuss some of the arguments that have been made.

**Mr. Owen Paterson** (North Shropshire): Will the Minister give way?

**Mrs. Liddell:** No; I want to make progress.

The shadow Chancellor failed to take into account his hon. Friends' performance in the Committee of the Finance Bill. They utterly failed to acknowledge the responsibilities of a responsible Opposition. Conservative Members, who cannot even decide whether they support higher public expenditure, would have spent £6 billion more than the Government.

In the seminar provided for the shadow Chancellor, he could not make up his mind whether the country's finances were in a good position. He has yet to respond to the challenge that the Chief Secretary made to him about MIRAS. As Financial Secretary to the Treasury, the right hon. Gentleman condemned mortgage interest rate relief. He repeatedly refuses to address the key issues for the people of this country.

I am grateful for some of the things that the hon. Member for Gordon (Mr. Bruce) said in recognition of Government economic policy, but we differ on some points. Listening to his colleagues' performance, in the

Committee on the Finance Bill and elsewhere, one would conclude that they want £17 billion of additional expenditure. They know how to spend, but not how to tax. The hon. Gentleman asks us for fiscal tightening when the Government are tightening the economy by 2.75 per cent. and yet, whenever we introduce a measure requiring fiscal tightening, the hon. Gentleman's colleagues vote against it. He must decide which side he is on.

**Mr. Malcolm Bruce:** On many occasions we have supported—as did the Conservative party—fiscal tightening, especially on anti-avoidance measures.

**Mrs. Liddell:** What about all the other measures? The hon. Gentleman wants reports to Parliament; he wants to delay implementation of measures that the Government have introduced for fiscal tightening.

If we study Conservative Members' performance during the passage of the Finance Bill, we see an Opposition who do not even know how to oppose. As a Government, they did not know how to govern; as an Opposition, they do not know how to oppose. They are as useless as an Opposition as they were as a Government.

**Mr. Paterson:** Will the Minister give way?

**Mrs. Liddell:** No; I will not. In the debate, there were a number of—*[Interruption.]* The hon. Gentleman has not even been in the Chamber all day. At one point, there were only five Opposition Members in the Chamber, two of whom were from the other Opposition parties. Indeed, I began to think that something might be going on elsewhere in the House.

My hon. Friend the Member for Warrington, South (Ms Southworth) made sound points about Conservative Members' performance. She made the telling point that 1,000 homes a week were being repossessed as a consequence of Conservative policies.

**Mr. Alasdair Morgan** (Galloway and Upper Nithsdale): The hon. Lady should not criticise the Conservatives, as the current Government are in danger of emulating them. In the past year, in Scotland, house repossessions have increased by 16 per cent., and half of that increase took place in the last quarter.

**Mrs. Liddell:** That is the representative of the party whose Treasury spokesman, on Friday, defined its economic policy as hoping for the best—the fingers crossed school of economics. The only growth industry in an independent Scotland would be the selling of lucky white heather. That is the economics of the Scottish National party.

In a speech that reminded us of the great divisions in the Conservative party, the hon. Member for Louth and Horncastle (Sir P. Tapsell) spoke about the effect of the establishment of the Monetary Policy Committee on long-term interest rates. In April 1997, long-term interest rates were 7.6 per cent; today, they are 5.87 per cent. For someone who has been an hon. Member for 40 years, he should be well aware that that is a very good indicator of the future of British business.

The hon. Member for Witney (Mr. Woodward) complained about the Government's "spending bonanza". Perhaps he would care to have a conversation with the hon. Member for Rutland and Melton (Mr. Duncan), who said that

"spending under this Government is less than it would have been had the Conservative party stayed in office."—[*Official Report*, 16 June 1998; Vol. 314, c. 183.]

Conservative Members cannot even make up their minds on the nature of their attack on the Government. I therefore commend to the House outright opposition to the ludicrous motion tabled by Conservative Members, who have not even deigned to provide this debate with some rational argument.

The policies that the Government are pursuing to ensure long-term economic stability will set right the structural problems that have been created by the economic illiteracy and incompetence of the previous Government. It is no surprise that they are so horrified at the prospect of our alluding to their record in Government.

*Question put,* That the original words stand part of the Question:—

*The House divided:* Ayes 139, Noes 310.

**Division No. 316]** **[7 pm**

**AYES**

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, David *(Bour'mth E)*
Baldry, Tony
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Cable, Dr Vincent
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Colvin, Michael
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Goodlad, Rt Hon Sir Alastair
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Major, Rt Hon John
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian

May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Townend, John
Trend, Michael
Tyrie, Andrew
Walter, Robert
Wardle, Charles
Waterson, Nigel
Wells, Bowen
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

**Tellers for the Ayes:**
**Mr. John M. Taylor and**
**Mr. Tim Collins.**

**NOES**

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Ballard, Jackie
Banks, Tony
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Bruce, Malcolm *(Gordon)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnett, John
Byers, Stephen
Cable, Dr Vincent
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Casale, Roger
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Crausby, David
Cummings, John
Cunliffe, Lawrence
Cunningham, Rt Hon Dr John *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Fearn, Ronnie
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Grant, Bernie
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hanson, David
Harman, Rt Hon Ms Harriet
Harris, Dr Evan
Harvey, Nick
Heal, Mrs Sylvia
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jamieson, David
Jenkins, Brian
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Khabra, Piara S
Kidney, David
Killoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Leslie, Christopher
Lewis, Terry *(Worsley)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWilliam, John
Mahon, Mrs Alice
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
Öpik, Lembit
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*

Roche, Mrs Barbara
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Sanders, Adrian
Savidge, Malcolm
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tonge, Dr Jenny
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Wilson, Brian
Winnick, David
Wood, Mike
Woolas, Phil
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

**Tellers for the Noes:**
**Mr. Jon Owen Jones and Jane Kennedy.**

*Question accordingly negatived.*

*Question,* That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

*Resolved,*

That this House notes that the Government inherited an economy in which the current Budget was in deficit by £21 billion, inflation was set to rise because of the failure of the previous Government to take the necessary action on interest rates and nearly one in five households of working age had nobody working; recalls that the previous Government presided over a boom and bust economy with interest rates peaking at 15 per cent. and the two worst recessions since the war, doubled the national debt in the 1990s, doubled unemployment during its time in office, worsened inequality and failed to tackle the weaknesses in the British economy; commends the actions of the Government in its first year, which has established a credible framework for monetary policy that has led to the lowest long-term interest rates in 33 years, set two clear fiscal rules which provide for both prudent public finance and strong public services in the years ahead, taken action to reduce government borrowing such that the current Budget was in surplus by £1 billion in 1997–98, supported British business through cuts in corporation tax and small business tax to their lowest levels ever, launched the New Deal, the biggest employment programme for decades, reformed the tax and benefit system to tackle the unemployment and poverty traps and invested in education and skills; and notes that Britain now has a government which will ensure that the country does not return to the boom and bust and 15 per cent. interest rates of the late 1980s and early 1990s and instead has an economic policy based on stability, enterprise, employment and fairness.

## Class Sizes

**Mr. Deputy Speaker (Mr. Michael J. Martin):** I must point out that Madam Speaker has selected the amendment in the name of the Prime Minister.

7.14 pm

**Mr. David Willetts** (Havant): I beg to move,

That this House notes that primary class sizes have increased since the Government came to power, and that almost half a million pupils at Key Stage 1 are now in classes of 31 or more; condemns the Government's failure to deliver its early pledge to reduce infant class sizes; believes that while reducing class sizes is a desirable objective, this should not be done at the expense of parental choice or by creating more mixed-age classes; and condemns the Government's inability to implement its pledge in a way consistent with raising educational standards.

We have tabled this motion because we are still waiting for the Government's first annual report on how they have performed since they were elected on 1 May 1997. In particular, we are still waiting to hear from Ministers an account of how they have performed in respect of their five early pledges, which not only appeared on the credit cards that were distributed to the electorate, but were even stamped on coffee mugs distributed at the Labour party conference. One of those pledges was on class sizes. If the annual report were being produced by a company, that company would soon be in breach of its statutory obligations—the report is so delayed that the company would soon find itself hauled before the courts.

We hope to see the Government's report soon, and we hope that it will explain why, despite the pledge to reduce class sizes, the number of children studying key stage 1 in classes of more than 30 has gone up since the election and why the number of children in primary schools in classes of more than 30 has gone up since the election. That is exactly the opposite of the pledge on which the Government were elected.

**Mrs. Anne Campbell** (Cambridge): I am grateful to the Minister for giving way—I mean the shadow Minister. Does he accept that local authorities have not been very co-operative, especially Conservative-controlled Cambridgeshire which was allocated an extra £9.5 million by the Government to spend on education but failed to do so? Indeed, £1.6 million of it was allocated to other services. *[Interruption.]* I am sure that the hon. Member for South Cambridgeshire (Mr. Lansley), who is sitting immediately behind the hon. Gentleman, will confirm what I have said.

**Mr. Willetts:** My hon. Friend the Member for South Cambridgeshire (Mr. Lansley) was saying that Cambridgeshire was spending above its standard spending assessment. I do not have my hon. Friend's expertise on Cambridgeshire, but had the hon. Lady been at the annual conference of local education authorities last week, as I was, she would have heard LEA members of a variety of political persuasions agree on one thing—that it was not practical to deliver the Government's pledge on class sizes, something to which I shall return in a moment.

*[Mr. Willetts]*

The Government's record compares unfavourably with our record. When we left office, a smaller proportion of pupils was taught in classes of more than 30 than when we came to office in 1979.

**Ms Rachel Squire** (Dunfermline, West): Rubbish.

**Mr. Willetts:** The hon. Lady shouts "Rubbish", but I assure her that these are figures from the House of Commons Library.

Ministers' response to the embarrassing predicament of twice having to announce increases in class sizes was to say that they were going to bring forward the delivery of their pledge. Previously, the plan had been that it should be delivered by 2002. As evidence of how serious the Government were about delivering it, they said that it would be delivered in 2001. However, when the electorate were voting for an early pledge, they did not believe that "early" meant 2002. People do not seriously believe that delivering it in 2001 means delivering it earlier than they had been led to expect by the Government.

For Ministers now to say that there is no prospect of delivering their pledge until 2001 is a failure to deliver on the expectations that they were happy to excite among the electorate in order to get themselves elected. Their interpretation of "early"—namely, that they made the pledge early on, not that it will be delivered early on—is not an interpretation that one single member of the electorate ever understood.

What are the Government going to do about delivering their pledge? The Department for Education and Employment will have to make every effort to ensure that the Government can retrieve the position after the embarrassment of their first 15 months in office. What will their efforts to deliver this pledge mean in practice?

**Dr. George Turner** (North-West Norfolk): In Norfolk, it will mean that 1,000 pupils who would have been in classes of more than 30 will not be. Could we have a better debate than we had this afternoon—a debate on the facts? Does the hon. Gentleman not recognise that that very pledge card said how the pledge would be delivered and that the Bill to abolish the assisted places scheme—the Education (Schools) Bill—was among the first Bills that this Government introduced? It is obvious that, until we have delivered on that, we cannot spend the money.

**Mr. Willetts:** All I can say to the hon. Gentleman is that—I have the copy of the relevant page of the Labour manifesto here—it was described as an early pledge, and I do not regard delivery in 2001 or 2002 as an early pledge. It was also described as being financed by using money saved from the assisted places scheme. We have already seen the new deal money for capital expenditure raided because it was clear that the assisted places scheme was not going to be able to raise enough money to deliver the pledge, so it does not seem that the Government are in any way sticking to the assurances that they gave before the election.

**The Minister for School Standards (Mr. Stephen Byers)** *rose—*

**Mr. Willetts:** I will give way to the Minister, and then I shall try to make some progress.

**Mr. Byers:** I am grateful to the hon. Gentleman for giving way because, like my hon. Friend the Member for North-West Norfolk (Dr. Turner), I hope that the debate can be based on facts. Will the hon. Gentleman confirm that not a single penny of the new deal capital money has been used for the reduction of class sizes? Additional resources, provided by the Chancellor in the Budget of March this year—an extra £40 million—were made available, but that is over and above the new deal money that was announced in July last year. Will the hon. Gentleman confirm that that is the case?

**Mr. Willetts:** This is, admittedly, a murky area, but what we seem to have is, first, money from the abolition of the assisted places scheme not being sufficient to finance the delivery of this pledge, for the simple reason that the pupils who would otherwise have participated in the assisted places scheme still need to have an education. They do not disappear off the face of the earth, which seemed to be the basis on which the Labour Government were working. Secondly, we have had some new deal money from the capital allocation and, thirdly—I am happy to concur with what the Minister has just said—the Chancellor has found extra money on top of the assisted places money and on top of the new deal; that is further money which was announced in the Budget. The Government are unable, on the Minister's own words, to deliver the pledge by using simply assisted places scheme money.

**Mr. Byers:** On the facts—and the record will show that the hon. Gentleman said that the new deal money had been raided to fund the reduction of class sizes—will he confirm that that is not the case, but that a further £40 million has been made available over and above the new deal money to support the reduction in class sizes? Therefore, there has been no raid on new deal money.

**Mr. Willetts:** We are getting bogged down here. Of course the Minister is correct to say that there was a further £40 million in the Budget, but it was on top of the money from the abolition of the assisted places scheme. It was made clear that one of the purposes that the Government wanted the capital expenditure under the new deal for schools to go on was reducing class sizes, so the Minister is having to raid three pots, rather than financing the policy simply out of the assisted places scheme. That seems to be the position.

What we are now going to see is the slow and painful process of a shift from what seemed to do well in the focus groups. I am sure that there are parents throughout the country who want their children to be educated in smaller classes; of course we understand that that is what parents want. It became a pledge, but now it is in the process of becoming a law, and soon it will be unlawful to carry out active education in a class of more than 30.

At that point, the problems will begin. Something that is, indeed, desirable as one of the many ways in which to raise educational standards will instead become the be-all and end-all of education policy. Parents throughout the

country who would have liked the idea of their children being educated in smaller classes will find themselves paying a very high price for a rigid, obsessional commitment to delivering that objective, to the exclusion of all the other things that can deliver high-quality education for our children.

**Mr. Desmond Swayne** (New Forest, West): My son is educated in a class with more than 30 pupils and I have no complaint about that; he receives a perfectly adequate and proper education. My fear is that, once requirements are laid on the school to provide for smaller classes, that will make it a target—a marginal school, in the eyes of the education authority—for closure.

**Mr. Willetts:** That is a good point, which I hope to turn to later in my speech.

One of the reasons why we wanted this debate is that there is widespread concern among teachers, people in local education authorities and parents about the implications of this policy for parental choice. The Minister regularly asserts simply that he can implement this policy with no reduction in parental choice, but assertion will not do. He has to provide the evidence to explain how it is possible to implement this policy without any reduction in parental choice. There are popular schools that have been accepting children, even though it will take their class sizes above 30. It is impossible to implement the Government's pledge without parents, whose children could have been educated by teachers who believed that they could deliver high-quality education in schools that were getting high-quality Office for Standards in Education reports, not being able to get their children to those schools.

I have studied the documents that the Government have sent to local education authorities on this; the outline regulations are out for consultation. The Minister, or his officials, asked for much information from LEAs. They say that the information to be provided must include:

"Details of how plans are consistent with the enhancement of parental preference".

They also ask for the

"arrangements LEA is making for circumstances where there is no suitable school within reasonable distance".

They expect LEAs to answer an impossible question. How can LEAs develop plans that will always be consistent with the enhancement of parental preference, where there is no suitable school within reasonable distance of a popular school that is over-subscribed and has been taking classes of more than 30? What the Minister is doing is asking LEAs to deliver a variety of inconsistent objectives.

Last week, the Minister spoke at the conference of the Council of Local Education Authorities in Derbyshire; I was there myself. After he had given his now standard performance, when he says, "I can absolutely assert that there will be no reduction in parental preference," the LEA conference promptly passed a motion that "constraints on parental preference" are essential to reducing class sizes, so it did not find him very persuasive. The chairman of a Labour-controlled education authority—Lewisham—said:

"You shouldn't make pledges if you aren't in a position to carry them out. The Government has made two pledge, on class sizes and parental choice. It is in danger of failing to deliver on either".

The Minister failed to persuade his own allies in local government that he could credibly assure them that there would be no reduction in parental choice, and we all know why. There are popular schools that are taking children in classes of more than 30 and where there is no practical scope for building new classrooms. It may not be physically possible. They are going to have to turn away parents, when they would have been happy to educate their children.

However, it is not just a matter of the constraints on parental choice. What will happen about mixed-age classes? The most serious work that we have had on the implications of the Government's policies has come not from the Department—all that we have had from the Department and the Minister have been assertions and questions—but from Coopers and Lybrand, for the Local Government Association. It says:

"In our view the policy of reducing class sizes is likely to result in a rise in the incidence of pupils in mixed age classes in primary schools".

That is not a Conservative spokesman speaking. That comes from the most expert review of the subject, carried out for the Local Government Association.

Just at the time that the Government are going to force more pupils into mixed-age classes, their commitment to literacy and numeracy has been described by Ofsted as requiring that there be fewer mixed-age classes, and that children be taught with children of as close an age to them as possible, and at a similar stage of development. Therefore, the Government are not going to be able to deliver their pledge without making it more difficult for teachers to deliver their literacy and numeracy targets.

Ministers sometimes say that at least the parents who get their children into classes of under 30 will gain, but they are unwilling to say what will happen to the number of teaching assistants. They do not appear to realise that schools are funded largely on a per capita basis. Telling a school that has been educating children in classes of 35 that it can have classes no bigger than 30 will result not just in five unhappy parents losing the school of their choice, but in the school having a smaller budget. Teaching assistants will be laid off, resulting in fewer of them supporting teachers. How does the Minister plan to avoid that?

There will also be heavy-handed intervention in the affairs of schools throughout the country. The Minister has talked about a light touch on the management of schools, but instead there will be remorseless pressure from the centre—another expression that Ministers have used from time to time. As the local education authority report said:

"Essentially they"—

head teachers—

"are handing back to the LEA the management and organisation of Key Stage 1."

To answer the intrusive and heavy-handed questions and deliver the requirements that Ministers have placed on them, LEAs will have to return to an old-style, command-and-control relationship with their schools, when one of the most healthy developments in British education in the past 20 years was a more sensible relationship between LEAs and their schools. The implementation of the policy will push that back.

There are many other questions that Ministers have to answer. Many of my hon. Friends are keen to ask those questions, so I shall not pursue detailed issues about,

*[Mr. Willetts]*

for example, children with special educational needs. For some extraordinary reason, the only serious exception to the pledge is that classes can be larger than 30 if they include children with special educational needs. Most of us would have thought that smaller classes were particularly necessary in such circumstances. I shall not ask about the distributional impact of the pledge, but it looks as though it will have the extraordinary result of shifting resources to more affluent areas, where larger classes are concentrated. Labour Members do not appear to understand that there is nothing in the policy for inner-city schools. It will give more money to Bromley; it has nothing for Tower Hamlets.

**Helen Jones** (Warrington, North): How can the hon. Gentleman maintain that argument when, from September, 800 children in Warrington—which definitely does not consist of leafy suburbs—will benefit from smaller class sizes?

**Mr. Willetts:** The Coopers and Lybrand report clearly states that the policy will shift resources to more affluent areas. I am surprised that Labour Members have not considered the implications of their policy. If they had thought for a moment about where popular schools and larger classes were, the implications would have been obvious.

I saw an interesting story on the front page of *The Daily Telegraph* today, which may have had something to do with the Minister's preparations for this debate. It announced that there would be capital funding for 100 Church schools to deliver the class size pledge. There are 3,557 Church schools taking children in infant classes. An estimated 46 per cent. of those have infants in classes of more than 30. That is a rough estimate and if the Minister can improve on it, I should be happy to be corrected. Based on that estimate, there are 1,600 such Church schools. If he believes that his announcement of special assistance for 100 of them will go any way towards dealing with the widespread anxieties in denominational schools throughout the country about how they will be affected by the pledge, he has another think coming.

There are not many aided schools in my constituency. St. Alban's is a popular and well respected Church of England primary school, which has taken 35 children in each year hitherto. It has good Ofsted reports and the parents in Havant who want their infants to have a denominational education have only that school to opt for. The head teacher wrote to me, saying:

"This will mean that five children who would have been admitted to this school in the past will not be offered places, although they have chosen a Church of England school, and will probably have a church reference to back up their application. I am aware that there are schools in the area who will be able to admit these children"—

those are the surplus places that the Minister is so keen to get rid of—

"but parental choice will be limited."

At the moment, those classes have one teacher and two teaching assistants. When I visited the school, I met some very despondent and confused teaching assistants, because one teaching assistant in each class would have to be sacked because of the reduction in the per capita funding to the school. That will be the reality on the ground when what began as an attractive pledge goes into law as a rigid commitment to be implemented whatever the practical implications for schools.

Since the Government launched the policy, we have heard no more than assertions that the problems that are widely feared in the educational world will not occur. We hope to hear more than assertions and talk about money tonight. We want to hear a practical example of what will happen to a popular school with a good Ofsted report that is taking 35 children, but does not have the physical capacity to expand. How will the pledge be delivered in that area without a reduction in parental choice or an increase in mixed age classes? The duty on the Minister is to offer a clearer and fuller explanation than he has done so far.

7.36 pm

**The Minister for School Standards (Mr. Stephen Byers):** I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"congratulates the Government on the excellent progress it has already made towards honouring its pledge that no child of 5, 6 or 7 will be in a class of over 30 by the end of this Parliament, which will mean that 100,000 fewer infants will be in large classes from this September and the pledge will be met ahead of schedule by September 2001; and notes the Opposition's continuing hostility to class size reduction, having presided over year-on-year increases since 1988.".

The Conservatives' central charge is that the Government have failed to honour one of the key pledges that we put before the electorate in the run-up to the election. We take that as a serious charge, because we intend to honour and discharge our commitment to the electorate by ensuring that those pledges are met. I welcome the opportunity provided this evening—thanks very much—by the Opposition to outline how the Government intend to honour that pledge. I should like to go beyond that and explain how the pledge can be met by not just maintaining, but enhancing, existing parental preference, and how the implementation of the pledge will ensure that we can deliver on our standards agenda. We believe that smaller class sizes help to improve the standard of education. That stands in stark contrast to the assertion of the hon. Member for Havant (Mr. Willetts) that there is no correlation between class sizes and educational achievement. I shall outline why we disagree with the hon. Gentleman on that.

The motion talks about

"the Government's failure to deliver its early pledge to reduce infant class sizes".

The hon. Member for Havant made little reference to exactly what we pledged. The Labour party manifesto says, on page 7:

"We will reduce class sizes for five, six and seven-year-olds to 30 or under, by phasing out the assisted places scheme".

Our pledge card, which every loyal Minister keeps in his or her top pocket, says almost exactly the same:

"Cut class sizes to 30 or under for five, six and seven-year-olds by using money from the assisted places scheme."

That is the pledge. We made a clear link between the phasing out of the assisted places scheme and the reduction of class sizes.

**Mr. Don Foster** (Bath): Is the Minister telling the House that there never was a commitment to fund

class-size reduction solely from the phasing out of the assisted places scheme? The House will recall some of his earlier remarks suggesting something very different.

**Mr. Byers:** I shall come to the timing of the delivery of the pledge. The hon. Gentleman will see that we always intended that it would be delivered by the end of the Parliament. The additional resources provided as a result of the Chancellor of the Exchequer's Budget, particularly the £40 million capital, enables the pledge to be delivered early. That is why the additional resources are necessary. I hope that the hon. Gentleman would support the Government in providing additional spending in order to deliver on the pledge.

**Mr. Foster** *indicated assent.*

**Mr. Byers:** I am delighted that the hon. Gentleman supports the Government in our efforts to reduce class sizes.

We felt that it was important to demonstrate how revenue spending on the assisted places scheme could be used to employ more teachers and to reduce class size. That is exactly what the pledge states, and that is exactly what we shall do—showing that the Government act for the majority of our children and not just the few.

It is worth reminding Conservative Members that the assisted places scheme provided independent sector places for 38,000 young people and that the revenue from phasing it out will provide smaller classes for nearly 500,000 five, six and seven-year-olds. That is a clear demonstration of the Government's priorities, which are in clear contrast to policies of the Conservative party, which represents the vested interests of the few—that is its historical role—but denies good quality opportunity to the majority.

**Mr. Graham Brady** (Altrincham and Sale, West): I find it rather bizarre that the Minister is accusing us Conservatives of standing up for the vested interests of poor children in the inner cities, whom I see being denied places in schools such as Manchester Grammar and William Hulme. I am quite happy to be accused of standing up for their vested interests. I thought that the Labour party used to try to stand up for such vested interests. It is clearly now failing to do so.

**Mr. Byers:** We do. The great difference is that we believe that those children should be provided with good quality education in the maintained sector and should not have to rely on the independent sector. Our view is that we can make far better use of the more than £100 million of public money a year that was spent on the assisted places scheme.

**Mr. Brady:** Will the Minister give way again?

**Mr. Byers:** I want to make some progress.

We could not phase out the assisted places scheme by Executive action; we needed primary legislation. Once in office, we acted with speed and commitment to introduce the Education (Schools) Bill, which phases out the assisted places scheme and releases the money spent on it so that we can use it for the benefit of far more young people. Within 21 days of the general election, the Education (Schools) Bill was published and given a First Reading. The Second Reading was on 2 June, and Royal Assent was given on 31 July. It was one of the first Bills to reach the statute book under this Government.

As a result of the fact that the pledge was about phasing out the assisted places scheme—which required legislation—and using the liberated money to benefit the majority of our young people, the first element of the money will not become available until September. That was made very clear—

**Mr. Nick St. Aubyn** (Guildford): Will the Minister give way?

**Mr. Byers:** I want to make this point. The earliest time at which the money released from the phasing out of the assisted places scheme, which is to be devoted to, and ring-fenced specifically for, cutting class sizes, can have an impact is September. In September, it will have an impact.

**Mr. St. Aubyn:** Will the Minister confirm that the abolition of assisted places was only a money-saving measure? Does he therefore accept the amendment that was passed in the House of Lords, with cross-party and cross-Bench support, which will allow schemes such as that in Surrey to go ahead? That scheme does not have financial implications, but it will benefit the education of children in the county that I represent.

**Mr. Byers:** I am still awaiting details of the Surrey scheme. I have on several occasions asked the hon. Gentleman and the director of education for them, but still have not seen them. I await with great anticipation this much-vaunted Surrey assisted places scheme. When I see it, I shall judge it accordingly—not on dogma but on its practical realities and implications.

From September, £22 million will be available as a result of the phasing out of the assisted places scheme. That money will be used to employ 1,500 more teachers, ensuring that more than 100,000 five, six and seven-year-olds will be taught in classes of 30 or fewer. Such benefits do not extend just to the leafy shires, as the hon. Member for Havant implied. Nine thousand youngsters in Derbyshire and 8,900 youngsters in Lancashire, as well as those in places such as Gateshead and in inner-city areas throughout the country, will benefit as a result of our class-size reduction proposals.

More money will come on stream. Next year, £61 million will be used specifically for reducing class sizes. In 2000, £80 million will be used, and by September 2001, when the pledge will be delivered in full, £100 million will be available from the phasing out of the assisted places scheme. Of course, many local authorities and schools will benefit before September 2001. It is crystal clear that the pledge will be met—and under the terms that, clearly, were put to the electorate.

**Mr. Damian Green** (Ashford): Will the Minister give way?

**Mr. Byers:** I want to move on to the issue of parental choice. I want to address square on the very important point raised by the hon. Member for Havant.

*[Mr. Byers]*

The class-size policy could be implemented in a way that would be detrimental to parental choice. The thrust of the speech of the hon. Member for Havant was that popular schools would be forced to turn children away, and that empty desks at less popular schools would be filled. If that were the intent, the policy would merely be an administrative shuffle of children around the system. Such a policy would have very limited or no cost. We would not need the £100 million in 2000 from the phasing out of the assisted places scheme. We need that money because that is not the way in which we shall go about matters. We shall target the money that is released from the assisted places scheme—as well as the extra money that my right hon. Friend the Secretary of State has got from the Chancellor on capital for this year—on schools that are popular with parents.

**Mr. Willetts:** Will the Minister give a pledge that no parent will fail to get their child into the school of their choice as a result of his policy?

**Mr. Byers:** I shall come shortly to how the policy will not only maintain parental preference but enhance it. I hope to be able to demonstrate that to the hon. Gentleman in just a couple of minutes.

The School Standards and Framework Bill, which is before the House of Lords, will require local education authorities to draw up plans for the implementation of the class-size reduction pledge in their areas. Those plans must be submitted to the Secretary of State for approval. I can inform the House that the Secretary of State will not approve plans that fail to demonstrate that the LEA has given due regard to the exercise of parental preference. However, we want to go further. When submitting their proposals to reduce class size, LEAs should plan on the basis of enhancing the exercise of parental preference. What does that mean in practice?

First, no child should have to travel an unreasonable distance to school as a result of the policy. Secondly, surplus places in poor schools should not be filled by keeping children out of schools that offer higher standards and a better quality of education. Thirdly, where extra places are needed, they should be created in popular, over-subscribed schools with high standards that have been demonstrated by key stage 1 or key stage 2 assessment results—which might be valued added—or reports of the Office for Standards in Education.

Fourthly, and this takes up the point raised about the Church school in the constituency of the hon. Member for Havant, the proportion of denominational provision for any denomination shall not be reduced. Finally, local education authorities should seek to increase the proportion of provision in popular over-subscribed schools with high standards. Plans that fail to meet those criteria will not be approved by the Secretary of State.

**Mr. Willetts** *rose—*

**Mr. Don Foster** *rose—*

**Mr. Byers:** I shall give way first to the hon. Member for Bath (Mr. Foster).

**Mr. Foster:** The Minister has told us that he is making these announcements to the House for the first time this evening. First, will he confirm that every one of the points that he has listed comes directly from the consultation document? Secondly, will he confirm that local education authorities were required to comment on that document by 12 June, only about two weeks ago? Thirdly, will he tell the House whether all those who responded to the consultation document said that it was possible to deliver what it contained? Did the consultation responses all support the particular points to which the Minister has referred?

**Mr. Byers:** The hon. Gentleman is absolutely right. We have consulted on many of those points. The House should be made aware of them because they were not referred to by the hon. Member for Havant when he introduced the motion. The issue is whether we should go along with the views expressed as a result of the consultation. Some reservations are held in some quarters. There are some people, and no doubt some in local education authorities, who say that what we propose cannot be done. Will the hon. Member for Havant say why they say that it cannot be done? I will tell him why that is said; it is because what is proposed will interfere with LEAs' planning processes for places. It will make it more difficult. Yes, I accept that it will make it more difficult, but this Government are not about making life easy for local government; we are about delivering high-quality education for parents and children.

It was interesting that, yet again in a contribution from the Opposition Front Bench in an education debate, the interests of parents, children and high standards were not put first. Once again, we heard about the difficulties that would be experienced by local government. That is regrettable. However, we shall put the interests of parents and children first. We shall not cave in to the vested interests of local authorities.

I read with great interest the speech made by the hon. Member for Havant at the Council of Local Education Authorities, where he talked about the time coming for Conservatives to build bridges with local government. The hon. Gentleman said that things had changed and that the authorities could forget 18 years of local government being denigrated, with its powers reduced, by the Conservatives. He suggested that, somehow, there was a new dawn, a new renaissance for local government.

**Mr. Willetts:** Will the Minister give way?

**Mr. Byers:** I will in a moment.

I have to tell the hon. Gentleman that there should be a new dawn in terms of central-local government relations. The relationship should be one of real partnership, a partnership that puts the interests of children first.

**Mr. Willetts:** I shall tell the Minister why we find ourselves in an extraordinary position. There is an improving relationship between Conservatives and local education authorities. That is quite simple; the LEAs cannot believe that the Minister is serious when he makes those assertions. The factor is not the self-interest of LEAs, as I tried to explain. The Minister cannot have been listening to me. He has not explained how he can deliver on his assertions when a school physically does not have the capacity to build more classrooms—many schools do

not have the space to do so—and is currently taking children in classes of more than 35. The hon. Gentleman produces long lists of criteria, but he does not explain how, in practice, in the real world, they can be delivered. That is why LEAs, schoolteachers and parents are losing confidence.

**Mr. Byers:** As for losing confidence on issues such as reducing class sizes, the way in which the hon. Gentleman's political colleagues in the other place have tried to block legislation that will reduce class sizes is an example of measures that will continue to cause loss of confidence in the Conservative party. The hon. Gentleman's party is standing in the way of a desirable policy that parents want, which is a reduction in class sizes.

Earlier, the hon. Gentleman was scornful of the front-page story in today's edition of *The Daily Telegraph* about the fact that we intend to give money to Church primary schools to help them with their capital costs. For the first time—

**Mr. John Hayes** (South Holland and The Deepings): How many?

**Mr. Byers:** I shall deal with the figures in a moment.

For the first time, a Government have been prepared to say to the Churches that, if it would help them, we shall fund 100 per cent. of their capital costs. That was never done under a Conservative Government. All right, it will involve 100 schools—actually, more than 100 when the announcement is made by my right hon. Friend the Secretary of State on Thursday. In any event, it will be 100 more than under the Conservative Government. That is the reality.

I agree that there are many Church primary schools with high class sizes. How many of them need capital money? The hon. Member for Havant did not address that in his contribution. He confused revenue, and the need for teachers, with capital. The reality is that the applications that we have received from Church authorities are being supported. The details will be made available on Thursday. It will be good news for many more than 100 Church primary schools, and they will be able to join in the crusade to reduce class sizes. I am sure that they will be delighted at that.

**Mrs. Theresa May** (Maidenhead): Will the Minister confirm that the announcement that will be made on Thursday on Church schools will be yet again a change in Government policy? In a debate in Committee on that specific point, when I challenged the hon. Gentleman on the resource implications for Church schools, he said that the Churches were quite happy because they would be able to meet the resource implications. We now find that they cannot meet those implications and that the Government will have to move in.

**Mr. Byers:** Unfortunately, the hon. Lady did not specifically refer to the dates of our exchanges in Committee. Off hand, I cannot remember them. However, I think that they would have pre-dated the Budget statement of my right hon. Friend the Chancellor of the Exchequer. Therefore, I would have been unable to say—*[Interruption.]* If the hon. Lady will wait for a moment, I shall let her know exactly what the Churches were invited to respond to. The letter that went out from the Department explained to the Churches that, if they wanted to, they could have the 15 per cent. made up by central Government, and that, if they chose not to, that was fine. It was a choice for the Churches themselves to make. The majority of them have responded positively to that choice, saying, "Yes, it is a Government initiative that we want to be part of in reducing class sizes." As a result, well over 100 Church schools will benefit from the additional capital that we are making available.

The reduction in class sizes should not be seen as a one-off step to improve the standards of education that we are offering. We believe that the reduction will make an important contribution. That is because we believe that smaller class sizes, especially in early years, make a difference to the quality and standards of education that can be offered.

**Mr. Andrew Lansley** (South Cambridgeshire): Will the hon. Gentleman give way?

**Mr. Byers:** I want to make some progress.

In reducing class sizes, we have the support of Her Majesty's chief inspector of schools, Chris Woodhead, who said in 1996:

"Our class size report"—

Ofsted's class size report—

"looked at whether there was any connection between the number of children in the class and the quality of education. With early years, that is 5 to 7 years of age, we agree: there was a connection."

He gave some advice, saying:

"And we think"—

Ofsted thinks—

"that if this government"—

that was the Conservative Government—

"or any subsequent government is going to find more money it ought to invest that money in early years education."

That is exactly what the Government are doing.

That stands in stark contrast to the Conservative Government's approach. The then Secretary of State, the right hon. Member for South-West Norfolk (Mrs. Shephard), said that there was

"no accumulated evidence to link class size with attainment."

The hon. Member for Havant, in that little red book entitled "Why Vote Conservative?", states that

"there is little evidence of any correlation between class size and educational achievement."

It would be interesting to know whether he still holds that view. We did not hear during his contribution whether that was the case. Now that the hon. Gentleman speaks for the Conservatives on education matters, it would be helpful to know whether he still subscribes to the view that he expressed in that pamphlet.

**Mr. Willetts:** I shall tell the Minister how this can be resolved. All that the hon. Gentleman needs to do is to publish the results, school by school, of the national curriculum tests at the end key stage 1, and in the same information publish the class sizes in those schools. That would finally resolve a question about which educationists

*[Mr. Willetts]*

have different views. I should be happy if the Minister cast some light on that subject, but, so far, he has refused to publish the information.

**Mr. Byers:** I am delighted that the hon. Gentleman has confirmed that he still subscribes to the belief that he expressed in "Why Vote Conservative?" That will be one of the numerous reasons why people will not vote Conservative—they see a clear link between class sizes and standards.

The Government believe that cutting class sizes will not, on its own, be enough to raise standards in the way that we want—if the hon. Gentleman said that, he would be on far stronger ground. From September, there will be a revolution in primary and early years education. At long last, there will be a place for every four-year-old whose parents want it. A daily literacy hour will be introduced as part of our £50 million national literacy strategy. All primary school teachers will receive in-service training on how to improve the teaching of basics. Those in teacher training must follow a new national training curriculum in English and maths, so that they, too, will be effective in teaching the basics.

The Tories were in power for 18 years, but did absolutely nothing to tackle the scandal of ever-increasing class sizes—indeed, they presided over year-on-year increases. Hundreds of thousands of our children were the innocent victims of the Tory Government's neglect and indifference. Now, the chapter of increasing class sizes is coming to an end. This September will be a new beginning. There will be 1,500 extra teachers and hundreds of additional class rooms, so that more than 100,000 infants will be in smaller classes.

Let the House be in no doubt—we are on course to deliver our pledge on class sizes, and we shall deliver it in a way that will enhance parental preference and play a key part not only in raising standards in our schools, but in ensuring that education becomes a valuable learning experience rather than a matter of crowd control. Our children deserve the best possible start in life, which means a high-quality education—under this Government, that is exactly what they will have.

8.1 pm

**Mr. Don Foster** (Bath): Like the Minister, I, too, found listening to the hon. Member for Havant (Mr. Willetts) somewhat surreal. It was almost as if he was trying to persuade us that 1 May 1997 was year zero and that nothing had existed before then. He seemed to be saying that the Conservative party of 1998 had no connection with those nasty Conservative Governments of the 1980s and 1990s, and that any similarity was purely coincidental.

We must remember what the Conservative Governments did—everything that Conservative Members have said tonight, and their apparent concern about class sizes, will not wipe away that record. In particular, we must remember that, in their final years in government, the Conservatives presided over year-on-year increases in class size—indeed, in every year of the Major Government, class sizes continued to rise.

The Minister was uncharacteristically unkind to the right hon. Member for South-West Norfolk (Mrs. Shephard). He will recall the leaked memorandum that she sent to her Cabinet colleagues, in which she begged for money, saying that if schools did not receive more resources, class sizes would continue to rise. Of course, her request was rejected—there was no additional money for schools, so class sizes continued to rise.

It was no surprise that the Conservatives showed no real interest in class sizes. We have heard the views of the hon. Member for Havant, but we should not forget that Conservative Ministers expressed similar views. I am sure that the House will recall the comments of the right hon. Member for Bromley and Chislehurst (Mr. Forth), who said in 1994 that

"there is no proven causal connection between class size and educational output."—[*Official Report*, 13 December 1994; Vol. 251, c. 767.]

I hope that at least one thing has become clear from this evening's debate—that we all agree that class sizes really matter. Recently, I was fortunate enough to join a number of my colleagues from the Education Sub-Committee of the Select Committee on Education and Employment, on a visit to the canton of Zurich. We were impressed by much of what we saw, but what impressed us more than anything else was, I think, the impact of small class sizes on educational output.

**Mr. Hayes:** I do not disagree with much of what the hon. Gentleman says, but does he at least acknowledge that, in other parts of the world, such as the far east, schools with class sizes much larger than those in this country achieve equally strong educational success?

**Mr. Foster:** According to some statistics, that is true—in some countries, children are crammed into classes and can still achieve reasonable results in some tests of their ability. However, I hope that the hon. Gentleman will accept that the quality of education must be measured on something more than reasonably good raw scores in basic tests.

In the canton of Zurich, we were able to see the educational benefits that small classes could bring, as classes there were almost always of 20 or 22—they were certainly never more than 25. The Liberal Democrats have long recognised those benefits, which is why we have long advocated a reduction in class sizes. Indeed, the House may be interested to know that I was born in 1947—*[Interruption.]* I know that that is surprising. I was particularly interested to find out what the policies of one of our predecessor parties—the Liberal party—were in that year. At the 1947 party conference, a resolution was passed that claimed:

"The most immediate need is to reduce the size of classes in primary schools."

We have a long track record of believing that class sizes should be reduced.

The House will also be aware that, at the general election, Liberal Democrats committed themselves to class size reduction. Indeed, we went further than the Labour party. We proposed, and explained how we would fund, class size reduction for pupils not only in infant classes, but in junior classes. We believe that all primary school pupils should have the benefit of smaller classes.

The Government propose to reduce class sizes for the approximately 500,000 children in key stage 1, who will, of course, benefit from that. However, the trouble with that proposal is that it will leave, in England alone,

more than 800,000 pupils in key stage 2 in classes of more than 30—indeed, many tens of thousands will be left in classes of more than 35. We believe that those children, too, deserve a better deal.

Sadly, the Labour Government, because of their adherence to the previous Government's spending plans, have been timid in their response to the educational problems created by large class sizes—indeed, they could have started to reduce class sizes earlier. Unlike the Conservative Government, they have at least started to take action, which we support, but they seem to have been concerned—I have heard nothing in this debate to allay my fears—only about whether the headlines are right, so that they receive credit for class size reduction; they have not done their homework on the details. As a result, a number of problems are coming to light. I shall not repeat the concerns expressed by the hon. Member for Havant; I want to raise other questions, to which I hope the Minister will give some answers when she winds up.

Evidence that the Government have not thought this through can even be found in the pilot scheme. The House will recall that, in September, local education authorities were invited to bid for the standards fund grant 5 moneys as pilots for class size reduction. They were notified of the outcome in February, but were not notified until 20 April—with precious little time to get all the preparation done for implementation in September—that they would get the money for a whole academic year. From February until April, it was uncertain whether they would get seven twelfths of the money or money for the whole year.

Even now, the pilot authorities do not know whether—presumably subject to meeting some agreed criteria about which they have not yet been told—the money will continue into subsequent years. I hope that the Minister will listen and perhaps respond on that. Also, will they be allowed to bid for additional funds to reduce class sizes for pupils who are still in over-large classes?

**Mr. Byers:** I may be able to help the hon. Gentleman. The class size reduction for this September is not being carried out with a statutory underpinning—that will come through the local education authority plans, which will be submitted in the autumn. Provided that the plans from the 65 authorities that will get money from this September are satisfactory, the money will roll through into subsequent years.

**Mr. Foster:** The local education authorities involved in the pilot will definitely welcome that assurance, although they were not given it until that moment.

The hon. Member for Havant mentioned another concern that illustrates that the homework has not been done—funding. The Minister will not deny that he clearly said tonight that he accepts that assisted places money alone would not have been sufficient to deliver the pledge. Of course, we welcome the additional money from the Chancellor, but, without those additional sums, there is no evidence that the Government would have been able to deliver their pledge.

When I looked at the calculations, I was worried whether there would be sufficient money even with the additional funding. For example, the Minister told us in the Standing Committee on the School Standards and Framework Bill that, to deliver the pledge by 2001, 5,000 extra teachers would probably be required. To date, none of us has seen an explanation of how that calculation was made. The Minister told us—it is clearly on the record—that 500,000 key stage 1 pupils are in classes of more than 30. If all of them were put into new classes of 30—this is a simple calculation—16,500 additional teachers would be required. We accept that some of those pupils will go into classes of fewer than 30, but even if one assumes that half of the 500,000 will do so—how that can happen when the Minister has told us that parents will be able to choose the most popular schools I do not know—and only 250,000 have to be put in new classes, it will still require not 5,000 but more than 8,000 additional teachers. I confess that I do not understand how the sums add up.

Another example of how the figures do not add up is obvious from the departmental press release of 22 May, which many hon. Members will have studied and which categorically told us that the £22 million was being allocated

"from the Standards Fund to recruit around 1,500 new teachers which will ensure that over 100,000 infant pupils will be kept out of large classes from this September."

I checked the figures carefully with the Library, as I do not claim to be a better mathematician than the Minister. To the starting salary for a new teacher I added the appropriate superannuation and national insurance costs and discovered that the starting figure from 1 December, when the new teachers will be in post, is £17,595 per annum. I divided that sum into £22 million, expecting the answer to be 1,500, but it came to only 1,250. Therefore, there is no money to provide for 250 of the additional teachers the hon. Gentleman is promising us.

The Minister also needs to consider some of the other concerns mentioned to him during the consultation period. As he was able to give such a clear statement about what he will do about the various criteria announced earlier in the light of the consultation, perhaps he will tell us what he can do about the concerns of local education authorities over information technology. The additional IT skills and the work necessary to produce all the data for the Department will require additional staff, unless staff are taken away from their existing activities—that is, improving standards. Will additional money be made available to help LEAs with that task?

Leaving aside the money, another question is whether, in certain parts of the country, we shall be able to find the teachers to carry out the tasks that will be required. For example, LEAs in the inner London weighting pay area collectively have a smaller percentage of pupils in classes of more than 30 than those in other parts of the country, but nevertheless face the problem of existing vacancies, which have increased to 3.6 per cent. in the past two years. They will need to find additional teachers to reduce their class sizes, but there are already a large number of vacancies in their primary schools. The Government are convinced that all that will be delivered, but how do they expect that problem to be resolved? The problem is made worse by the fact that authorities in suburban London have the largest percentage of pupils in classes of more than 30—in Bromley, it is 56 per cent. and in Kingston, 62 per cent.—and will need a large number of extra teachers. The worry is that they will suck teachers out of the inner-London authorities where it is less popular to teach, which will make life there difficult indeed.

*[Mr. Foster]*

We have heard mention of the problem of what to do about popular schools. The Minister has stated that, following consultation, the extra places that are needed should be created in popular, oversubscribed schools with high standards shown by key stage 1 and 2 assessment tests, which is straight out of the consultation document. If that is to be the approach, I find it difficult to reconcile with some of the other Government requirements of local authorities, not least for the provision of best value. It seems to mean that the number of vacant school places throughout the country will increase. It is difficult to know whether that is the case, because consultation has not finished on the Government's admission policies.

The hon. Member for Havant mentioned mixed-age classes; I look to the Minister for a clear answer tonight. What will happen in the case of a mixed-age class that has pupils from key stages 1 and 2—that is, both seven and eight-year-olds? May we have a clear assurance that none of the pupils will be in a class of more than 30? I assume that the Minister will say categorically that the answer is yes. After all, the pledge clearly states:

"No child aged 5, 6 or 7 will be in a class of more than 30 pupils from September 2001 at the latest."

The answer would have to be yes, but the very first paragraph of the consultation document that was issued to LEAs on 27 April says:

"A class is covered by limits on class sizes if the majority of pupils in that class are in the relevant age group."

That means that if only a few pupils are seven and most are eight, the class can have more than 30 pupils, so the seven-year-olds will lose out. That is not compatible with the pledge and will cause confusion for the local authorities bidding for funds to reduce class sizes.

Has the Minister read her own document, "The National Literacy Strategy, Module 1, The Literacy Hour", which says that schools are required to organise classes so that there are no more than five groups of children, with no more than six in each group? Like the Minister, I am not brilliant at maths, but I can multiply five by six and get 30. How can that maximum number of pupils in a class for the literacy hour be achieved when even the Government do not expect class sizes for key stage 1 to get down to 30 for this September? Key stage 2 is not even covered, so we need to know how that all adds up.

The Government have failed to do anything about school space standards. The Minister was extremely critical when the previous Government decided to abolish the minimum space standards. It is a great pity that those standards have not been reinstated, especially as many new classes will be created in the drive to reduce class sizes. We need to have an assurance that those classes will not be created in inadequate spaces.

I am well aware that the ministerial answer will be that if there are no requirements, at least there are recommendations, which appear in building bulletin No. 82, "Area Guidelines for Schools". I seek an assurance that, in the creation of new classes, there will be an absolute requirement that those recommendations be adhered to by local education authorities and schools.

Class size reduction is vital if we are to raise standards. Frankly, it is hypocritical of the Conservative party, which presided over huge and rising class sizes, to berate the new Government, so we cannot support the motion. Equally, although we welcome the Government's determination at least to get some class sizes down, we cannot whole-heartedly congratulate

"the Government on the excellent progress it has already made",

as the amendment says, because that would be to ignore the numerous unanswered questions and the failure to start early enough and to go far enough.

8.22 pm

**Helen Jones** (Warrington, North): I confess to being somewhat puzzled by the Opposition's choice of subject. For Conservative Members to initiate a debate on class sizes is like King Herod wanting to debate child welfare. If there were educational prizes for effrontery and sheer brass neck, they would certainly be at the front of the queue.

To hear the hon. Member for Havant (Mr. Willetts) speak, one would think that Conservative Members were born guiltless on 1 May 1997. They would have us believe that they are without a past, but they are not, and it is right for the House to be reminded of that past, not because we want to evade responsibility for our actions—we shall be happy to be judged on them—but because it is important that the size of the task facing the Government, and their success in taking it on, should be put into context.

**Mr. Brady:** I, of course, am completely guiltless and blameless. I wonder whether the hon. Lady regards herself and the Labour party as free from blame for the incompetence of many Labour local education authorities, which have been responsible for such bad performance in education throughout much of the country.

**Helen Jones:** The hon. Gentleman is very selective in his references. Perhaps he would like to look at recent reports on the failing schools in Westminster before pointing the finger at Labour LEAs.

Conservative Members would have us forget that, before the Labour Government took office, we had 18 years of Conservative mismanagement of the education system. I am sure that the whole country would like to forget that, but it happened. Those 18 years left 477,000 five, six and seven-year-olds in classes of more than 30. During those years, pupil-teacher ratios rose consistently and the previous Government continued to deny that class sizes had any effect on education.

The hon. Member for Bath (Mr. Foster) rightly quoted the right hon. Member for Bromley and Chislehurst (Mr. Forth), who said:

"there is no proven causal connection between class size and educational output."—[*Official Report*, 13 December 1994; Vol. 251, c. 767.]

**Mr. St. Aubyn:** Is the hon. Lady aware that, although there are large class sizes in Bromley, there are also outstanding academic results? That may suggest that my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) knows what he is talking about in his own patch.

**Helen Jones:** Perhaps it suggests that the right hon. Gentleman had not read the research.

In Committee on the School Standards and Framework Bill, Conservative Members appeared to change their stance. The right hon. Member for Charnwood (Mr. Dorrell) said:

"We do not contend—and nor did the previous Government—that class size, for infant classes in particular, is wholly irrelevant."—[*Official Report, Standing Committee A*, 20 January 1998; c. 31.]

That was backtracking on previous comments. Conservative Members felt no guilt in government, because they were conscious of no obligation. Never once did they express any outrage about what was happening to children in our schools.

It is possible that the sinners have repented, and I believe in the possibility of redemption—although that belief has been sorely tested by daily contact with the Conservative party in opposition—but if they had learnt the error of their ways, why did they oppose the Bill to abolish the assisted places scheme and use that money to reduce class sizes? Why did they consistently argue that the money should be spent on a small minority of children, while children in constituencies such as mine continued to suffer large class sizes? Why did they table amendments that would have made the pledge on class sizes totally unworkable? It is no use their posing as defenders of lower class sizes now, when they sold the pass a long time ago.

By contrast, the Labour Government not only desire the end, but are prepared to put in place the means. The Conservative party found reasons why class sizes should not be reduced, but we are prepared to build for success, because we believe that many of the problems in our schools stem from a failure to devote enough resources to the education of very young children at the beginning of their school life.

I taught not in primary but in secondary education, but I believe strongly that our policy of reducing class sizes is a key part of raising standards and that money put into the education of children at the beginning of their school life will pay dividends later and prevent many of the problems that secondary school teachers now deal with. The Government are delivering on their commitment.

In my town, 800 children in what is not by any means a leafy suburb will find themselves in smaller classes in September because of money put up by the Government. That is the effect for a single local education authority in a single town. My hon. Friend the Minister has made it clear that £22 million will go to the rest of the country in September, to keep 100,000 pupils out of oversized classes. Opposition Members have opposed that at every possible stage.

In future, there will be more money. The £40 million in capital funds to be allocated to schools has already been referred to, but there will be £100 million from phasing out the assisted places scheme by 2001-02. We are determined to use that money to reduce infant class sizes, and to ensure that LEAs will not be able to do so in any way that restricts parental choice. LEAs will have to expand popular schools that have high standards, and we have consulted them on the best way in which to do that. We are no longer prepared to tolerate the failure that existed under the previous Government, when half our 11-year-olds failed to reach expected standards in English and maths, and when the reading standards of seven-year-olds were falling.

Research in the United Kingdom and in the United States has convinced us that lower class size in the early years is a key factor in raising education standards and allowing children to acquire basic skills. Parents know that. Teachers know it, too. The only people who do not appear to know it are the Opposition, whose decisions in government gave us the large class sizes that exist today, and which our Government are reducing. That is the difference between the Conservatives and Labour. They favour lower class sizes for those who can buy their way out of the state system, while we favour lower class sizes for all our children. For too long, children suffered a second-class education under Tory Governments, so that they were destined to be second-class citizens.

Most Opposition Members do not use the state education system. If large class sizes are not good enough for their children, for whose children do they think large class sizes are good enough? The Opposition's motion is a piece of political chicanery, and an attempt to dodge the consequences of their past actions. The people will not be misled. I urge the House to vote against the motion.

8.32 pm

**Mr. Nick St. Aubyn** (Guildford): I bring bad tidings for the Minister from my constituency. Since the class sizes debate began, I have visited my local schools as a Member of Parliament, and as a member of the Select Committee on Education and Employment, and I have not once heard a positive welcome for the Government's policy on reducing class sizes. At one school, I was told that if class sizes must come down, the library will have to be used as an extra classroom, removing a resource available to the entire school. Another school fears that the reduction in class sizes will use the money that has previously been put into a reading recovery programme.

At the school in the village where I live, we opened a new porch in the school entrance only the other day—built with money that the Government were not responsible for finding; it was raised by the efforts of the local community. That school hopes to raise class sizes, and I asked whether the class size policy would help the school by encouraging more parents to send their children there, which would raise the numbers to 30. I was told, however, that the policy would not help the school; in fact, classes of more than 30 would be welcome as more resources would go into the school, and could be directed towards the children who most need them.

The hon. Member for Bath (Mr. Foster) told us of his recent trip to Zurich. The hon. Member for Don Valley (Caroline Flint) and I also made that trip, and what the hon. Gentleman did not mention was that during 18 years of Conservative Governments here, the difference in income between the people of Switzerland and the people of the United Kingdom narrowed. People in Switzerland used to have a per capita income 60 per cent. higher than that in the UK; now it is barely 20 per cent. higher. The trend of the past 20 years has been one of economic success for the UK, which is why people in Zurich are looking to our education system to learn lessons for their own system.

We went to Zurich in a spirit of cultural exchange, intending to learn from the Swiss, but we found that the Swiss were interested in learning from us. What is more, in order to produce an education system closer to ours,

*[Mr. Nick St. Aubyn]*

they were prepared to contemplate an increase in their class sizes. Class sizes are not regarded in isolation in any other part of the world. It is a great mistake to do so here.

**Mrs. Louise Ellman** (Liverpool, Riverside): Will the hon. Gentleman clarify the Opposition's position on reducing infant class sizes? In government, the Conservatives increased class sizes. In opposition, they voted against the means to reduce class sizes. Their motion equates the reduction of class sizes with a reduction in educational standards. Will he clarify their position?

**Mr. St. Aubyn:** I hope to get across to the small class of Members here tonight the message that the education system will be damaged if the Government isolate one aspect of policy and make it an overriding priority. It is, of course, desirable to have smaller classes, but all education research demonstrates that unless very low sizes—well below 20—are achieved, there is no significant impact on teaching. There are other ways in which the ability and strength of a school can be improved. Lower class sizes are clearly desirable, but they cannot be sought in isolation, at the expense of other important matters.

**Mr. Bob Blizzard** (Waveney): We have heard many times of the hon. Gentleman's support for the assisted places scheme, which he wants to continue in special form in Surrey. Does he support that scheme so that a few people can seek desirable small class sizes in private schools?

**Mr. St. Aubyn:** I am grateful to the hon. Gentleman for raising the issue of what the Minister has said. We already knew that the Minister could not multiply, but we have learnt that he cannot add up either. He told us that the saving from the assisted places scheme would be £100 million a year, but everyone who has examined the matter knows that it will be £40 million a year. The cost of his programme may be £100 million a year, and the cumulative saving after three years will be £100 million, but the Minister should check his sums carefully, because he has got them wrong again.

The abolition of the assisted places scheme, which, like many right-thinking people, I regret, has nothing to do with class sizes. The Government's class size priority will, as the Minister has admitted, cost a great deal more than the £40 million annual saving from the assisted places scheme. The cost of the new capital programme could not be announced until the Chancellor's statement—an admission by the Minister that he had put forward a policy that he did not know he could afford. The cost of that programme, and of reducing class sizes without significantly damaging parental preference or undermining the quality of teachers, will be a great deal more than will be saved from the abolition of the assisted places scheme.

It is significant that when the assisted places scheme was discussed in another place a couple of weeks ago, the Government's policy on having a say over policies on assisted places was cut down by one vote, with support from Cross Benchers and Liberals and not because of a resurgence of Tory backwoodsmen. In areas such as Surrey, where we have our own scheme which local people understand and can vote on, policy should be determined by local people. We should not have to justify it to the Secretary of State if we are not relying on additional central Government money to implement it.

**Helen Jones:** The hon. Gentleman mentioned the Surrey scheme and said that people had been able to vote on it. Does he accept that the Government had an overwhelming mandate for their policy of reducing class sizes by phasing out the assisted places scheme, and that they have a duty to implement it?

**Mr. St. Aubyn:** No one is denying the Government's right to withdraw the £40 million cost of the assisted place scheme, but, on 1 May last year, the people of Surrey also gave an overwhelming mandate to the Conservative party to take back control of Surrey county council and follow sound Conservative education policies in the interests of Surrey. We object to the centralised control that lies behind both the new regulations on partnership schemes and the Government's class size plans.

We welcome any efforts to improve education. Smaller class sizes have a role to play, but, as we have heard already, in many ways the Government's scheme is too expensive and too costly, especially in terms of parental choice. How is it fair to tell parents with a child at a school that a sibling cannot go there because it would increase the numbers going into a class? How will the Minister respond? Will he say that he is prepared to sanction the building of an extra classroom in that school for siblings? Even if he were prepared to do that, at tremendous cost if it were done across the country, how could he possibly achieve it in time to deliver on his promise to satisfy the needs of those children? Many families' children will be split up or will have to travel further. Where I live and in my constituency, the problem of traffic on the roads when children are travelling to and from school will be accentuated by the Government's policy.

We have not yet heard where the extra teachers will come from. The Government have offered no incentive to teachers, and their golden economic inheritance means that there is greater demand for teaching skills in other sectors of the economy. With such a problem of teacher supply, about which our Select Committee has already warned them, how will the Minister deliver quality teachers? When I put that to the National Union of Students and the National Association of Head Teachers there was concurrence that teacher quality is as important, if not more so, than class sizes. Parents and teachers would rather have children in slightly larger classes taught by first-rate teachers than in mathematically correct classes that underperform because the quality of the teacher available is not up to the standard that children and their parents have a right to expect.

**Mr. Hayes:** My hon. Friend develops an interesting line of argument. Does he accept that, contrary to what was said by the Minister, Ofsted acknowledged exactly that point in its comments on the issue in 1996? Ofsted said that class size was a factor, but not the sole determinant of the quality of teaching and learning; the Labour party, however, has irresponsibly created the opposite perception among our people.

**Mr. St. Aubyn:** I am grateful to my hon. Friend. I have the latest Ofsted report. I read carefully its section

on primary schools. In the priorities for action listed by Ofsted, there is not one mention of class sizes. There are important issues for our primary schools that should be addressed, but for the Government to be hung up on a soundbite—an early pledge that will be delivered late—is a betrayal not only of the children but of the trust that passed from our party to theirs on 1 May last year.

It is regrettable that, behind the smirks and self-satisfied looks of Labour Members, there have been no real answers tonight. We will leave the Chamber knowing that the Government are concerned only with presentation and not with the practical effects of their proposals or the high cost for the people whom I and my colleagues represent.

8.45 pm

**Mr. Bob Blizzard** (Waveney): We all know that it is the job of the Opposition to oppose, but it is revealing that, on a topic of their choice on one of their set-piece days, only six of them have turned up to oppose. That is not strong evidence that the Conservative party feels strongly about the issue.

It is the job of the Opposition to oppose, but there is a difference between opposition and disingenuous opposition. What we have heard tonight is disingenuous opposition. Their first complaint was that the Government's pledge was not happening early enough, but they know, because some have served on education committees and, I hope, know something about schools, that the pledge cannot be implemented any quicker. They know that classes are set up at the start of each school year, and that only then can one alter their configuration. They know that the classes that children are in now—the ones referred to in the survey mentioned by the hon. Member for Havant (Mr. Willetts)—are the same as those set up in September 1997, and the same as those planned and organised, and for which staffing arrangements were made, back in May and June 1997, based on the budgets of April 1997 set by the previous Government.

We have always made it clear where the money would come from. My hon. Friend the Minister read out from our plastic pledge card that it was always linked to the phasing out of the assisted places scheme. Last June, we discussed the Education (Schools) Bill, which received Royal Assent in July. That was a fast pace. We could not have moved any faster, but the dates did not permit activity on class sizes to fulfil the pledge until September 1998.

The Education (Schools) Act 1997 honoured the assisted places that had already been organised for September 1997. Do the Opposition now suggest that we should not have honoured them, but should have told the children that they could not take up their assisted places in 1997 because we had to move more quickly and wanted the money right away? If so, it is the very opposite of what they argued for during the passage of the Bill, when they tabled a raft of amendments to a short, seven clause Bill—the purpose being to slow down the phasing out of the assisted places scheme. They asked for more time, for more youngsters to be kept on until the age of 13, for more of everything. In short, they wanted to delay the implementation of the class size pledge.

I made my maiden speech during the debates on the Bill, and I followed the right hon. Member for South-West Norfolk (Mrs. Shephard), whose main point was that the Bill was being rushed through without enough thought being given to it. At the time, the complaint was that we were going too fast; tonight, the complaint is that we are going too slowly.

The fact is that there was no possibility of fulfilling the pledge in 1997: September 1998 will be our earliest opportunity. Would the Opposition have us disrupt classes in the middle of the academic year? If so, I wonder what parents would say. Alternatively, we could have put in additional resources besides those liberated by abolishing the assisted places scheme. Even so, taking action by September 1997 would have been extremely difficult—schools make their plans in May. In any case, we have heard time and again that the Opposition do not want any more money spent. They have argued that the whole idea should be called off owing to a lack of money from abolishing the assisted places scheme. Indeed, they have never argued for extra resources for education.

This September, we will see the beginnings of children benefiting from the Government's policy. That would never have happened under the Conservatives. The real horror for the Opposition, of course, is that they can see that the pledge is being acted on. They can see, too, that phasing out the AP scheme is delivering the money and that the pledge will be fulfilled. So they are trying to muddy the water by confusing people about the timetable for implementation.

The second example of the Opposition being disingenuous is that they are criticising the Government for allegedly not doing something with which they wholly disagree anyway. They spent years denying that class size had anything to do with education standards. Throughout their 18 years in government, I was teaching in the classroom. Nothing infuriated teachers, parents and pupils more than hearing various Conservative Ministers say that class sizes were irrelevant. The Minister referred earlier to crowd control. Anyone who has taught large classes knows that there are times when teaching feels like crowd control—and the way to control a crowd is to reduce its size. That is, after all, the selling point of the private schools.

As my hon. Friend the Member for Warrington, North (Helen Jones) has said, we witnessed some spectacular somersaults by Conservative Members in Committee—I note that they are not here today. The new Tory move to suggest that class size did count was led by the right hon. Member for Charnwood (Mr. Dorrell) and by the hon. Member for Tiverton and Honiton (Mrs. Browning). Indeed, the right hon. Member for Charnwood said:

"there is some evidence that class size has a strong influence on educational attainment for children aged five to seven."—[*Official Report, Standing Committee A*, 20 January 1998; c. 31.]

**Mr. Hayes:** The hon. Gentleman will acknowledge that I spent many years as a county councillor and always acknowledged that class size was a factor. Would he agree, however, that it is most important for children with special needs? If so, does he agree with the Government's exemption from the pledge of children with special needs?

**Mr. Blizzard:** Class size is a factor in all types of education, mainstream and special needs. The point is that unless the Government take steps to do something about

*[Mr. Blizzard]*

class size, nothing will happen. That is what happened for 18 years under the Conservatives, when class sizes never came down.

**Mr. Hayes:** It is time to nail this one. Class sizes were at their peak in 1978; Library figures show that they were higher then than in 1997. I seem to recall that we had a Labour Government in 1978.

**Mr. Blizzard:** It is easy to come up with all sorts of figures, depending on the starting and finishing points.

The Conservative conversion to the cause of smaller class sizes has now vanished. The right hon. Member for Charnwood and the hon. Member for Tiverton and Honiton have disappeared from the Front Bench. I have to say that we questioned their conversion at the time, when amendments were tabled to ensure that no movement was made on class sizes. One incredible amendment was designed to enable parents to choose whether to put their child into a class of 30. The result would have been that 30 parents could choose the legal-sized class of 30, but the 31st parent could come along and insist on a class size of 31. That is a good example of the sort of amendments that we had to put up with in Committee.

The revised Conservative policy evidenced in the motion is that smaller classes are desirable, but that nothing should be done about that. At the time of the Standing Committee's deliberations, my survey of my constituency showed that we had 25 classes of six and seven-year-olds containing more than 30 pupils—involving a total of more than 800. Thanks to the new Act, that will change during this Parliament.

As in Committee, the hon. Member for Bath (Mr. Foster) has again expressed his strong vision for education. He asked the Minister some probing questions about how the Government's plans will be implemented, but he was very weak on the specifics of his own party's plans. When he began describing Liberal policy back in 1947 or thereabouts, I thought he was going to say that his party put an old penny on income tax for education—but had since made progress because that was 1/240th of a pound whereas now 1p is 1/100th of a pound.

I read in the local press this week that the Conservatives have begun to listen to the electorate. Indeed, the local paper announced that the hon. Member for Ashford (Mr. Green) had turned up in my constituency while I was at Westminster—he made page 63 of the *Lowestoft Journal*, which shows just how successful his visit was. Had he really listened to parents in my constituency, he would have heard them asking not why smaller class sizes were being imposed but when it was their turn to have them. For as long as the Conservative party refuses to listen, it will remain unpopular, because people do not like a disingenuous Opposition.

8.57 pm

**Mr. David Amess** (Southend, West): I congratulate my hon. Friend the Member for Havant (Mr. Willetts), who made his case well—although that does not take much doing because there can be no doubt that, under the Labour Government, class sizes have increased. I do not doubt the sincerity of Ministers, but I profoundly disagree with their approach to this and other policies.

I am sick to death of attending in the Chamber and listening to Labour Members talk about the 18 years of Conservative government. Essex county council has been controlled by the Conservatives for only seven weeks and the leader of the Labour party jumps to the Dispatch Box and blames them for all ills, but, after 15 months of a Labour Government, no one seems to want to take responsibility.

When hon. Members speak, they tend to draw on their personal experiences, which is what I shall do. First, I shall talk about my experience as a Member of Parliament.

**Mr. Byers:** What—about Basildon?

**Mr. Amess:** If the Minister wants me to talk about my former constituency and what the Labour party did on a private matter relating to education, I shall be happy to speak publicly on the subject. In the years that I have been a Member of Parliament, I have taken a great interest in education matters—

**Mr. Tony McNulty** (Harrow, East): In Basildon.

**Mr. Amess:** Yes, in Basildon. It should be to the eternal shame of the Labour party that when my wife and I decided to send our son to a non-selective, not grant-maintained Church school outside my former constituency because there was no such school in the constituency, the then former Member of Parliament for Basildon, who was at that time the leader of Havering council, decided to make a big issue of the matter and to interfere with our private lives, yet several people who now have responsibility in the Government send their children to highly selective schools. The Minister attempts to chide me about Basildon, which is now represented by two Members of Parliament, one Conservative, one Labour, but he and other Labour Members should ensure that they are better informed than they appear to be at the moment.

As I was saying, I take a great interest in education and in the schools in my constituencies, past and present. I go around schools all the time. If Ministers think that the public are pleased with what they have done in education for the past 15 months they are very wrong. Only weeks ago, not in my constituency, but in the London borough of Bexleyheath, the Conservative party won by-elections, and Bexley is now controlled by the Conservatives. I am informed by the chairman of the education committee, Mrs. Sharon Massey, that education was a leading issue on the doorstep. In May, we took seats from both the Labour party and the Liberal Democrats.

I also draw on my experience as a teacher in a primary school in the east end of London dealing with children with special educational needs. That is why I was interested in what my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes) had to say about the need for class sizes for children with special educational needs to be limited to 30. In addition, while I realise that Labour Members think little of playing politics with their own children—the hon. Member for Dunfermline, West (Ms Squire) shakes her head, but I can assure her that the Labour party in Basildon did exactly as I described earlier—I have five children, all in state schools, so I am deeply involved in and conscious of their experiences.

I represent the constituency of Southend, West. At Question Time a few weeks ago, the Under-Secretary of State for Education and Employment, the hon. Member for Birmingham, Yardley (Ms Morris), said that there was no problem with the size of classes in Southend and that we had spare capacity. She is quite wrong, and I shall prove that shortly. All the classes and the schools in my constituency are full, and what is happening in Southend is a disgrace.

Southend is controlled not by the Conservative party, but by the Liberal Democrats and the Labour party working together. That is why I was appalled by what the hon. Member for Bath (Mr. Foster) said about education. The Labour party's promises have not been borne out and the Liberal Democrats' claptrap at the general election about the 1p on income tax to be spent on education will never be borne out. They have controlled Essex county council for the past four years and they should be ashamed of their record. At the moment, they control Southend-on-Sea borough council.

All schools in Southend are operating at full capacity. A document written by the Conservative spokesperson, Mrs. Sally Carr, says:

"The restriction of class sizes to no more than 30 will require an absolute restriction on admissions once class sizes have reached 30".

That is what the council has decided, which is stating the obvious, but when the Minister replies, will she tell us how on earth schools in Southend will achieve that? There is no room for Portakabins. All our classes are full—they have more than 30 pupils.

I know that some hon. Members were laughing at my hon. Friend the Member for Guildford (Mr. St. Aubyn). Someone said that he is an old Etonian. My hon. Friend represents a constituency and he is entitled to give his view on behalf of his constituents. I thought that he made his case very well. Is it the case that, under this Government, if one happens to be a Conservative Member, the people one represents do not count? I hope not.

In Southend, 25 per cent. of schools have classes in excess of 30 pupils and that proportion will rise over the next year. I shall give three examples. At Prince Avenue school, which is in a challenging catchment area, the average class size for key stage 1 is 32 and increasing. The head teacher is already having to turn down pupils for next September, and many of their mums and dads are coming to my surgery. At Westleigh junior school, the average class size for key stage 2 is 32 and increasing. In year six, there is even a class of 37 pupils.

I raised the subject of Westborough school with the Minister a few weeks ago. With 800 pupils, it is the largest primary school in Essex. I sought a meeting with the Minister for School Standards about the issue, which I shall come to at the end of my speech. The school is so crowded that there is no room for any more children and the head teacher does not even have an office from which to operate. The average class size is 33 and the largest class has 35 pupils. There are four mixed classes. At present, the school can afford to employ some teaching assistants to help staff, but it will be unable to continue to do so if class sizes are decreased and alternative funding arrangements are not found.

Westborough, which is in a very challenging part of my constituency, has an acute funding problem. I had a long chat with the headmistress this afternoon. The chairman of the governing body is a Liberal and the chairman of the education committee in Southend. The headmistress and the governors do not know where the money will come from. When the Under-Secretary winds up, will she tell me—if she does not have the time, she can write to me—what is the solution to the problem of those three schools in my constituency?

In Essex local education authority area, 13,805 key stage 1 pupils and 28,850 key stage 2 pupils—40 per cent. of the total—are in classes of more than 30.

Although one or two sedentary interventions began to exercise me a little, I said at the outset that I did not doubt Ministers' sincerity—and they are courteous in dealing with correspondence—but it is galling that whereas, under the previous Government, I was able to bring representatives—the head or deputy head—from every school in my constituency to meet the Secretary of State, I am now told that I cannot have any sort of meeting with any Minister because they are too busy. That is deeply disappointing, especially as the Government tell us time after time that they are listening to the people. They are jolly well not listening to those whom I represent in Southend, West.

**Mr. Byers:** My hon. Friend the Under-Secretary and I have had a brief conversation to determine whether we can recall any correspondence from the hon. Gentleman requesting a meeting and we are unable to do so. My hon. Friend and I have a good record on meeting hon. Members from all parties when meetings are requested. If the hon. Gentleman would like to write to us—I do not remember receiving any correspondence from him, but I shall check—I am sure that we will treat his request as sympathetically as possible.

**Mr. Amess:** I take the Minister's words in good faith, but three days ago—this is a little embarrassing—my secretary received a call from the diary secretary to one of the Ministers to say that a meeting was not possible. As the Minister expressed his view at the Dispatch Box I felt it necessary to respond, but I take what he said in good faith and I should be grateful if he will meet some of the headmasters in my constituency.

I end by reiterating my main point about all the nonsense that has been said about saving money on the assisted places scheme. Labour Members know only too well that the Government may want to reduce class sizes—which I think will be impossible, given that our playgrounds are already overcrowded, not to mention the issue of choice—but from where will the money come? The Chancellor keeps telling us that he is relying on the previous Conservative Government's spending plans; then he says that there is to be a three-year strategy that will be more draconian. I want to know where the money will come from. Frankly, many people in my constituency feel that, under this Labour Government, they will not be able to afford children.

9.12 pm

**Mr. Gordon Marsden** (Blackpool, South): My hon. Friend the Member for Waveney (Mr. Blizzard), who unfortunately is no longer in the Chamber, put his finger on the issue when he distinguished between opposition and disingenuous opposition. Tonight, we have heard a great deal of the latter from the Opposition Benches.

*[Mr. Gordon Marsden]*

The hon. Member for Bath (Mr. Foster) referred to the year zero mentality of Conservative Members. I thought that they were more like a collection of Rip Van Winkles who have slept through the last 20 years and now suddenly discovered all these new ideas. I had hoped that, when the hon. Member for Havant (Mr. Willetts) spoke, we would hear some opposition to that argument, but I could not find much of that in his speech. He said that the Conservative party understood that parents wanted their children to be educated in smaller classes, but there was precious little evidence of that while the Tories were in government. As my hon. Friends have pointed out, those of us who served on the Standing Committee saw much evidence of confusion and outright schizophrenia. I thought that schizophrenia had been confined to the previous members of the Conservative Front Bench, but it has clearly been inherited by the present incumbents.

I understand that, in some quarters, the hon. Member for Havant bears the epithet "two brains". I had always assumed that that referred to his outstanding intellectual capacities, but clearly one brain is there to operate pre-1997 and the other post-1997. By that process, the two brains, rather like something in an H. G. Wells story, are able to proceed on their way without any conflict, but, unlike in science fiction, this problem has not just dropped from the planet Zog. As has been said, the build-up of class sizes has been strong and remorseless. In 1988, 804,000 children in the five to seven age range were being educated in classes of more than 30; by 1997, the figure had risen to 1,344,000. It is instructive to ask ourselves why. What series of factors over that period produced such a rise?

In 1994 and 1996, Professor Neville Bennett of the school of education at the university of Exeter prepared an interesting report on class sizes in primary schools. It was a large survey and took into account the perceptions of head teachers, chairs of governors, teachers and parents. It is interesting to recall what some respondents to that survey said about the then Government and their policy on class sizes.

One head teacher said:

"The Government"—

the previous Government—

"has a policy (unstated) to increase class size. LMS determined budgets for schools, this was rate-capped and therefore budget was reduced. The last pay increase had to come from the budget. The only way to pay for this was by reducing staff."

Another head spoke of

"teachers in primary schools disadvantaged by a historical funding system which mitigates against smaller classes and non contact time—both sorely needed but not possible under present funding".

Another reason for the increase in class sizes was the previous Government's severe attitude to local authorities that were trying to raise their game and raise educational standards. My hon. Friend the Member for Liverpool, Riverside (Mrs. Ellman), who is in her place, can give eloquent testimony of the problems that Lancashire county council experienced in that connection.

The previous Government hampered local authorities; moreover, they gave no thought to expenditure to improve the infrastructure that might support initiatives to reduce class sizes. They gave no thought to the number of classrooms that rapidly became unusable, to the number of classrooms that were prefabricated or to the continuously lengthening list of necessary repairs.

Perhaps the most significant reason for the increase in class sizes is the fact that the previous Government gave no thought to it because, as hon. Members have pointed out, too many of their own children were not educated in that system. As a result, they had no first-hand experience of the problems that were building in the primary school sector.

Thankfully, the Government have begun—speedily, as Labour Members have said—to remedy the problem. From September, £22 million will be made available to 65 local education authorities. They include my new unitary education authority in Blackpool where, from September, 1,000 pupils will be kept out of classes of more than 30 as a result of the taking of money from the assisted places scheme.

No sensible hon. Member would argue that it is easy to institute a policy of lower class sizes. There is a complex structure of schools. In my constituency there are 1950s or 1960s schools, where it would be relatively easy to implement the pledge, and schools where space will be a problem. That is precisely why the Government have not gone for a knee-jerk process of implementation, but are ensuring that the policy is implemented in a way that will not restrict parental choice. Tonight, the Minister gave a detailed and thoughtful list of the criteria that will be used. The wide range of schools also explains why the Government have given £40 million extra to build 600 additional classrooms in 1998–99, and why LEAs have been given searching and penetrating targets to institute their own strategy this autumn.

In implementing our strategy, we must take every care not to restrict parental preference. The Government have made a strong and competent start and they deserve more than the Conservatives' knee-jerk reactions and schizophrenia. No Labour Member would argue—as some Conservatives have attempted to portray us as doing—that reducing class sizes is the be-all and end-all of education policy. A measured examination of what the Government have done in early-years education shows that that policy is only part of a raft of measures. My education authority has benefited from the new class sizes initiative, but not only that. We have benefited from an above average rise in education standard spending assessment; £73,000 for reducing class sizes; £24,000 for the national learning grid; £19,000 for literacy; and a total of £1.5 million of extra allocations for 1998–99.

Those funds underline the holistic approach that the Government have taken to early-years education policy, and the pledge on class sizes is an important element in achieving those policy objectives. The Conservative motion therefore deserves to be rejected—and rejected decisively.

9.19 pm

**Mr. John Hayes** (South Holland and The Deepings): As I said in an intervention earlier in the debate, I should like to nail as an untruth, or at least as a misapprehension, any statement that Opposition Members have not before spoken sensibly or in a balanced manner on education issues. Many of us, like Labour Members, have a long history of being involved in education—as teachers, governors and members of local education authorities—

and, of course, we acknowledge that class size is a factor and an issue in judging the quality of teaching and learning. The crude caricature of Opposition Members drawn in this debate by Labour Members does them far less justice than it does us.

Three calumnies were preached—I use the word advisedly—by Labour Members in the run-up to the general election. The first was that class sizes were at an unprecedented level when the previous Government left office. That is certainly not true. Class sizes were not at an unprecedented high. Figures clearly show that secondary school class sizes, for example, were higher in 1978–79 than they were in 1996–97. The numbers were about the same at primary school level.

The truth is that—largely because of demographic and birth rate factors, not because of Government policy—class sizes dipped in the 1980s. I should not claim Conservative credit for that dip, any more than Labour Members should claim that the Conservatives deliberately increased class sizes through the 1990s as a matter of public policy. Such a claim simply does not bear scrutiny. The full history of class sizes—not over 15 or 20 years, but over 50 years—suggests that not public policy but demography, population growth and the birth rate have been the major determinants of class sizes, both in the primary sector and the secondary sector. However, no Labour Member has mentioned that fact in this debate.

The second calumny was that class sizes were the single most important factor in teaching and learning—in a child's educational progress. That is not borne out by the facts or by a wealth of research. Even those who take the most pro-Government perspective in educational research would argue that class size is only one of the key factors that affect a child's educational progress and the nature of teaching and learning. The truth is that the relationship between class size and educational success has as much to do with teaching and learning methodology as with anything else.

The key factor of methodology has been mentioned in this debate by the hon. Member for Bath (Mr. Foster), who spoke about experience in Switzerland, and by me in my intervention in his speech when I spoke about the far eastern experience. There are a range of views on the importance of class sizes, just as there are a range of teaching methods. There are adherents to and protagonists of each of the different perspectives.

The third calumny preached by Labour before the general election was that a Labour Government would quickly—immediately—do something about class sizes. Let us be absolutely clear about that pledge. Labour Members have told us today that it was always clear that it would take five years to reduce class sizes, but I remember that during campaigning before the general election Labour party campaigners told electors—Labour party candidates who are now hon. Members may have said the same—"Your child will be better off, because your child will be in a smaller class."

Today, we have heard that many of those who currently have children in primary school will not benefit because—in the Minister's own words—the pledge will not come to its full fruition until 2001. We are talking largely about the next generation of children benefiting. That is hardly an early pledge. It is at best an early pledge delayed; at worst, it is a medium or long-term pledge in respect of many children's life experience and educational progress. I fear that parents will judge that harshly against the propaganda that preceded it.

**Mr. Byers:** The hon. Gentleman represents a seat in Lincolnshire, I think. This September, 900 five, six and seven-year-olds in Lincolnshire who will be in classes of 30 or fewer would have been in larger classes had the previous Government remained in office.

**Mr. Hayes:** The Minister will acknowledge that I did qualify my remarks. Although I said that not all children would benefit, I then hesitated and said that, to be fair, some would. However, many of the people who voted Labour on the understanding that their children would be better off will not benefit. Many parts of the country will not see an improvement because, as the Minister acknowledged openly and fairly, the pledge will not be implemented in toto until 2001. That does not accord with the impression given during, or the marketing used by the Labour party before, the election. That is why people are coming to the hard, and arguably fair, judgment that Labour has not lived up to the expectations it created.

I was about to talk about omissions from the pledge. One was the trade-off between class size and choice. We know that many large classes are the result of children being admitted to a school as a result of an appeal. It usually happens at the most popular schools, for obvious reasons. Burgeoning classes stem from the extension of choice—parents want to get their children into a particular school because of its reputation and record.

Inevitably, there is a trade-off between class size and choice. One has to make a political and educational judgment: is it more important dogmatically to put every child in a class of fewer than 30, or to place more emphasis on choice?

**Mr. Brady:** Would my hon. Friend care to reflect on the contradiction in the fact that the Government appear to have understood the importance of choice by accepting our policy of league tables for schools, but that, by capping numbers in classes of five, six and seven-year-olds, they are limiting choice? That limitation will not only affect parents; it will stop the good schools from dragging up the standards of the bad schools.

**Mr. Hayes:** It is even worse than that. My hon. Friend points out a contradiction, but there is an implicit reduction in local discretion. Local education authorities have to prioritise and, with governors and parents, they may decide to place more emphasis on factors other than class size. The Government's bland, blanket policy prevents them from so doing.

I had a state education and I have never had any parental connection with private education, contrary to the nonsense we heard from Labour Members. They talk as though the only factor that parents take into account when they choose to send their children to a private school is small class sizes. If that were the only basis on which private schools marketed themselves, they would do considerably less well. People are concerned about the quality of teaching, about leadership and about a school's ethos. Parental support is also a critical factor in a child's educational progress. Constantly focusing on class size dilutes the argument about those other vital factors and may even detract from their importance as issues to be considered in respect of the quality of teaching and learning.

*[Mr. Hayes]*

The figures speak for themselves. Class sizes have risen. I cited figures from the Library that are available to everyone and show that class sizes in the secondary and primary sector have risen under this Government. We may argue about why that has happened. It may be said that the Government cannot proceed with their pledge on class sizes quickly enough as there are other priorities, or that this matter is not so important to them; in any event, average class sizes have increased, but to dwell on averages is in itself deceptive. If we look at LEA-by-LEA comparisons, Labour LEAs are worse. Class sizes in Labour LEAs are typically greater. That raises questions about the historical record of those LEAs in prioritising class size. As hon. Members will know, there is nothing to stop an LEA directing money towards that goal.

**Mr. Gordon Marsden:** I accept that there will be variations, but will the hon. Gentleman accept—this is borne out by the allocations for this autumn—that many of the Labour LEAs to which he refers have those figures precisely because they are in areas of deprivation and need?

**Mr. Hayes:** LEAs in areas of deprivation and need could have chosen to place greater priority on class size and to transfer money to subsidise, if you like—in the way that many LEAs subsidised nursery education as that was discretionary expenditure head—smaller class sizes. Many LEAs have chosen not to do so, but the hon. Gentleman makes a valid point in that LEAs are particularly poorly off because, as he will know, the largest classes tend to be in the most popular schools, and the most popular schools are frequently not in Labour LEAs, for obvious reasons.

**Mr. John Randall** (Uxbridge): I wonder whether my hon. Friend would be interested to know that the average class size in Islington is smaller than in the Oratory school.

**Mr. Hayes:** I do not want to draw unnecessary attention to the fact that the Prime Minister is a highly privileged man who chooses to send his child to a highly privileged school, rather than the local comprehensive. I do not want to repeat that and would not do so, so I shall move swiftly on, but I also find it slightly distasteful that we have a Prime Minister with no background in local government or of using the state sector; he went to a private school with all that entails.

The hon. Member for New college, Oxford and Harvard—the hon. Member for Blackpool, South (Mr. Marsden)—speaks as though he is one of the people's champions. I note that his interests are mediaeval history, theatre and other, equally arcane, matters—not football and real ale—so when he speaks as the people's champion we have to treat that claim with a certain latitude.

The other omission from the Labour party's account before the election was the issue of the difference between schools within LEAs. Labour LEAs' failure to deal with surplus places means that a number of very small schools—some people would argue unviable schools—with relatively small classes, which are not necessarily the best or the most popular schools, are distorting the average. I should be interested to hear the Minister say in her summing-up how we reconcile this class size policy with the issue of surplus places, and how surplus places are to be dealt with in this context.

**Valerie Davey** (Bristol, West): I give just the example of Gloucestershire, where schools such as the hon. Gentleman has described existed and the former Secretary of State for Education and Employment refused to take action.

**Mr. Hayes:** I am afraid that I cannot give that intervention the credit or indeed attention that it deserves because my hon. Friend the Member for Cheadle (Mr. Day) was speaking in my ear and, as I am very deaf, I did not hear it all. However, in the spirit of the Minister, when he was dealing with my hon. Friend the Member for Southend, West (Mr. Amess), if the hon. Lady writes to me, I shall deal with her intervention fully.

Class size is a factor in children's educational progress, but it is not the most important factor. The debate continues. The jury is still out on how important class size is. The important thing about this debate is that the Labour party, now the Government, raised expectations about immediate action on class sizes which it has failed to deliver—indeed, it has been thwarted. The British people are extremely angry that Labour has disregarded those expectations in its priorities.

9.34 pm

**Mrs. Louise Ellman** (Liverpool, Riverside): Tonight's debate has been characterised by Tory hypocrisy. That has been clearly demonstrated by the assertion that we are choosing between smaller class sizes and good teaching. This Government offer both. When I was the leader of a local authority while a Tory Government were in power, we battled against cuts in revenue and capital, we battled to stop class sizes rising, we battled against cuts in resources and we battled to keep open opportunities for pupils in access to the arts, basic standards in education and discretionary grants in further education.

We are offering smaller class sizes where it matters most, in infant education, and expanded opportunities for all. That is the beginning of a new era. I congratulate the Government on the splendid start that they have made. I condemn the hypocrisy of the Conservatives. I hope that they learn over the next few years, as the nation gets the benefit of expanded education opportunities for all.

9.35 pm

**Mrs. Theresa May** (Maidenhead): The Government

"has made two pledges on class sizes and parental choice. It is in danger of failing to deliver either."

Those are not my words or the words of my hon. Friends, who have made such excellent contributions to the debate. They are not even the words of Conservative councillors. They are the words of Gavin Moore, the Labour chairman of education in the London borough of Lewisham, speaking last week at the conference of the Council of Local Education Authorities, which was reported on Saturday in *The Times* in the following way.

"Parental freedom to choose a child's school must be constrained if class sizes are to be reduced, Labour councillors said yesterday.

The election pledge made by Labour last year to reduce primary class sizes to under 30 pupils . . . will be impossible to achieve if parents have the right to decide which school their child attends, the councillors claimed."

The Minister dismisses the words of those local education authorities. They are the words of people who will be responsible for delivering the Minister's pledge at local level. As my hon. Friend the Member for Southend, West (Mr. Amess) made clear, there is real local concern about the practical implications of putting the pledge into practice.

It is not surprising that the Minister for School Standards dismisses local education authorities. As my hon. Friend the Member for Guildford (Mr. St. Aubyn) pointed out, the Government are taking away local decision-making powers and centralising control in the hands of the Secretary of State.

The Minister dismissed the concerns of his Labour colleagues in local government, saying that the issues were administrative and managerial, but they are not. The concerns of councillors are about whether children can attend the schools that they and their parents want them to go to, but the issue is about more than that; it is about the quality of education that children receive in our schools.

My hon. Friend the Member for Havant (Mr. Willetts) referred to the only analysis that has been carried out on class sizes—the Coopers and Lybrand report commissioned by the Local Government Association. Coopers and Lybrand talked to LEAs, head teachers and governors about their concerns. On the opinions of head teachers and governors, the report says:

"Whilst there was widespread support for the policy of reducing class sizes in principle, we found that many heads were not convinced that a slight reduction in class sizes in their own schools would recompense for the upheaval and loss of flexibility that could result."

The report goes on to talk about where the policy might have a negative impact:

"At Key Stage 2 (or other Key Stages) if the development causes resources to shift towards Key Stage 1 at the expense of other Key Stages

at Key Stage 1 and 2 if the policy causes a change to mixed age teaching . . .

at Key Stage 1 if non teaching classroom assistants are withdrawn . . .

at schools in areas of social deprivation if the policy causes a shift of resources towards schools in more prosperous areas."

I recognise that the Minister may dismiss the Coopers and Lybrand report because it was commissioned by local government, and he has no interest in and no time for local government. Perhaps he will take some interest in the findings of research undertaken by the National Foundation for Educational Research in England and Wales, which surveyed head teachers' concerns about the practical implications of the class size pledge. The survey said:

"While supportive, in principle, of class size reduction, headteachers were concerned that fixed limits for key stage 1 classes . . . could produce three unwelcome and, they felt, adverse outcomes: the creation of more mixed age (vertically grouped) classes, even larger key stage 2 classes, and a reduced capacity to employ classroom assistants."

In other words, the pledge will hit the quality of education that children receive in the classroom.

The point about the impact on key stage 2 classes was made very clear to the Under-Secretary of State for Education and Employment, the hon. Member for Birmingham, Yardley (Ms Morris), when she appeared in front of a number of teachers in Derby, as reported in Friday's *Derby Evening Telegraph*. When repeatedly challenged on the subject of overcrowding in junior schools, she replied:

"Our current priority is to fund key stage one and we don't have any plans to deal with key stage two at the moment."

In other words, children over the age of seven will suffer as a result of the Government's pledge on five, six and seven-year-olds.

All that the Minister for School Standards did in the debate was constantly to assert that parental preference would not be affected. Yet, when we got to the subject of what decisions the Secretary of State will take, we were told that he must consider only whether local education authority plans have "due regard" to parental preference—not whether it is affected. That is not a pledge to parents who are worried that their choice will be restricted as a result of the Government putting their pledge into practice.

Earlier, the Minister for School Standards refused to give the following pledge. In responding to the debate, will the Under-Secretary pledge that no parent will have a child—be they five, six or seven years old—turned away from the school of their choice due to the class size pledge? Will she also pledge that no parental appeal will be turned down on the basis of class size? We await her response to both those specific questions.

It is clear from the debate that the Labour Government's pledge was ill thought out; it was not properly planned. It sounded good, and fitted on the pledge card, but Labour did not know how it would be put into practice. It is clear from the Minister's refusal to answer all the specific questions put to him that he still does not know how the Government will put the pledge into practice.

The hon. Members for Blackpool, South (Mr. Marsden) and for Warrington, North (Helen Jones) referred to attacks of amnesia. The brief comments of the hon. Member for Liverpool, Riverside (Mrs. Ellman) implied the same. As my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes) pointed out, Labour Members are the ones who have had an attack of amnesia.

The hon. Member for Waveney (Mr. Blizzard) made a valiant attempt to protect his Front-Bench team—I sincerely hope that the duty Whip took due notice of his contribution—on the timetable of the pledge, by saying that there was absolutely no prospect ever that it would be met in the Government's early days. *[Interruption.]* I say to the hon. Member for Waveney, and to the Secretary of State, who just seems to have confirmed that from a sedentary position, that if that were so, why did Labour Members tell the electorate that the pledge was an early one? That meant to the electorate that it would be met quickly. Now we hear that an early pledge is simply one about which they thought before any others. That was not what they said during the election campaign. They told members of the public, parents and teachers that there was an early pledge to cut class sizes for five, six and seven-year-olds. The public believed the Labour party and thought that the pledge would be implemented quickly.

**The Secretary of State for Education and Employment (Mr. David Blunkett):** Perhaps the hon. Lady will tell us whether the Conservative party is saying, as a consequence of its belief that the pledge was to be

*[Mr. David Blunkett]*

implemented by September 1998, that it expected the assisted places scheme simply to be stopped and no further children to be allowed to continue through it?

**Mrs. May:** Perhaps the Secretary of State would like to give a pledge now about whether the Government will implement their pledge within the life of this Parliament. Will the right hon. Gentleman give that pledge now?

**Mr. Blunkett:** Absolutely.

**Mrs. May:** The right hon. Gentleman says, "Absolutely" from a sedentary position. So we know that. Thank you very much.

When the Labour party unveiled its pledge on class sizes, when it distributed its pledge cards and when those who are not Labour Members campaigned on the doorstep, they did not provide any small print. They did not add any caveats to what they were saying. I see that the Minister for School Standards has to get out his pledge card to check whether there is any small print on it, just to remind himself of what it says. I note that the Under-Secretary of State for Education and Employment, who will reply to the debate, has had to borrow the pledge card of the Minister for Schools Standards. I think that the hon. Gentleman said earlier that any self-respecting Minister made sure that he or she had a copy of it.

When the pledge card was produced, when Labour candidates went on the doorsteps during the election campaign, when shadow Labour Ministers in the previous Parliament were interviewed during the election campaign and prior to it, and when the now Prime Minister unveiled all the pledge posters and pledge coffee mugs, there was not any small print. There were no caveats. They did not say to parents that they would achieve the pledge only by taking away parental choice. They did not say to parents that it depended on where people lived as to how early—

**Caroline Flint** (Don Valley): Will the hon. Lady give way?

**Mrs. May:** No. I must make progress.

Parents were not told that it depended on where people lived as to how early the pledge would be delivered. The Government did not say to parents that they would deliver the pledge only by increasing mixed-age teaching. They did not say that they would do it by taking resources out of key stage 2 so that those children would suffer from a lack of resources. They did not say that they would do it by reducing the number of classroom assistants. They did not say that they would achieve their pledge only by refusing appeals. However, those are the implications of putting the pledge into practice.

That is the reality and that is what will happen to parents and children throughout the country. They will find that choice is being taken away from them. They will find that other classes will suffer. Head teachers will say, as they say to me and to my hon. Friend the Member for Southend, West, that they have real concerns about the impact of putting the Government's pledge into practice in the classrooms. The reality is that the Government have failed to deliver on an early pledge, and they have failed to deliver the truth to the electorate.

9.47 pm

**The Parliamentary Under-Secretary of State for Education and Employment (Ms Estelle Morris):** I have spent three hours listening to the debate; I am a very disappointed person having listened to what Opposition Members have said. I am still not clear about what they really think about class size. I was in a Standing Committee earlier this year and I heard the right hon. Member for Charnwood (Mr. Dorrell) say that

"there is some evidence that class size has a strong influence on educational attainment".—[*Official Report, Standing Committee A*, 20 January 1998; c. 31.]

I thought that that was a conversion; I thought that Opposition Members had seen the light. I thought that today, we would see some sort of revivalist rally—some sort of coming-out celebration—where one Opposition Member after another would say, "Yes, we were wrong. We have seen the light and we have been converted." However, they did not say that. I do not believe that any of them, with the exception of the right hon. Member for Charnwood, has changed his or her mind about whether class size matters. It is interesting that the right hon. Gentleman has gone off to think for the Conservative party; I can only hope that he will have more influence on the hon. Member for Havant (Mr. Willetts) who, having taken over as shadow Secretary of State, has spoken in stark contradiction to what the right hon. Gentleman said in Committee.

Conservative Members may show empathy and say that they want to reduce class sizes, but, at every turn, and again tonight, they have spoken and voted against the means of doing so. Last July, they voted against securing the money and, last year, they opposed the Bill that would have made the reduction possible. Now that we are implementing our pledge, they are warning of imaginary obstacles.

To be fair—we always want to be fair—I must give Conservative Members some credit. There is a yawning chasm between even what they have said tonight and what they did when they had the chance to act on the issue. We have heard three hours of pious words, but they do not make up for 18 years of hopeless inaction. We have heard siren voices galore, but why were those same voices not raised when the Conservative Government were in office? Did we hear any Conservative Member protest when, year after year, class sizes rose? Did we hear a murmur from any of them when, just before the general election, the number of infant children in classes of more than 30 hit the 500,000 mark? More than 4,000 of those infants were in classes not of more than 30, but of more than 40. Given the Conservative party's record, can anyone take seriously what it says today about class size?

As if the Conservative party's preaching about class size was not audacious enough, we have had to put up with a lecture by the shadow Secretary of State on the fulfilment of election pledges. That is the big conversion of the night—a member of the previous Government worrying about whether Governments keep their election pledges. However, not one Conservative Member has said, "Sorry we got it wrong; sorry we were so mistaken about the importance of class size." Not one of them has said sorry to the hundreds of thousands of kids whom they let down, or sorry to the parents and teachers who wanted and deserved better.

As my hon. Friend the Member for Blackpool, South (Mr. Marsden) said, the Conservatives act as if the past 18 years did not happen. They may wish that that

were so—indeed, I wish that it were so—but parents, teachers and the Government cannot act as if it were; we have to pick up the pieces and face up to the consequences of the 18 years of Conservative Government. The fact that the Conservative Government cut budgets year after year and forced up class sizes had a direct effect on educational standards. We inherited a situation in which more than four out of 10 11-year-olds had not effectively mastered literacy and numeracy. One reason—it is not the only one—why that is the case is that class sizes were too large in those children's early years. That is the Conservative party's record on class sizes—we are putting it right, as we promised we would, and we are doing so ahead of time.

From this September, 100,000 five, six and seven-year-olds in 65 local authorities across the country—both Conservative and Labour controlled—will be kept out of classes of more than 30. Moreover, 1,500 extra teachers will be, and have been, recruited to teach those children, and £40 million will be spent to build new classrooms. By 2001, the pledge that we made to the electorate before the general election will be honoured in full and ahead of time.

Equally important, reductions in class size are only part of the wider strategy to raise standards—the hon. Members for Guildford (Mr. St. Aubyn), for South Holland and The Deepings (Mr. Hayes) and for Southend, West (Mr. Amess) were right about that, if about nothing else. The 100,000 children who go into smaller classes in September and the children who join them in smaller classes in the next few years will also learn in school buildings that, in some cases, have had repairs for which they have waited for years. They will read better and they will master numbers better because they will be taught by teachers who have been retrained in best practice, and because money has been put in the classroom for the most modern resources. They will use new technology because we shall have ensured that schools are equipped and teachers trained. They will learn both in and outside school because by 2002, one in every two secondary schools and one in every four primary schools will have the opportunity of a homework centre.

We need no lectures from any Conservative Member about class size not being the only thing that matters. We know that it is not. All those initiatives and many more that have been announced are properly funded and, together with class size, will make a real difference to the life chances of children.

The hon. Member for Maidenhead (Mrs. May) went into semantics about when is an early pledge not an early pledge but, whether it is one year or three, it is a damn sight quicker than 18 years with no action. The hon. Lady wittered away about parental choice. I think that choice is important, but, under the previous Government, the number of appeals by parents who did not get their first choice of school shot up year after year, and they took no action.

**Mrs. May:** If the Minister is saying that parental choice is so important to the Government, will she now give the pledge asked of her and of the Minister for School Standards, that no parent will find that their preference for a school is refused because of Labour's class size pledge?

**Ms Morris:** When my hon. Friend the Minister for School Standards opened the debate, he made it clear that local authorities would not be able to meet the class size pledge by reducing parental choice. We have taken action to ensure parental choice, which is far more than the Conservatives ever did in 18 years in government.

While Conservative Members work out what they think about class size, we have been getting things done. We secured the money with one of the first Bills to receive Royal Assent—the Education (Schools) Bill—and it has already been passed to schools in the first full academic year on which we had an influence. More places in popular schools that have high standards—that is what parents want and, with this Government, that is what they will get.

The Conservatives have shown tonight that they are still in that state of confusion. They have still not understood the urgency of cutting class sizes. This September—only a few months away—100,000 children will benefit because we are keeping our promise. By 2001, classes of more than 30 for infant schoolchildren will, for the first time in the history of this country, be a thing of the past. That is good news for parents and for teachers, but most of all, it is good news for the children who need that best start if they are to reach their potential and have a real chance in life.

What we have heard tonight is no more than cynical scaremongering by Conservative Members, but their words cannot take away what many parents already know—that Labour is delivering. We have shown that already and we will continue to show it in the next three years. The Opposition motion is nothing more than a cynical attempt to detract from a Government who are delivering on their pledge. It is not worthy of the support of the House and I urge hon. Members to reject it.

*Question put,* That the original words stand part of the Question:—

*The House divided:* Ayes 134, Noes 297.

**Division No. 317]** **[9.58 pm**

**AYES**

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Atkinson, David *(Bour'mth E)*
Baldry, Tony
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brazier, Julian
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Cran, James
Curry, Rt Hon David
Dafis, Cynog
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John

Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
Luff, Peter
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shepherd, Richard
Simpson, Keith *(Mid-Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Waller, Robert
Wardle, Charles
Waterson, Nigel
Wells, Bowen
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

**Tellers for the Ayes:**
**Mr. John M. Taylor and**
**Mr. Tim Collins.**

## NOES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Ballard, Jackie
Banks, Tony
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byers, Stephen
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Casale, Roger
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Corston, Ms Jean
Cousins, Jim
Crausby, David
Cummings, John
Cunliffe, Lawrence
Cunningham, Rt Hon Dr John *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davis, Terry *(B'ham Hodge H)*
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Fearn, Ronnie
Flint, Caroline
Flynn, Paul
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Grant, Bernie
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Heal, Mrs Sylvia
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Leslie, Christopher
Lewis, Terry *(Worsley)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonnell, John
McGuire, Mrs Anne
McKenna, Mrs Rosemary
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWilliam, John
Mahon, Mrs Alice
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Meale, Alan
Michael, Alun
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Öpik, Lembit
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris

Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Roche, Mrs Barbara
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Temple-Morris, Peter
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tyler, Paul
Vaz, Keith
Vis, Dr Rudi
Wallace, James
Walley, Ms Joan
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Wilson, Brian
Winnick, David
Wood, Mike
Woolas, Phil
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

**Tellers for the Noes:**
**Mr. John McFall and**
**Mr. Clive Betts.**

*Question accordingly negatived.*

*Question,* That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MADAM SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

*Resolved,*

That this House congratulates the Government on the excellent progress it has already made towards honouring its pledge that no child of 5, 6 or 7 will be in a class of over 30 by the end of this Parliament, which will mean that 100,000 fewer infants will be in large classes from this September and the pledge will be met ahead of schedule by September 2001; and notes the Opposition's continuing hostility to class size reduction, having presided over year-on-year increases since 1988.

## DELEGATED LEGISLATION

**Madam Speaker:** With permission, I shall put together the motions relating to delegated legislation.

*Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),*

### ANIMALS

That the draft Welfare of Livestock (Amendment) Regulations 1998, which were laid before this House on 21st May, be approved.

### NORTHERN IRELAND

That the draft Producer Responsibility Obligations (Northern Ireland) Order 1998, which was laid before this House on 1st June, be approved.

### VALUE ADDED TAX

That the Value Added Tax (Reduced Rate) Order 1998 (S.I., 1998, No. 1375), dated 3rd June 1998, which was laid before this House on 3rd June, be approved.

### SOCIAL SECURITY

That the draft Child Benefit and Social Security (Fixing and Adjustment of Rates) (Amendment) Regulations 1998, which were laid before this House on 8th June, be approved.

### PUBLIC HEALTH

That the draft Vaccine Damage Payments Act 1979 Statutory Sum Order 1998, which was laid before this House on 8th June, be approved.

### CIVIL AVIATION

That the draft Air Carrier Liability Order 1998, which was laid before this House on 23rd June, be approved.—*[Janet Anderson.]*

*Question agreed to.*

## Wembley Stadium

*Motion made, and Question proposed,* That this House do now adjourn.—*[Janet Anderson.]*

10.14 pm

**Mr. Gerry Sutcliffe** (Bradford, South): By this time tomorrow evening, we shall know the fate of the England football team, which will be playing Argentina. I am sure that all hon. Members wish the team good luck. We have all been captivated by the excitement of the world cup and the skills on display; similarly, we all recognise its beneficial impact on the economy of the host country. That is why we all look forward to England winning the bid to host the world cup in 2006.

Tonight's debate is about the future of Wembley stadium, the spiritual home of football. Those of us who have played there or been supporters there would be happy to see it redeveloped, but the reason for this debate is that a number of colleagues and I are concerned that the redevelopment is not taking place as smoothly as it might. We are worried about the speed at which the stadium is to be redeveloped.

In April 1995, a competition was held to evaluate proposals for a national stadium, which was to accommodate football, athletics and rugby. Over a six-month period, five bids, including one from Bradford, were considered. The feeling at the time was that the process was a bit of a sham, because everyone knew that Wembley needed redeveloping. Many of us argued that there should be two national stadiums, one in the north and the other in the south at Wembley, to complement redevelopments at Hampden park, Murrayfield and Cardiff.

History shows that Wembley was selected and that the other bids, although credible, all failed. The feedback, limited though it was, implied that the Bradford bid was too commercial—but Bradford's case was very strong. Bradford can be accessed by 10 million people in an hour and by 20 million in two hours. Two international airports are within an hour's drive, and the Euro-ports on the Humber and the west coast ports are all within two hours' travelling time. I hope that the door will not be closed on a stadium of the north—I hope that it will be actively considered.

We all want Wembley to be redeveloped and wish the English National Stadium Trust well in its endeavours. However, owing to a combination of events, I understand that progress is slow and unconvincing. Of the £140 million available, £103 million will have to go Wembley plc for the sale of the leasehold. Wembley plc is making a great deal of money out of Wembley stadium; many of the supporters who go there are from the north. The sale needs to be completed quickly and contracts need to be exchanged.

The Sports Council, which is also a partner, intends to hold a golden share to prevent the stadium from being sold on for future housing development, and so on. The Football Association is embroiled in complex issues such as covenants for games at Wembley for the next 20 years, and raising £200 million to spend on the stadium. The trust will hold the freehold, and the lease will be handed to the FA at £1, for 125 years. As planning permission is required, a start must be made on all the grand plans within the next 12 months to meet the deadlines.

Brent council has worked well with the trust, requiring social amenities under a section 106 planning agreement, at a cost of more than £45 million; but the trust is not a commercial operation and money needs to be found to ensure progress soon. There is a lot of good will among the parties involved, but it needs to be turned into meaningful action. I hope that the Minister will be able to provide both leadership and answers to the outstanding questions.

One such question is: will buying the freehold from the current owners leave the trust with enough funds to complete the redevelopment? Another is: will the issues surrounding the section 106 agreement be resolved? Will the funding from other sources be available? Has the contract between the Sports Council and the trust been signed? And what is to stop Wembley plc entering a deal with Arsenal football club? I hope for answers to all those questions; I also hope that the viability of a stadium in the north will be considered.

There will be a development in Bradford and, if the £140 million had been available at the time, I am sure that our stadium would have been in place. We are seeing developments in Manchester and Sheffield and investment in many of the football and rugby grounds in the north, but we can develop and sustain two national stadiums. I hope that we have the opportunity to host the world cup in 2006 in stadiums that are equivalent to, if not better than, those in France. I am sure that my hon. Friends will talk about the impact on their communities and the need for Wembley to be redeveloped as quickly as possible.

10.19 pm

**Mr. Barry Gardiner** (Brent, North): I congratulate my hon. Friend the Member for Bradford, South (Mr. Sutcliffe) on securing the debate, which is one for which I, too, have been petitioning the Speaker's Office for many months. I am extremely grateful to my hon. Friend for allowing me some minutes from his own allocation to speak as one of the local Members of Parliament. I hope to be able to repay his generosity in kind in future.

The basic business structure of the national stadium is becoming clear: the FA will raise £200 million and the Sports Council will put in £120 million; the English National Stadium Trust will hold the freehold of the stadium and its narrow curtilage; but Devco, the development company currently owned by the trust, will be transferred to the FA. Devco will have a board ultimately comprised of 12 people: seven will be FA appointments by right, and five will be transferred across out of the trustees of the ENST, who are 10 in number. It is Devco which will ultimately be responsible for the emergence of the new stadium and for its continued operation, because it is Devco which will have the 125-year lease on the site. That is why the composition of the 12-man board is so critical.

Under the guidance of Ken Bates, the board will no doubt have a strong chair, if not one who will always score the highest marks for tact and charm—at Chelsea, Ken Bates has certainly proved that he can get things done. However, if Wembley is to be a national stadium and not just the FA's stadium, it is vital that the seven FA representatives on Devco's board are balanced by the five transferring trustees from the ENST. Yet, of the 10 trustees of the ENST, five were nominated by the FA

in the first place. I believe that a monumental fix is about to take place, where 11 of the 12 members of the board of Devco are either directly or indirectly nominated by the FA. I look to the Minister to ensure that that does not happen.

I have here a copy of a letter from the FA to the English Sports Council, which sets out what the FA calls

"the position following recent meetings with The Sports Council and The English National Stadium Trust".

The letter states:

"In particular:

1. The English Sports Council has grant-aided to The English National Stadium Trust £120 million.

2. The English National Stadium Trust will buy the business of Wembley Stadium Ltd. for an amount not to exceed £103 million subject to due diligence. Completion will be no later than June 1999. This is not conditional on either planning or funding being in place . . . Grant aid shall be used to meet the professional fees and architect fees in the design phase of the project. Neither The Football Association nor the development company shall be responsible for any costs in relation to any infrastructure improvements and/or section 106 agreements."

What concerns me is the way in which the FA appears to believe that it is possible to create an 80,000-seater national stadium without worrying about things like public transport infrastructure, new roads, or other environmental improvements, which will be vital to that stadium's success.

Of Wembley's visitors, 55 per cent. arrive via Wembley Park underground station. It is a dilapidated, urine-stained, outdated station, which has no proper crowd-management facilities to meet the requirements of a world cup bid. In response to a written question tabled last week, my right hon. Friend the Minister of Transport today wrote to me as follows:

"Following the Deputy Prime Minister's announcement of a Public/Private Partnership for London Underground and an additional £365 million of funding for London Transport over the next two years, LT and the Government have been considering together what additional investment projects should go ahead in the next two years. London Underground has proposals for a comprehensive redevelopment of Wembley Park Station, including improved platforms, Canopies, Ticket hall, Staircase and walkway. Subject to that review, and securing substantial contributions from outside parties, London Underground has indicated that construction of the Wembley Park Station redevelopment could start in 1999/2000."

The Minister referred to substantial contributions from outside parties. These are, of course, usually achieved through the very section 106 agreements that the FA letter scorns.

Major questions of public confidence must be answered. First, will any conditions be placed on the Sports Council grant to protect the £120 million of lottery money? Secondly, what controls will there be over the future use and operation of the stadium? Thirdly, who will approve the contract between the Sports Council and the FA, and can the Minister assure us that that will be done at the highest ministerial level?

If the stadium is to be a national stadium, it is right that the nation should be proud of it and have a stake in it. At the moment, Wembley is set in the midst of a car park, surrounded by derelict and semi-derelict warehouses and flanked by a rundown industrial estate. I urge the Government to announce that they will invest in the regeneration of the surrounding area. If they do not, the new Wembley stadium may become a jewel set in the midst of dereliction. I urge the Minister to see the wider vision for the future of Wembley and the people around it, whom I represent.

10.25 pm

**Mr. Gareth R. Thomas** (Harrow, West): I congratulate my hon. Friend the Member for Bradford, South (Mr. Sutcliffe) on securing this Adjournment debate. I want to make two brief comments.

First, I share my hon. Friend's view about the importance of the speedy redevelopment of Wembley as the national stadium. Wembley has an enormous impact on the economy of the surrounding area and supports many service jobs in my constituency and that of my hon. Friend the Member for Brent, North (Mr. Gardiner). Harrow town centre is extremely close to Wembley stadium—which many of my constituents enjoy and where many of them work—and depends in part on the resources brought to the area by those visiting the stadium. I seek the same assurances as my hon. Friend the Member for Bradford, South that the development of Wembley will be completed speedily and effectively.

Secondly, a modernised national stadium will clearly be crucial to the success not only of our 2006 world cup bid, but of our London Olympic bid for 2012. While Wembley is the centrepiece of our national game—it is the home of football—I hope that my hon. Friend the Minister can offer reassurance that its redevelopment will ensure that it is modernised and capable of being the centrepiece also for an Olympic bid.

10.27 pm

**The Minister for Sport (Mr. Tony Banks):** I, too, congratulate my hon. Friend the Member for Bradford, South (Mr. Sutcliffe) on securing this debate, and I welcome the contributions of my hon. Friends the Members for Brent, North (Mr. Gardiner) and for Harrow, West (Mr. Thomas). I share their aspirations and, perhaps, some of their concerns.

I simply do not have the answers to some of my hon. Friends' questions, and I shall not flannel my way around them. I shall examine them and give considered responses, because they are serious questions and merit good and proper answers. The construction of a national stadium is crucial. This might be the last comment that I ever make at the Dispatch Box, but there are times when one has to admire the way that the French secured their national stadium. They went straight out and did it, as they did with their fast rail link for the channel tunnel. They do not muck about and go around with begging bowls asking people whether they would throw in a few coins. I rather like that approach.

**Mr. Derek Wyatt** (Sittingbourne and Sheppey): Much as I admire the French, there is a 10-year debt on the stadium in Paris, which we would not want to carry.

**Mr. Banks:** There is always a down side, which is why we shall not approach matters as the French have done. However, there are times when I admire the French approach.

The construction of Wembley is crucial to all the matters that have been raised. Wembley was selected as the preferred bid for the national stadium following a two-stage selection process. At stage one, three bids were

*[Mr. Banks]*

rejected. The Sheffield bid proposed two stadiums on one site and did not comply, while Birmingham's bid involved a site in the green belt which did not have planning consent. My hon. Friend the Member for Bradford, South referred to the Bradford bid. These are old issues, but it is worth putting the facts on the record. I know that the English Sports Council was impressed with Bradford's proposals. The concept had strong local support and there was genuine enthusiasm for the new ideas. However, the Bradford bid was eventually rejected on the ground of transportation. It would have required substantial investment to provide the necessary public transport and road access.

At stage two, Wembley was preferred to the competing bid from Manchester. It had significant access advantages, given the existing transport infrastructure. However, both sites were successful in attracting funding. Investment was promised to Wembley as the site for the new national stadium and to Manchester for the 2002 Commonwealth games.

It would be unreasonable to expect that there would not be difficulties with Wembley. We knew that there would be difficulties, and there are difficulties, in trying to plan a project of this size. There are difficult negotiations still to overcome. However, the English Sports Council's objectives remain clear—to build a world-class stadium within an appropriate setting; to provide 80,000 seats with appropriate public access; to secure benefits for the development of sport from the project; to provide a stadium for the three sports of football, rugby league and athletics; to ensure that the stadium can be developed with a maximum grant from the lottery of £120 million; to ensure that the project is completed by 2002; and, finally, to ensure that the project meets the English Sports Council lottery sports fund eligibility criteria, including viability and quality.

To ensure the last of those objectives, the English Sports Council is, naturally, keeping a close watch on the costs of the project. I am sure that hon. Members appreciate that, for a variety of commercial confidentiality reasons, I am unable to provide a detailed breakdown of the total costs, now estimated at about £320 million. However, as it currently stands, the rough breakdown is £103 million for the purchase of the site and £217 million for demolition, construction, planning and design. Some £120 million will come from the lottery, with the rest being made up of debt financing via the FA. That is one of the problems; it is a national stadium, but the FA—I am not here as an apologist for it—is being required to find £200 million. Consequently, it will not be just Ken Bates who will give me grievous bodily harm of the ear; it will be the FA generally. As it will have to borrow that £200 million against the income that the trust will receive through England games, it will want a large say in what happens. We can hardly blame it for demanding that.

**Mr. Alan Meale** (Mansfield): Perhaps my hon. Friend, like me, is worried about the nominations from the FA, which are very unrepresentative of football. All the nominations bar one come from the premier league teams. The one that did not was made only because it involved the chairman of the football league, who happened to represent a town that very nearly got into the premier league. If it is to be a truly national stadium, it is worrying that only a minority section of football will command its management.

**Mr. Banks:** My hon. Friend makes a good point. I know that when *Hansard* is read by the FA, the trust and the others involved, those matters will be considered. I am not trying to tell my hon. Friend that I have detailed control over these events on a day-to-day basis. As I have said in the House, that is what the arm's-length principle is all about; we let other people get on with it. However, my hon. Friend has raised a good point, which the FA must take seriously.

I want to pick up on some other points. Devco must be representative of all the interests that will be involved in the redevelopment of Wembley. As I said, this is a national stadium, so we must consider Wembley in its wider context. It is not only about building a new national stadium, but about infrastructure investment. It is about the regeneration of the entire area. I feel ashamed going to Wembley and saying, "This is our national stadium at the moment." It might be a venerable institution, but it is long past its sell-by date. That is why we want to proceed with the demolition of the old Wembley after the cup final next year, and with the construction of the new Wembley by 2002. Some of those issues have yet to be resolved, because we need to consider the regeneration of the entire area.

Obviously, those matters are well beyond the remit of a humble Sports Minister standing at the Dispatch Box. I imagine the Chancellor of the Exchequer—probably at this moment—being given a briefing on what I am saying about the likely cost implications for the Exchequer. Obviously, the Deputy Prime Minister will be involved because of the involvement of English Partnerships and the single regeneration budget, and the necessary development of the transport infrastructure. All those Departments and all those Ministers are involved. However, if—as I keep saying—it is to be a national stadium, we must get ourselves together to ensure that it works. We do not want a half-hearted effort that does not stand the test of time and does not give us the things that we want—the centrepiece of our bid for 2006 and, perhaps, the centrepiece for a future Olympic bid, if the British Olympic Association is prepared to submit it.

Does one regard the FA, putting in that £200 million as a developer for the purposes of section 106, as one would any other developer that exists to make a profit? I may be wrong, but I make a distinction between the FA as the major putter-up of the funds and borrowing £200 million, and someone who wants to develop for private company purposes and make a profit from that development. I believe that such developers must be expected to put a considerable amount back into the community for the profits that they take out of it. I do not quite see the FA in the same role as a large property developer in London.

**Mr. John McDonnell** (Hayes and Harlington): As the Minister is aware, in a former life I was involved in the establishment of the English National Stadium Trust. The question that is posed to him directly is: who protects the public interest in all this? In reality, this is the largest development that the Sports Council has ever been involved in, and, to a certain extent, I consider it not out of its depth, but certainly inadequate in the negotiations

with a body such as the FA, because when one negotiates with the FA, one lies down with a tiger. The onus is on the Minister to protect the public interest. Although I accept his relatively hands-off approach, a more day-to-day overview is required to ensure that the public interest and the London interest are protected, especially with regard to the environment.

**Mr. Banks:** I agree with my hon. Friend. I can assure him that if I had not previously been convinced of that point, the serried ranks behind me would quickly have concentrated my mind on it. Of course the public interest must be protected. After all, £120 million not of Government money, but of public money, will be involved.

One needs to safeguard public money, but there is a—perhaps marginal—qualitative difference between lottery money and straightforward Exchequer grant money; in the latter case, there is an obvious, direct and deliberate connected ministerial responsibility. I have to follow—we all do, as this is lottery money—the arm's-length principle, but, if anything went wrong, Ministers would be held to account, you can bet your life on it, Mr. Deputy Speaker. That being so, I do not want to get the sharp end of the stick poked in my eye at some future date; I want to ensure that things go smoothly.

I say to my hon. Friend the Member for Hayes and Harlington (Mr. McDonnell) that Sir Rodney Walker's involvement in the negotiations until now has convinced me that, whatever else one says, he is not the type of person one can easily walk over, either. Some pretty tough cookies are involved in the negotiations. I understand that absolute priority is given to preserving public funding while ensuring that this development goes ahead.

It is important that we ensure that there is proper regeneration of the entire area around Wembley stadium. I understand, of course, that Brent council is committed to making the new stadium a success, and is developing positive working relationships with all parties involved in bringing about a transformation of the stadium and areas around it.

Making Brent a priority area for the Greater London authority seems to be a development which we can look forward to. I return to the comment of my hon. Friend the Member for Brent, North about London—as Wembley is the national stadium, it is, naturally, located in London. I say "naturally" because London is where people want to make such big investments. If such people come to the United Kingdom, they want to come to London. Speaking as a London Member rather than as a Minister, I think that that is right.

The recent White Paper contained proposals for new regional development agencies which, working in partnership with central and local government, businesses and other key regional interests, will bring greater coherence and a sharper regional focus to the public resources available to promote development and regeneration. Our plans for London differ from the national picture—reflecting the influence, importance and uniqueness of our capital city—and impact on the proposals for Wembley. As endorsed by Londoners, there will be a directly elected mayor and a separately elected assembly, and any decisions on priorities for funding will eventually be for the mayor and the assembly to take.

I know that hon. Members are concerned about progress with Brent on the planning brief, and I am aware that there are difficult issues, which need careful consideration. That is why we have asked the Government office for London to chair a working group, to establish the principles of the planning application connected with the Wembley site. It will aim to facilitate agreement between the English National Stadium Trust development company and Brent. One of the specific issues on which it will focus is the best way of achieving an integrated public transport system.

I know that accessibility by public transport will be central to the new stadium's success. The public transport factor has been reflected in the focus of the Government office for London. We are also in regular discussion with transport operators, with a view to improving the three main stations serving the stadium and bus penetration into the Wembley complex.

My hon. Friend the Member for Brent, North asked some specific questions about timetabling. I understand that, on 6 to 7 July, the English Sports Council will consider the grant application for the next phase—by which time all key agreements and project structures will be in place, and the feasibility studies on planning, funding and development issues will be concluded. I am therefore expecting that to happen in the next week.

In July 1998, contracts will be exchanged with Wembley for site acquisition. Also in July, design team appointments will be confirmed. In November to December, planning applications will be submitted. In April to May 1999, planning consents and the section 106 planning obligations agreement will be completed. In September 1999, secured partnership funding will be completed. Also in September, site work will start. The site work will be completed by the spring of 2002.

That is the timetable, although I expect that there will probably be some slippages in it. Such projects tend to happen that way. I expect also that there will be some movements on the budgeted figures. However, I come back to the original point: Wembley will be the national stadium. Therefore, there must be greater national involvement, particularly in determining the planning infrastructure context for Wembley.

It is important that we make a success of the project. I do not want it to turn into the equivalent of Blue Streak. Was it Blue Streak?

**Mr. Wyatt:** The opera house.

**Mr. Banks:** No, I think that the opera house is going quite well. I do not want it to turn into one of those great English disasters. It has to work. As hon. Members have said, a new Wembley is crucial to the United Kingdom securing the great international sporting events that the Government have pledged themselves to go for. It is necessary to support the British Olympic Association in a potential Olympic bid, and to secure the world cup in 2006.

Going back to the original point made by my hon. Friend the Member for Bradford, South, we are all hoping that tomorrow we shall see England secure a great victory over Argentina. I predict that the score will be 2-1, with Michael Owen scoring both our goals. Then we can move on to greater sporting success, with a new Wembley.

*Question put and agreed to.*

*Adjourned accordingly at sixteen minutes to Eleven o'clock.*

# House of Commons

*Tuesday 30 June 1998*

*The House met at half-past Two o'clock*

PRAYERS

[MADAM SPEAKER *in the Chair*]

## EYRE REVIEW

*Resolved,*

*That an humble Address be presented to Her Majesty, That she will be graciously pleased to give directions that there will be laid before this House a Return of the Report of the inquiry of the future of lyric theatre in London by Sir Richard Eyre.*

# Oral Answers to Questions

## HEALTH

*The Secretary of State was asked—*

### Kidderminster Hospital

1. **Mr. Christopher Gill** (Ludlow): If he will visit south Shropshire to assess the effect upon the local community of proposals to reduce the range of facilities available at Kidderminster hospital. [46601]

**The Parliamentary Under-Secretary of State for Health (Mr. Paul Boateng):** The ministerial team conducts a wide-ranging programme of regional visits. I take particular interest in the west midlands, as the hon. Gentleman will know. I have no immediate plans to visit south Shropshire.

**Mr. Gill:** My constituents will be disappointed by that reply. I and they are conscious of the fact that Kidderminster hospital is not the only hospital in this country to be facing either closure or cuts. There are many testimonials to the Labour party's broken election promises. May I remind the Minister of what his colleague the hon. Member for Wyre Forest (Mr. Lock) said during the election campaign? He said:

"We will only prevent further cuts at Kidderminster if the Government provides enough money to the Health Authority to fund the hospital"?

**Mr. Boateng:** The hon. Gentleman well knows that the agenda at Kidderminster is not a cuts agenda. He is well aware—because he has been a party to them—of the discussions that have taken place between his health authority and all parties interested in the Kidderminster hospital. Submissions will come to Ministers in due course, and decisions will be taken in the best interests of all the people of Kidderminster.

**Mr. David Lock** (Wyre Forest): Is not a high standard of care provided by the staff and management at Kidderminster, which led to that hospital getting a charter mark last year? Does not the hospital deserve praise for its fall in emergency admissions? In comparison, every other hospital in the west midlands has seen rises. Will my hon. Friend accept the thanks of my constituents for the extra £13.5 million of Government money provided since the election to Worcestershire health authority, which will give the possibility of options for Kidderminster? Must not all those important factors be taken into account by his right hon. and hon. Friends when deciding the best configuration for acute services in the county?

**Mr. Boateng:** My hon. Friend is a stout defender of the interests of the NHS in his constituency, and I join him in thanking all those who have contributed to the success of the hospital and its earning of a charter mark. The Government are committed to making sure that there is investment year on year in the NHS to enable its staff to deliver the high-quality health care that is the due of each and every person in this country. That is why the Government have found an additional £2 billion for the NHS since the last general election—money that the Conservative party would never have found.

### Dental Services (Shropshire)

2. **Mr. Peter Bradley** (The Wrekin): What steps he is taking to meet the dental health needs of the people of Shropshire. [46602]

**The Minister of State, Department of Health (Mr. Alan Milburn):** Seven investing-in-dentistry funding requests from Shropshire health authority have been approved to make national health service dental services available to thousands in the area. Access to NHS dentistry should also benefit from the approval of a first-wave personal dental service pilot in Shropshire, due to commence on 1 October 1998.

**Mr. Bradley:** Many people will benefit from the £19 million that the Government are putting into NHS dentistry. Some 20,000 people in Shropshire—my constituents, as well as those of the hon. Member for Ludlow (Mr. Gill)—will benefit from the schemes. However, can my hon. Friend give any hope to the remaining 36,000 people in Shropshire of the 56,000 who lost access to NHS dentistry when the previous Government reneged on fee agreements with NHS dentists? Will those people have their access to NHS dentistry restored in future years?

**Mr. Milburn:** I am grateful for my hon. Friend's support. I assure him that we shall continue to do everything that we can to improve access to NHS dentistry in Shropshire and the rest of the country. I can report that, so far, we have approved 140 investing-in-dentistry projects, giving extra access to NHS dental care to 250,000 patients who would not otherwise have had it. We are doing that by offering the NHS dentist a grant in exchange for continuing to treat NHS patients. In other words, this Government are bringing back into the health service dentists whom the previous Government drove out.

## Hospitals (Clinical Performance)

3. **Dr. Desmond Turner** (Brighton, Kemptown): What action he is taking to improve patients' access to information about local hospitals' clinical performance. [46603]

15. **Fiona Mactaggart** (Slough): What action he is taking to improve patients' access to information about local hospitals' clinical performance. [46615]

**The Secretary of State for Health (Mr. Frank Dobson):** We want to develop a system that will provide general practitioners and their patients with access to fair and accurate indications of clinical performance in their local hospitals. As a first step, we shall publish later this year a number of hospital-based clinical indicators on deaths and complications covering a range of operations.

**Dr. Turner:** Is not the public availability of meaningful information on clinical outcomes an absolute prerequisite for achieving the universally high standards of clinical performance that the Government want? Moreover, had we had such data in the public purview before now, we might have detected sooner such unfortunate occurrences as the poor surgical performance on babies in Bristol or the appalling record of hip replacements. Does my right hon. Friend agree that the data can be of vital help in transforming the health service?

**Mr. Dobson:** It is certainly our wish that the various arrangements that we are making to set quality standards and make sure that they are met will avoid awful occurrences such as the deaths of babies who had heart operations in Bristol, the cervical cancer screening failures in Kent and Canterbury and the breast cancer screening failures in Devon and Exeter. To do that, it will be necessary for the people who are conducting the operations and the hospital management to have data available to them, and we believe that it should be made available also to local general practitioners and patients.

**Fiona Mactaggart:** I congratulate my right hon. Friend on using the opportunity of the 50th anniversary of the NHS to end the cloak of professional secrecy that has kept patients in the dark about the results of treatments. However, I urge him to think carefully about how he presents the information. There are areas of clinical practice where information is publicly available—for example, for in vitro fertilisation and other fertility treatments. Those tables can be misleading because clinics that use the most adventurous treatments or treat older women seem to have less successful results than those that use basic treatments, treat conservatively or treat young women. I urge my right hon. Friend, in publishing this information—which I welcome enormously—to think about the quality of information to patients, so that they can understand it as well as possible.

**Mr. Dobson:** It is certainly the case that we are trying to make sure that any information that is published commands the support of the professionals involved. As I said in my first answer, that means making sure that the information is both fair and accurate.

I have said in the House before, and I will say again, that Great Ormond Street hospital for sick children is in my constituency. The surgeons there frequently perform extremely difficult and complex operations on children who have already undergone operations in other hospitals. Sadly, the children often die, despite the efforts of the doctors, nurses and other staff at Great Ormond Street.

We certainly need to have in place a system that reflects the complexity of operations and the state of health of the patients. I am determined to have statistics that properly reflect all the circumstances; without them, no one, least of all the patients who would otherwise be misled, will benefit.

**Mrs. Jacqui Lait** (Beckenham): Is not one of the most useful techniques to determine clinical excellence Health Services Accreditation? Can the Secretary of State assure me that its disposal will be carried out to the highest possible standards, that no undue influence will be exerted on such disposals, and that those involved in the process who may have a conflict of interest will be invited to withdraw and fall silent?

**Mr. Dobson:** The process of accreditation of a group of doctors or an institution necessarily involves judgments by other doctors. There is no way people without the necessary professional expertise can judge other people's professional expertise. From time to time, there may appear to be conflicts of interest because of connections within the medical and other professions. We shall try to avoid that—but we cannot get away from the fact that the only people capable of judging professional competence are other members of the same profession. We do need outside influence, but in the end there is no point in getting someone who is not a liver transplant expert to judge the skill of another liver transplant expert.

**Dr. Evan Harris** (Oxford, West and Abingdon): Does the Secretary of State accept that the inquiry into the Bristol scandal may find that the problem was not to do with the publication of data but rather to do with the failure to act on data known to the professionals? Given the way that the media may report such data, is there not a danger of repeating the second-generation pill scare? Information wrongly portrayed in that case led to greater inefficiency, poorer health, and a greater number of unwanted pregnancies and abortions.

Finally, does the right hon. Gentleman agree that there may be an increased use of palliation instead of operations; and that clinical judgments may be distorted in an attempt by surgeons to avoid appearing low down league tables when dealing with difficult, possibly terminal cases?

**Mr. Dobson:** I am not quite sure from that whether the Liberal party is for or against the publication of this information. I thought that I had made it clear that we want the statistics published to show the nature and complexity of the operations and the general state of health of the patients. As far as I know, that commands the support of the representatives of the medical, nursing and midwifery professions; providing that we act in this way, none of the problems to which the hon. Gentleman refers should arise. Meanwhile, someone in the Liberal party needs to make it clear whether it believes in keeping the information secret or making it public.

## Teenage Smoking

4. **Mrs. Sylvia Heal** (Halesowen and Rowley Regis): What initiatives he is bringing forward to reduce the incidence of teenage smoking. [46604]

**The Minister for Public Health (Ms Tessa Jowell):** The Government's strategy on smoking, including plans to reduce smoking among young people, will be set out in detail in the tobacco control White Paper to be published later this year.

**Mrs. Heal:** Does my hon. Friend agree that, if we are to protect our children and young people from the dangers of smoking, we must try a variety of methods, including controlling access to cigarettes and a ban on tobacco advertising? I hope that she will join me in congratulating Sandwell health authority and trading standards officers, who have carried out a number of visits to traders to advise them of their obligations. They have also attempted some test purchases which, in some cases, have resulted in prosecutions and fines.

I am sure that my hon. Friend is also aware of the report that ASH—Action on Smoking and Health—published last week, exposing the activities of members of the tobacco industry who target children. One of the bosses, speaking of teenagers, said, "They got lips, we want them." Is it not shameful that the only contribution of the Conservative party has been to block a ban on tobacco advertising?

**Ms Jowell:** Yes, it is shameful; and yes, I am delighted to join my hon. Friend in commending the efforts of authorities such as Sandwell that are seeking to protect young people from the effects of tobacco. The figures speak for themselves: there are 160,000 more regular smokers among children between the ages of 11 and 15 than there were 10 years ago. Children smoke the most regularly advertised brands of cigarettes. At current rates, smoking will kill about 1 million of today's children in their middle years. That is why it was so important that the UK Government acted, where the previous Government had failed to act, to secure a European Union-wide ban on the advertising and promotion of tobacco last week.

**Mr. Alan Duncan** (Rutland and Melton): Does the Minister believe that the incidence of teenage smoking will be reduced by the publication by her Department—at public expense—of a glossy magazine about health targets, which contains no fewer than 32 photographs of herself? What is the justification for that extraordinary publication? Does she hope that it will distract youngsters from poster sites, or does she see herself as a ministerial nicotine patch?

I speak as a non-smoker who also believes in choice. Given that there is little or no evidence to suggest that teenagers are tempted to smoke by adverts, even if they are keen on racing cars, will the Minister accept that discipline by parents and schools, and education about the harmful effects of that self-polluting habit, are what is required? What is her budget for such health education, and how will she concentrate it on the young?

**Ms Jowell:** Yes, I agree that health education is important, and yes, I agree that parental dissuasion from smoking is also important, but it is absolutely clear that the rate at which young people smoke will not decrease unless we ban tobacco advertising. The Conservative party, when in government, steadfastly stood in the way of protecting children's health, by blocking the European ban on tobacco advertising.

**Mr. Vernon Coaker** (Gedling): Does the Minister agree that, if we are to tackle the scourge of the increase in teenage smoking, we must give young people good role models, not only to educate them on the harmful effects of cigarette smoking, but to present to them the fact that it is uncool to smoke? Unfortunately, many young people see cigarettes as a fashion accessory. Unless we tackle that aspect in our health education literature and promotions, we shall find it very difficult to reduce the incidence of teenage smoking.

**Ms Jowell:** I entirely agree with my hon. Friend. He has drawn attention to another reason why the Government must lead on a range of strategies in order to reduce smoking among children—but it is our intention to reduce smoking among children, and we shall deliver on it.

## Finished Consultant Episodes

5. **Mr. Ian Bruce** (South Dorset): How many patients were treated by the NHS in each of the last five years; and what was the average waiting time for hospital treatment. [46605]

**The Minister of State, Department of Health (Mr. Alan Milburn):** Approximately 8 million, 8.6 million, 9 million, 9.3 million followed by a record 9.5 million finished consultant episodes in 1997-98. The average waiting time for admission was 45 days in 1995-96, the latest year for which figures are currently available.

**Mr. Bruce:** I am grateful to the hon. Gentleman for those figures, which demonstrate the success, over 50 years of the NHS, of constantly treating more patients. I am sure that he would wish to congratulate the NHS on that—and to congratulate the Conservative party on having been in charge of the NHS for 35 of those years. However, I wonder whether he would agree that, as we try to increase the number of people going through the NHS and to shorten waiting lists, one of the most important objectives should be to reduce waiting times. Can he pledge to the House that when—if—he ever shortens waiting lists, he will also have started to reduce waiting times?

**Mr. Milburn:** I can tell the hon. Gentleman that we have already started to reduce waiting times. For the first time since records began, there are no people waiting 18 months or more for treatment. We shall continue to make progress on that. The hon. Gentleman and his party should grasp the point that, as we reduce waiting lists, we shall reduce waiting times. With regard to his party's custody of the national health service, I remind the hon. Gentleman that his party opposed the creation of the NHS.

**Mr. David Winnick** (Walsall, North): Is it not important to have a national health service? Arising from

what my hon. Friend has just said, and in view of the 50th anniversary of the NHS this Sunday, would it not be appropriate for the Tory Opposition, especially Front-Bench Members, to apologise to the country for the fact that their party did all that it could, in Parliament and outside, to stop the national health service coming into being? Would it not be a sign of humility if the new health spokesperson for the Conservative Opposition made that apology today?

**Mr. Milburn:** That is a matter for the right hon. Lady.

**Mr. Simon Hughes** (Southwark, North and Bermondsey): Now that it appears from press briefings that Ministers have accepted that, if more patients are to be treated more quickly and better, significantly more money is needed for the health service—there is apparently to be an announcement about that—and that a proper inspectorate is needed to ensure decent quality—there is apparently to be an announcement about that, too—will there also be an announcement that we are to have a more democratic health service at the end of the Government's period in office? Will we have representatives accountable to the public taking regional strategic decisions, and patients and ordinary people taking local health decisions? Are we to have a professionals-run health service, or a people's health service?

**Mr. Milburn:** We shall not have direct elections to NHS boards, if that is what the hon. Gentleman is asking, but I give him this assurance. We have had the national health service for 50 years, and its achievements have been immense. I am sure that everyone in the House would want to pay tribute to all the work that all the staff have done for all that time. However, the NHS has never done a very simple thing: we have never asked patients what they want from the national health service, and what they think about the local services that the NHS delivers. We shall do that for the first time this year. There will be the first annual national survey of patients. It will happen later this year, next year and every year thereafter. It will enable us to give patients a hand in decision-making in the NHS.

**Dr. Brian Iddon** (Bolton, South–East): Is it not the case that the national health service is owed a colossal sum of money, some of it by those indulging in private practice? If that money had been collected in 1996 alone, is it not true that we should not have been left with the mess of long waiting lists?

**Mr. Milburn:** As my hon. Friend knows, last year this Government directed the NHS to do what it should always have done: to make first use of NHS capacity, before considering referring to the private sector.

**Rev. Martin Smyth** (Belfast, South): I join in the praise of the national health service but, with reference to waiting time, will the Minister give us an assurance that the time taken by the general practitioner to get in touch with the consultant will be taken into account? There is a tendency to ignore that, and some patients are waiting far too long to see a consultant.

**Mr. Milburn:** I agree with the hon. Gentleman. Patients are sick of waiting for GP appointments and out-patients appointments. They are sick of waiting to get into hospital, and some even have to wait to get out of hospital. That is why the Government are pledged to get waiting lists down. As we get waiting lists down, we shall get waiting times down as well.

**Mr. Bob Blizzard** (Waveney): Is my hon. Friend aware of the enormous success of the James Paget hospital, which serves my constituency, which has reduced waiting lists by 375 patients in the months from January to May this year? Following the increase in resources that the hospital has received from the Government, it expects to have reduced waiting lists by March 1999 to 225 below the figure for March 1997. Is that not proof that, in my constituency, the pledge is being honoured?

**Mr. Milburn:** I thank my hon. Friend, and I should be grateful if he would pass on Ministers' thanks for the enormous efforts that are being made in his local hospital. We want to see that achievement replicated everywhere. We are confident that that will occur and that, by March next year, waiting lists will be lower than the record level that we inherited in May last year.

**Mr. Dafydd Wigley** (Caernarfon): Does the Minister accept that, when the NHS was established 50 years ago, it drew heavily on the egalitarian principles that were the background to the service in Wales? Those principles enshrined the idea that people should have access to health care in line with their needs and not their ability to pay. Given that those are the principles of the national health service, will the Minister assure the House today that it is Government policy that every person who needs a life-saving, life-enhancing or pain-reducing treatment will get it as quickly on the NHS as by going privately? If that cannot happen now, when will it be achieved?

**Mr. Milburn:** That is precisely what we want to see for the national health service. The Government were elected on a manifesto pledge that the national health service will be there for patients when they need it. Need and not people's ability to pay or who their general practitioner is should be the factor that determines how health care will be made available to individual patients.

**Mr. Richard Burden** (Birmingham, Northfield): When Opposition Members talk about their custody of the national health service, does my hon. Friend agree that it is worth reminding them that, when they left office, waiting lists were at a record high and rising? Will my hon. Friend expand on his previous comments about the need for a comprehensive health service? An insidious element of the previous Government was that treatment depended on who one's general practitioner was rather than clinical need. Does my hon. Friend agree that clinical need should be the sole criterion for NHS treatment?

**Mr. Milburn:** My hon. Friend is absolutely right: the Conservatives' record on waiting lists and waiting times is far from happy. During their 18-year tenure of office, 400,000 people were added to the waiting list. The previous Government never managed to achieve what we shall achieve in office: getting waiting lists down not just this year but next year and in subsequent years. We shall achieve that goal and, when we do, I hope that Opposition Members will praise us.

**Mr. Peter Bottomley** (Worthing, West): I am sure that we shall. Do not the elderly—not just in Worthing but

throughout the country—wait the longest for treatment? Emergency services are usually utilised by young people while the elderly need cataract, hip and heart treatments and the like. Does the Minister agree that resources matter in large part? When does he expect that his Government will see a real increase in resources each year that matches the average for the 18 years in which the Conservatives cared for the health service?

**Mr. Milburn:** Shortly.

### National Institute for Clinical Excellence

6. **Mr. Steve Webb** (Northavon): To what extent health authorities will be able to disregard the guidelines issued by the proposed national institute for clinical excellence. [46606]

**The Minister of State, Department of Health (Mr. Alan Milburn):** We shall be consulting shortly on our proposals for the national institute for clinical excellence. We intend that its guidance will apply to all health authorities. We do not expect that any health authorities or individual clinicians will disregard advice from the national institute, but they will need to take account of local circumstances and the needs of individual patients when implementing guidance.

**Mr. Webb:** I am grateful to the Minister for that response. I tabled the question because some of my constituents who would benefit from using beta interferon to treat multiple sclerosis cannot receive that treatment because they live in Avon. However, if they lived in Somerset, they could receive that treatment. Some of my constituents have paid privately for the treatment and are benefiting from its use. Will the Minister give a cast-iron assurance that the national institute for clinical excellence will introduce a guideline, stating that this drug works and is effective, that will be followed uniformly across the country?

**Mr. Milburn:** I am aware of those concerns and of the particular problems experienced in Avon. Department of Health officials have examined carefully Avon health authority's policy on beta interferon. It is fair to say that we have the worst of all worlds at present: too many unproven treatments are introduced into the national health service too quickly while too many proven treatments, on both cost and clinical grounds, are introduced too slowly. The consequence is a lottery of care. The national institute and national service frameworks are about guaranteeing fair access to treatment throughout the country. I hope that, when we publish our proposals shortly, the hon. Gentleman will welcome them.

**Mr. Barry Sheerman** (Huddersfield): Does my hon. Friend agree that clinical excellence is at the heart of a good-quality NHS, and should not we be wary this week of being carried away? We have a good NHS, but it could be a darn sight better. For 35 years, it let many people down because the Tories were running it. Many people have been let down by the NHS, and it is our duty to look forward to the next 10, 20 and 50 years. We must ensure first, that the Tories never get their hands on it again and secondly, that we make it as good for every British citizen as it possibly can be.

**Mr. Milburn:** My hon. Friend is absolutely right. The best in the NHS is still the envy of the world. We may not have the best football team in the world—time will tell about that—and we certainly do not have the best cricket team in the world, but we do have the best health care system in the world. We should not talk down the prospects of the NHS. We want it to continue to expand and thrive, and to guarantee excellence and high standards everywhere.

**Mr. Philip Hammond** (Runnymede and Weybridge): The Conservative party welcomes the pursuit of clinical excellence, but the Secretary of State has said that the function of the national institute for clinical excellence will be to give a strong lead on clinical and cost effectiveness. Is it not inevitable that NICE will become part of the rationing mechanism, ruling out the use of certain drugs, treatments and procedures within the NHS? What assurance can the Minister give that, combined with cash limits on general practitioners' prescription budgets, NICE will not place intolerable restrictions on clinical freedom?

**Mr. Milburn:** I welcome the hon. Gentleman to his first formal appearance at health questions. I assure him that NICE is not a national council for rationing, and I remind him that it was the previous Conservative Government who introduced cash-limited budgets for GPs.

**Mr. Paul Flynn** (Newport, West): When the House looks back at the NHS in 50 years' time, does my hon. Friend think that one of the causes of celebration will be that the Government challenged the two main causes of waste and inefficiency in the NHS now—the faith in the omnipotence of the individual clinician and the fact that so many decisions are taken for reasons of commercial profit? Will the Government redouble their efforts to ensure that we break away from so much of the mythology-based medicine from which we suffer now and go on to science-based and evidence-based medicine?

**Mr. Milburn:** I think that the NHS wants evidence-based medicine. I do not think that there has been a time in the past 50 years when the clinical professionals, who, after all, deliver the quality of care that we all want to see for our constituents, have been so geared to improving standards. The Government want a partnership to be forged between the Department of Health and the clinical professionals—in particular, their leaders—to ensure that standards are as high as possible everywhere inside the NHS, and that effectiveness is the driving force for treating patients.

### Private Medical Insurance

7. **Mr. Desmond Swayne** (New Forest, West): What assessment his Department has made of the impact of the ending of tax relief on private medical insurance premiums for the over–60s on the current size of hospital waiting lists. [46607]

**The Parliamentary Under-Secretary of State for Health (Mr. Paul Boateng):** No formal assessment has been made, but we expect that any additional demand will

be small in comparison with the substantial additional resources that we are making available to the NHS.

**Mr. Swayne:** It is too early for reliable statistics, but the anecdotal evidence, certainly from my constituents, is that the Government's short-sighted action will have a significant and detrimental impact on waiting lists. Can the Minister rise above dogma for a moment and acknowledge that co-operation with the private sector might just be part of the solution to long waiting lists?

**Mr. Boateng:** Fifty years on and Conservative Members still have not learnt; they put the interests of private medicine before a national health service free for all at the point of use. When we come to look at the use to which the £140 million that we saved from abolishing that tax relief is put, we shall see that cutting VAT for elderly people's heating bills did more for the health of the elderly than private medicine ever did.

**Mr. David Hinchliffe** (Wakefield): Is it not a fact that those who queue jump by going private lengthen the queue for everyone else? In the 50th year of the NHS, would not the most appropriate tribute to Nye Bevan be to deal with his unfinished business and get rid of private medicine for the NHS, once and for all?

**Mr. Boateng:** Each and every person must make a decision in relation to private medical insurance. We are concerned to improve the NHS for all the people, putting the interests of the many before the few—that is the Labour way.

**Sir Peter Tapsell** (Louth and Horncastle): Is it not worth recording that Nye Bevan, whom I greatly liked and admired, not only did not try to get rid of private medicine, but, when he became seriously ill, had all his treatment in private hospitals?

**Mr. Boateng:** Conservative Members fought against Aneurin Bevan and everything that he stood for. On every occasion, Conservative Members voted against the creation of the NHS. They cannot be trusted with it—we can.

## NHS Management Costs

8. **Ms Gisela Stuart** (Birmingham, Edgbaston): What targets he has set for reduction in NHS management costs by 2002. [46608]

**The Secretary of State for Health (Mr. Frank Dobson):** Our White Paper, "The new NHS", sets out a programme of action to release £1 billion from bureaucracy over five years. By the end of this year, £240 million that, under the Tories, would have been spent on bureaucracy, will have been released for patient care, which is what the people of this country want.

**Ms Stuart:** Is my right hon. Friend aware that, in the first year of the Labour Government, my health authority, Birmingham, received an extra £201,000 to improve breast cancer treatment, and £219,000 to improve intensive care for children? Can he confirm that that money was available not least because of his decision to halt the eighth wave of GP fundholding? Can I have some reassurance that the Labour Government's commitment to primary health groups will not introduce a new bureaucracy, but will be part of a continued commitment to fund money into patient care, not into bureaucracy?

**Mr. Dobson:** It is certainly the case that primary care groups will reduce the amount of money spent on the paperwork of transactions between primary care and hospitals, and that the previous Government had earmarked £20 million to be spent simply on the paperwork of the eighth wave of fundholding. We stopped that, and £10 million went to better breast cancer services and £5 million to improving children's intensive care. I am sure that, apart from a few witless loons on the Conservative Benches, everyone in the country thinks that that is right.

**Mr. Shaun Woodward** (Witney): While the Secretary of State remains concerned about targets, he will be aware that hospitals up and down the country face closure. In my constituency, we have three community hospitals: Burford faces the certainty of closure, Witney faces the closure of 25 per cent. of its beds, and Chipping Norton will lose beds too, yet all have an occupancy rate of more than 90 per cent. The hon. Gentleman knows that Oxfordshire community health council has decided to refer to him the absurd proposals for closures and bed cutting that have been put forward by the community health trust because of his failure to supply enough money. Will he guarantee the people of west Oxfordshire that he will save Burford hospital from closure, and save the beds that are due to close at Witney hospital?

**Mr. Dobson:** I cannot offer any such guarantees at the Dispatch Box. As Conservative Members who still have fading memories of being in government may recall, it is proper for me to comment in detail on proposals that come before me only after I have considered all the detailed information. Otherwise, any decision that I made could be challenged in the courts. The Government have put £2 billion extra into the NHS, over and above what the Tories had put into the budget for last year and this year—£2 billion more than they had intended to spend, and £1 billion more than the Liberal Democrats promised to spend.

**Mr. Hilton Dawson** (Lancaster and Wyre): What scrutiny is my right hon. Friend giving to the pioneering effort across Morecambe Bay acute health trusts and Morecambe Bay community health trust in order to develop services across a wide area, and to cut the ludicrous bureaucratic costs inflicted on us by the previous Government? While I am on my foot, will he commend the sterling work of the accident and emergency department at the Royal Lancaster infirmary and look into giving the nurses more pay?

**Mr. Dobson:** I pay tribute to all the work that is being done in the Morecambe bay area. By amalgamating four trusts, we are saving a huge amount in bureaucratic costs. That money will now be better spent on patient care, which is what people in the Morecambe bay area want.

## Drugs Budgets

9. **Dr. Jenny Tonge** (Richmond Park): What plans he has to ensure that capping drugs budgets in primary care groups does not give rise to rationing by GPs. [46609]

**The Minister of State, Department of Health (Mr. Alan Milburn):** No individual element of the unified budget will be artificially capped. Health authorities and their primary care groups will continue to develop a range of measures to encourage general practitioners to use cost-effective and rational prescribing. As now, no one will be denied the drugs that they need. That is a guarantee.

**Dr. Tonge:** I am a little disturbed that, on two occasions in the Chamber this afternoon—the first was the response to my hon. Friend the Member for Northavon (Mr. Webb)—the Minister has suggested that institutes of clinical excellence should set priorities. He is now asking GPs in health authorities to set priorities within their identified budgets. All that I can say is that we heard it in the House first, rather than from the newspapers. This health team is now actively considering setting priorities, or introducing rationing, into the health service.

Is the Minister happy with his total cave-in to the British Medical Association, in that primary health care trust boards will consist of seven GPs, one nurse, one social worker and one lay member? Does not that breach the national health service's standing orders on professional representation? How on earth does the Minister think that he will get seven GPs in the same room agreeing with one another at the same time?

**Mr. Milburn:** GPs have already been doing that in recent years, and they will continue to do it. The local medical committees conference voted overwhelmingly for it. We have now given GPs and nurses more power and leverage than they have ever had before in the national health service. I am surprised that the hon. Lady does not welcome that.

**Mrs. Angela Browning** (Tiverton and Honiton): The Minister will know that he replied to me in a written answer about the licensing and prescription of the drug Viagra. May I convey to him today the concerns of GPs in my constituency, who have asked me to draw to his attention the fact that if the new drug, for which no provision is currently made in the drugs budgets, is made available under NHS prescription, it should be available on clinical need only through hospitals, not through GP practices? GPs are very concerned about their drugs' budgets.

**Mr. Milburn:** Yes.

## Hospital Waiting Lists

10. **Mr. Dennis Skinner** (Bolsover): When he expects there to be a downturn in hospital waiting lists; and if he will make a statement. [46610]

**The Secretary of State for Health (Mr. Frank Dobson):** The evidence is that today, as we are speaking, hospital waiting lists are coming down. Early indications from the NHS executive show that waiting lists stopped rising in May and have been coming down in June: the supertanker has turned. I am confident that that will be confirmed when the validated figures are published in August. The Government intend to ensure that the waiting lists keep coming down.

**Mr. Skinner:** That is wonderful news, especially as it was not even a planted question—I showed great perception when I tabled the question a fortnight ago. Does my right hon. Friend agree that, as a testament to the health service that we have been discussing in the past 45 minutes, we should ensure that, having built it, we now rebuild it for the next century after the destruction caused during the past 18 Tory years? That will need a lot more money, and my right hon. Friend has asked for more money in the past from the Chancellor of the Exchequer and from the Prime Minister. We shall need at least £12 billion between now and the next general election to ensure that the promises that we made last time will be carried out, and that the Tories will be sent packing.

**Mr. Dobson:** I am sure that no one would have dared suggest that my hon. Friend had tabled a planted question. If I may say so without embarrassing him, I cannot think of anyone for whom I would rather have provided that reply. I shall bear his point in mind. When we compare ourselves with the people who founded the national health service 50 years ago, we should remember that they founded it on an act of faith. They hoped it would work; we know it works.

**Miss Ann Widdecombe** (Maidstone and The Weald): We congratulate the national health service, which is why the Opposition Front-Bench team are proud to wear their badges. That view does not seem to be shared by the Secretary of State or the Minister of State. May I invite the Secretary of State to ask his hon. Friend the Member for Bolsover (Mr. Skinner) to congratulate the previous Conservative Government, who built the Bolsover community hospital, which I assume his constituents use, and the nearby Chesterfield and North Derbyshire Royal hospital, which is a large, successful hospital that his constituents also use? We built those hospitals.

May I turn to the right hon. Gentleman's rather hopeful answer, although he did admit that it was not based on any firm statistics? Have not the Government merely taken the first step towards getting the lists down to the level they inherited from us and away from their own record levels? Waiting lists are not coming down; under this Government, they have been going up to record levels, and the Government admit that it will take them half a Parliament just to get them down to the levels that we left them with.

**Mr. Dobson:** The right hon. Lady may expect my hon. Friend the Member for Bolsover (Mr. Skinner) to congratulate the Tory Government, but probably the only thing he would congratulate them on is being so useless that they lost the last election by the biggest landslide in the 20th century. The right hon. Lady would like the waiting lists to continue to rise, because that would be to the political advantage of the Tory party, but they are coming down.

**Miss Widdecombe:** The right hon. Gentleman has not entirely answered my question. Is this not just the first

predicted, not even guaranteed, step towards getting waiting lists down to the level at which we left them? Will he also please tell us how the waiting lists for the waiting lists are doing? Why is he refusing to publish information about waiting times for out-patient appointments as requested by my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond)? Will he tell us about rationing, which has meant that four minor operations are no longer available anywhere in the country on the national health service? Is that also a means of getting waiting lists down?

When he has answered my questions—I say this in great hope, because it is more likely that his hon. Friend the Member for Bolsover (Mr. Skinner) would congratulate us than it is that the Secretary of State would answer a question—will he guarantee that at this moment, no other area in the NHS is suffering as a result of his concentration on the failed delivery of his early pledge?

**Mr. Dobson:** I do not know how the right hon. Lady understands the concept of movement. If waiting lists were rising and are now coming down, I think it fairly obvious that that constitutes a first step—like, perhaps, the first step taken by the people who used to escape from prison when the right hon. Lady was Minister with responsibility for prisons.

Any journey has to begin with a first step, and this is that first step. I am not pretending that it is the second step, or the third step; but I am promising that there will be more steps, and that they will mean that waiting lists come down.

**Miss Widdecombe:** May I have the answers to my questions about the waiting lists for waiting lists, the waiting times for out-patient appointments, rationing whereby minor operations are no longer available and the fact that other parts of the NHS are suffering as a result of concentration? May I have those answers, please?

**Mr. Dobson:** We publish exactly the same information as was published by the last Government throughout the 18 years during which they were in office. They did not publish information about the length of time for which people were waiting for out-patient appointments, and we have not started to do so, although it is possible we shall.

If the right hon. Lady believes that certain people are being denied operations to which they are clinically entitled, will she give me the details? I will then follow up the information, and ensure that the people concerned have those operations. Will the right hon. Lady do that, instead of just making cheapskate remarks over the Dispatch Box?

## Drug Misuse Services

11. **Helen Jones** (Warrington, North): What assessment has been made by his Department of the extent of the link between money invested in drug misuse treatment and money saved from the cost of crime. [46611]

**The Minister for Public Health (Ms Tessa Jowell):** The benefits of treatment, and the reduction of crime as a result, have been clearly established by the national treatment outcome research study. It concluded that for every £1 spent on drug treatment, £3 of the costs of crime was saved. Prevention is a key part of the Government's strategy to tackle drug abuse and protect communities from its awful consequences.

**Helen Jones:** I thank my hon. Friend for her reply. Is she aware of the very different views on the link between crime and drug misuse held by the hon. Member for Rutland and Melton (Mr. Duncan), who, in his book "Saturn's Children", called for the legalisation of the distribution and consumption of hard drugs? What would be her Department's response should the shadow Health Minister call for the legalisation of crack, smack and Ecstasy?

**Ms Jowell:** My hon. Friend raises an important question. We know that the views of the hon. Member for Rutland and Melton (Mr. Duncan) were set out very fully in the first edition of his book, but the House is entitled to know also whether, since he has changed the chapter concerned and given an undertaking to the leader of his party, he has also changed his mind about these matters.

**Mrs. Ann Winterton** (Congleton): If the Minister has any questions about the Opposition's policy on the drugs strategy, she ought to ask me. My hon. Friend the Member for Rutland and Melton (Mr. Duncan) follows my policy.

Is the Minister aware of research undertaken in America, which shows that money spent on drug detoxification and rehabilitation programmes provides excellent value? What new money is the Department providing for such programmes in order to bring down the waiting lists and waiting times that are growing day by day?

**Ms Jowell:** The hon. Lady has come to the rescue of the hon. Member for Rutland and Melton, who stayed in his seat rather than answer questions from the Front Bench.

The hon. Lady is right: detoxification can be a highly effective part of getting people off drugs. We are determined to invest in treatments that are effective, and announcements about spending on treatments for drugs will be made in the course of the comprehensive spending review that is due shortly.

## Breast Cancer Treatment

12. **Mr. Eric Martlew** (Carlisle): What steps he is taking to improve access to breast cancer treatment. [46612]

**The Parliamentary Under-Secretary of State for Health (Mr. Paul Boateng):** We have made £10 million available for breast cancer services, which is being used to support more than 300 initiatives throughout the country. Particular emphasis has been given to supporting projects that give rapid access to diagnostic services.

Our White Paper sets out a specific target that everyone with suspected cancer will be able to see a specialist within two weeks of urgent referral. That has been guaranteed for breast cancer by April 1999.

**Mr. Martlew:** I thank the Minister for that and the £140,000 that has been put into Cumbria since October. The Minister may be aware that we have a local difficulty in Carlisle—people who are picked up on the screening

system cannot be treated at the Cumberland infirmary. If he is not aware of that, later this week, I will be giving him a 14,000-name petition on the matter, collected by the women of Carlisle.

It would be unfair for the Minister to respond to that matter today because an expert panel is looking into it, but can we look at the scheme nationally and locally? It is for women aged between 50 and 65. There is much concern among women who are over 65 and outside the scheme. When I talk to medical experts and doctors, they say that there is no medical reason for their exclusion. Will the Minister review that policy and, in the meantime, will he give an assurance to those women over 65 that, if they wish to continue to be screened, they will be accommodated by the NHS?

**Mr. Boateng:** I can give that assurance. We have a number of pilot projects that are looking specifically at the issue of automatic call-back for screening for women over 65, and we will consider the results of those pilot projects in due course. The national programme co-ordinator is, I understand, giving advice to interested parties in his constituency about the screening service for women in Cumbria and I welcome my hon. Friend's interest in and concern about that matter.

## Points of Order

3.31 pm

**Mr. Michael Howard** (Folkestone and Hythe): On a point of order, Madam Speaker. I know that you will be aware that very many questions have been tabled to the Foreign Secretary and other Ministers on the involvement of Sandline International in the supply of arms to Sierra Leone. Ministers have refused to answer those questions on the ground that they came within the scope of the Legg inquiry, which they have said they do not wish to prejudge.

This morning, the Foreign Secretary wrote to the Chairman of the Foreign Affairs Select Committee a letter that contains the following two sentences:

"There was no ministerial conspiracy to breach the arms embargo. There was no connivance within Whitehall to breach the arms embargo."

Those assertions not so much prejudge as entirely pre-empt questions that lie at the heart of the Legg inquiry. Will you now give an indication of your views, in the light of the Foreign Secretary's letter, on the propriety of Ministers refusing to answer questions in the way I have identified?

**Madam Speaker:** As the right hon. and learned Gentleman will appreciate, it is not for me to comment on answers to questions that are given by Ministers. I must also make it clear that, unless a matter is reported to me by the Chairman of a Select Committee, I do not propose to alter the long-standing practice of not commenting from the Chair on the proceedings of Select Committees. The matter must be reported to me in the first place by a Chairman of a Committee before I make any statement or any comment about it.

**Mrs. Jacqui Lait** (Beckenham): On a point of order, Madam Speaker. I am most grateful to you. Can you give me some guidance? It was obvious to me that the Secretary of State for Health was not aware that the NHS organisation Health Services Accreditation was being disposed of. There are concerns about the process of that disposal. Can you give me some guidance on how he could come to the Chamber and publicly give me some advice on the disposal of Health Services Accreditation?

**Madam Speaker:** I think that the hon. Lady is attempting to prolong health questions. Perhaps she might care to table a further question to the Secretary of State for Health, or refer the matter to his attention by means of an early-day motion.

## Unsolicited Facsimile Messages

3.34 pm

**Mr. Christopher Fraser** (Mid-Dorset and North Poole): I beg to move,

That leave be given to bring in a Bill to prohibit the sending of facsimile messages offering for sale goods or services or seeking answers by questionnaire without prior permission of the recipient.

Increasing numbers of people find it convenient to have a fax telephone machine at home. Almost without exception, small businesses use a fax machine to conduct their day-to-day business in what they expect to be a cost-effective and convenient manner.

Home users and businesses alike are being plagued by unwanted facsimile messages which use up paper, tie up telephone lines and arrive at all hours of the day and night. I have had many letters from my constituents and from colleagues whose constituents are receiving such facsimiles, asking how to put a stop to this invasion of their privacy. They are dismayed to learn that the solution, if it works, may cost them yet more money.

Fax marketing has increased hugely in recent months. Organisations have been carrying out automatic number searches in order to identify fax numbers and compile lists. The Office of Telecommunications—Oftel—is taking action against those who have adopted that practice, but vast lists already exist which include many ex-directory residential numbers. Those lists are clearly being used extensively.

Constituents have provided me with examples of goods and services that they have been offered. They are numerous and come in many forms. They cover everything from supplies of a recently identified wonder drug, world cup tickets, miracle diets and discount air fares to how to win the national lottery or buck the stock market, from debt collection services to questionnaires on this country's future in Europe and the registration of paedophiles, and highly distasteful joke faxes.

I have also received complaints from constituents about unsolicited telephone calls and junk mail and about the growing problem of junk e-mails, but I have chosen to deal today only with the nuisance of unsolicited facsimile messages rather than with all distance-selling practices, and I do so for several reasons. Most important, unlike junk mail or telephone calls, an unsolicited fax involves a cost to the recipient by way of paper, toner or ribbon and electricity. Junk faxes are expensive to receive. However irritating, junk mail and telephone calls cost the recipient nothing.

Junk messages tend to be sent in the middle of the night and wake the domestic user who has a phone by the bed. Unsolicited telephone selling usually takes place during the day or early evening and, though inconvenient, is less intrusive. The receipt of a lengthy fax ties up telephone lines, causing inconvenience and irritation, especially when long messages of a business nature are sent to domestic users or to a small business that needs access to what may be a limited number of telephone lines.

The content of some messages is of an undesirable or offensive nature—not something I should wish young people or children to see. Junk mail can be thrown away intact with its contents never read.

At the moment, we have an opt-out regime for marketing faxes. The fax preference service, established by the Direct Marketing Association, has reduced the

number of unsolicited residential faxes received, but it remains legal for a company to send a fax to a registered number against the wishes of the recipient. Many constituents who are registered with the fax preference service continue to receive messages. They see that as adding insult to injury. The service is, of course, aimed at home users rather than business users. A business can register under the scheme, but there is no obligation for marketing companies to cross-check and remove such numbers from their lists.

As the House will know, the Telecommunications Act 1984 requires anyone running a telecommunications system in the United Kingdom to do so under licence. Companies using fax marketing are subject to a class of licence that contains measures aimed at limiting the nuisance caused by unsolicited calls by requiring callers to cease making such calls on receipt of a written request from the recipient. Oftel can then be requested to intervene in order to enforce the rules if the company continues to transmit messages. In serious cases, a licence can be revoked.

Unsolicited facsimile messages that promote premium-rate telephone services are also governed by a code of practice issued by ICSTIS, the Independent Committee for the Supervision of Standards of Telephone Information Services.

ICSTIS tells me that it has become apparent that many customer complaints about unsolicited faxes relate to those promoting premium-rate numbers, and that, over the past year or so, such complaints have risen sharply. Examples of the type of messages generating a complaint to ICSTIS are similar to those that I have already cited, and include faxes soliciting information to compile business information directories; fax-back questionnaires; and faxes promoting other so-called joke faxes.

ICSTIS continues to take action against companies whose services breach its code, which sets standards on content, and has recently banned one company whose series of joke faxes were deemed to be offensive and inappropriate.

Before the proliferation of fax marketing, the combined approach that I have outlined—enforced by Oftel and ICSTIS—may well have offered adequate protection to my constituents and others. However, I now share my constituents' view that that approach is unsatisfactory. The quantity and content of messages coming into our homes and businesses make them a genuine concern. They represent the thin end of the wedge. If we do not act now to address a relatively simple issue and so draw a line in the sand, how can we expect to regulate as information technology moves forward and access to the internet and e-mail become as commonplace as we all expect them to do?

The current regulation system is no longer adequate. Numerous companies are sending unsolicited faxes, and each company must individually receive a letter requesting that it desist from doing so. Marketing companies make it clear that unstamped post will be returned, so the cost of each envelope and postage has to be borne by each recipient. It is possible to calculate the cost of receiving one fax and requesting the sender to remove a number from its list. However, it adds up to a significant sum when that cost is multiplied several times to cover the cost of all the faxes received in one week. Only last week, one of my constituents received seven such faxes.

The European Union distance selling directive and telecommunications data protection directive—which go some way to dealing with the problem of unwanted fax messages—are in the process of being adopted. However, they will leave it to member states to choose between a prior consent regime and an opt-out regime. The Government have not announced how they will proceed on the issue.

We must not allow our constituents to continue to be pestered. Unsolicited faxes are costing them sleep and considerable sums, and are causing immense frustration and annoyance. The solution could be very simple—the onus must be placed on the person sending the fax and not on the one receiving it. We will overcome some of the problems that I have described by requiring a company or individual wishing to transmit multiple advertising faxes or fax-back questionnaires first to seek prior consent from the proposed recipient.

Such a Bill will, of course, need careful and detailed drafting to avoid unnecessary bureaucracy. My Bill may make the process cumbersome and expensive for marketing companies, although marketing companies may think that that price is worth paying. Most important, my Bill would restore control of fax machines to their users. I urge the House to support it.

*Question put and agreed to.*

Bill ordered to be brought in by Mr. Christopher Fraser, Mr. David Atkinson, Mrs. Angela Browning, Mr. Geoffrey Clifton-Brown, Mr. James Gray, Mr. Dominic Grieve, Mrs. Eleanor Laing, Dr. Julian Lewis, Mr. Owen Paterson, Mr. David Ruffley, Mr. Desmond Swayne and Mr. Robert Walter.

UNSOLICITED FACSIMILE MESSAGES

Mr. Christopher Fraser accordingly presented a Bill to prohibit the sending of facsimile messages offering for sale goods or services or seeking answers by questionnaire without prior permission of the recipient: And the same was read the First time; and ordered to be read a Second time on Friday 3 July, and to be printed [Bill 215].

## FINANCE (No. 2) BILL [WAYS AND MEANS]

*Resolved,*

That provision may be made in the Finance (No. 2) Bill for and in connection with restricting relief under sections 95(3) and 97(4) of the Finance Act 1986.—*[Mr. Robert Ainsworth.]*

## FINANCE (NO. 2) BILL [WAYS AND MEANS]

*Resolved,*

That provision may be made in the Finance (No. 2) Bill—

(a) amending section 22A of the Capital Allowances Act 1990;

(b) repealing section 76(3) of that Act.—*[Mr. Robert Ainsworth.]*

# Orders of the Day

## Finance (No. 2) Bill

*Not amended in Committee and as amended in the Standing Committee, considered.*

### New clause 13

DEPOSITARY RECEIPTS AND CLEARANCE SERVICES: EXCHANGES OF SHARES

'.—(1) In section 95 of the Finance Act 1986 (depositary receipts: exceptions) in subsection (3) (exchanges) after paragraph (b) there shall be added—

"and the shares in company Y are held under a depositary receipt scheme."

(2) At the end of that section there shall be added—

"(5) For the purposes of subsection (3) above, the cases where shares are held under a depositary receipt scheme are those cases where, in pursuance of an arrangement,—

(a) a depositary receipt for chargeable securities has been, or is to be, issued by a person falling within section 93(2) above in respect of the shares in question or shares of the same kind and amount; and

(b) the shares in question are held by that person, or by a person whose business is or includes holding chargeable securities as nominee or agent for that person, towards the eventual satisfaction of the entitlement of the receipt's holder to receive chargeable securities.

(6) Where an arrangement is entered into under which—

(a) shares in a company (company X) are issued to persons in respect of their holdings of shares in another company (company Y), and

(b) the shares in company Y are cancelled,

the issue shall be treated for the purposes of subsection (3) above as an issue by company X in exchange for the shares in company Y.

(7) In this section "depositary receipt for chargeable securities" has the same meaning as in section 93 above (see section 94 above)."

(3) In section 97 of the Finance Act 1986 (clearance services: exceptions) in subsection (4) (exchanges) after paragraph (b) there shall be added—

"and the shares in company Y are held under a clearance services scheme."

(4) At the end of that section there shall be added—

"(6) For the purposes of subsection (4) above, the cases where shares are held under a clearance services scheme are those cases where—

(a) an arrangement falling within paragraph (a) of subsection (1) of section 96 above has been entered into; and

(b) in pursuance of that arrangement, the shares are held by the person referred to in that paragraph as A or by a person whose business is or includes holding chargeable securities as nominee for that person.

(7) Where an arrangement is entered into under which—

(a) shares in a company (company X) are issued to persons in respect of their holdings of shares in another company (company Y), and

(b) the shares in company Y are cancelled,

the issue shall be treated for the purposes of subsection (4) above as an issue by company X in exchange for the shares in company Y."

(5) In section 99(10) of the Finance Act 1986 (which makes provision in relation to the interpretation of "chargeable securities" in sections 93, 94, 96 and 97A)—

(a) after "94," there shall be inserted "95,"; and

(b) after "96" there shall be inserted ", 97".

(6) This section applies where the issue by company X referred to in section 95(3) or (6) or 97(4) or (7) of the Finance Act 1986 is an issue on or after 1st May 1998.—*[Mr. Geoffrey Robinson.]*

*Brought up, and read the First time.*

3.44 pm

**The Paymaster General (Mr. Geoffrey Robinson):** I beg to move, That the clause be read a Second time.

The clause makes two changes to the scope of the relief from stamp duty reserve tax, known as SDRT, when there is an exchange of shares held in a depositary receipt scheme or a clearance service. SDRT on share transfers is usually charged at 0.5 per cent., but the rate is 1.5 per cent. when United Kingdom shares are issued or transferred into a depositary receipt scheme. The higher rate is a kind of season ticket charge. It reflects the fact that transfers of depositary receipts within the scheme will not be liable to the tax. There are similar rules for clearance services.

There is a relief from the 1.5 per cent. charge when there is an exchange of shares in a takeover or merger. For example, when company X takes over company Y, there is no 1.5 per cent. charge on the shares that company X issues into the depositary receipt scheme in exchange for the existing shares in company Y. Normally, 1.5 per cent. tax will already have been paid when the existing shares in company Y entered into the scheme in the first place. The aim of the relief is to prevent a second 1.5 per cent. charge from being levied merely because new shares are being issued in exchange for the existing ones.

The new clause deals with two points. First, the Inland Revenue has received legal advice that the relief works more narrowly than the way in which it has been applied because, in this context, the meaning of exchange is confined to cases where company X issues shares to company Y shareholders in exchange for the existing company Y shares. In practice, there are also cases where the existing company Y shares are cancelled and new company Y shares are issued to company X in return for the issue of new shares in company X to company Y shareholders. Until the receipt of the legal advice, such cases were also considered to be within the scope of the relief. The new clause will enable them to continue to qualify for relief.

Secondly, the new clause will restrict the relief in certain cases where it may be available, but is not justified because there is no double charge to be relieved. In such cases, no 1.5 per cent. charge has been paid on the existing shares in the target company Y because they were outside the scope of the charge. A particular example is where company Y is a foreign company because the 1.5 per cent. charge applies only to shares in UK companies. Under the new provision, the issue of new shares will qualify for relief only if the existing shares in the target company Y are chargeable securities within the scope of the 1.5 per cent. charge.

I hope that hon. Members will agree that the new clause makes desirable changes to the current rules, and I commend it to the House.

**Mr. David Heathcoat-Amory** (Wells): In general, the House should disapprove of the Government introducing provisions at an extremely late stage to remedy deficiencies in legislation, especially as they have had

more than a year to address such problems and correct them. The House is being invited to accept a new clause to the Finance Bill, which is not only being presented at a late stage, but requires a ways and means resolution; it is a most unusual procedure which should be reserved for special circumstances.

We have no quarrel with the substance of the new clause, as it is a relieving measure aimed at correcting a deficiency. Our complaint is that the Government looked closely at stamp duty when they were drawing up the Budget. We know that, because they used it as one of their back-door tax-raising measures. Stamp duty was increased by £500 million a year. That will be the total burden on businesses and householders when the provisions take full effect. The Chancellor, quite misleadingly, suggested in his Budget speech that the burden would be borne entirely by rich householders, when 75 per cent. of it will be borne by the corporate sector.

**Mr. John Bercow** (Buckingham): Does my right hon. Friend agree that irritation at the Government's hurried presentation of the new clause is compounded by the fact that the Paymaster General has not thought it proper to give the House any assurance that none of his own business interests is affected either way by the proposed new clause?

**Mr. Heathcoat-Amory:** We must await an assurance from the Paymaster General that his many interests have been properly declared. The stamp duty provisions will bear down heavily on the corporate sector. My hon. Friend would like to know whether that will affect the Paymaster General's business interests.

The Conservatives want to protect the interests of corporate Britain, which is suffering grievously from a succession of tax rises. That is why investment is due to fall next year and the year after, according to the Government's figures, and why unemployment could start to rise. The last thing that business wanted or expected was a heavy burden from a dramatic 50 per cent. increase in the upper rate of stamp duty.

It is a pity that the Government did not take sufficient trouble to spot the problems that they are creating with their tax policies. The Financial Secretary wrote to alert me to the new clause, but the letter is dated only yesterday. It is most regrettable that we have to digest, comment on and scrutinise complicated measures with only a day's notice, when the Government have had many months to prepare their Budget and the Bill.

When did the Inland Revenue receive the legal advice? Could the matter not have been dealt with in a more timely fashion to give the House a better opportunity to scrutinise the provision?

**Mr. Edward Davey** (Kingston and Surbiton): Part of the new clause extends the relief, to ensure that it operates as intended. As the right hon. Member for Wells (Mr. Heathcoat-Amory) said, that is welcome. However, the Government have taken the opportunity of reacting to the legal advice to introduce a restriction on the relief that will affect some mergers in which one company is foreign, as the Paymaster General said. The restriction will have little effect on Exchequer revenues, but it will damage the corporate sector by affecting tax calculations for mergers and will result in the holding company relating to some mergers being located outside the United Kingdom. At the moment, the tax incentive is for the holding company to be in the UK.

We benefit from having such holding companies in this country. They bring extra tax to the Exchequer, they employ people and there are spin-off benefits. Any measure that restricts the incentive to locate in the UK must have significant and overriding grounds for being introduced. The Paymaster General did not make that case when introducing the new clause. I hope that he will come up with some stronger arguments when he replies.

**Mr. Geoffrey Robinson:** The problem emerged just before the Budget. We received the legal judgment only very recently. This is a relieving measure which companies and industry clearly want. We have done well to respond so quickly. In seeking the co-operation of the Opposition to facilitate the measure, we are acting in the best interests of British companies.

The hon. Member for Kingston and Surbiton (Mr. Davey) raised a separate point. I think that he is probably referring to the correspondence between Mr. George Ritchie of Deloitte and Touche, and my hon. Friend the Financial Secretary. We have acknowledged that there could be a problem, particularly with a UK company acquiring a United States one. Many other factors are taken into account in such situations—not just tax, but the tremendous advantages for holding companies in the UK. Those advantages have been considerably enhanced following the abolition of advance corporation tax, and there has been a problem with foreign income dividend streams. Billiton—a massive South African group—chose the UK, on balance, for those reasons. It was a reasoned correspondence with Mr. Ritchie.

The measure has been introduced not purely on financial grounds, but on the principled basis that the tax should be paid, but not double paid—we are making that specific relief. There must be a compelling reason for the tax not to be paid. We will keep the situation under review and see what develops.

*Question put and agreed to.*

*Clause read a Second time, and added to the Bill.*

**New clause 14**

FIRST-YEAR ALLOWANCES FOR INVESTMENT IN NORTHERN IRELAND

'.—(1) In section 22 of the Capital Allowances Act 1990 (first-year allowances), after subsection (3C) there shall be inserted the following subsections—

"(3CA) Subject to the provisions of this Part, this section applies to—

(a) any expenditure incurred in the special relief period by a small company or a small business on the provision of machinery or plant for use primarily in Northern Ireland; and

(b) any additional VAT liability incurred in respect of expenditure to which this section applies by virtue of paragraph (a) above.

(3CB) For the purposes of subsection (3CA) above expenditure is incurred in the special relief period if, disregarding any effect of section 83(2) on the time at which it is to be treated as incurred, it is incurred in the period beginning with 12th May 1998 and ending with 11th May 2002.

(3CC) Expenditure is not expenditure to which this section applies by virtue of subsection (3CA) above in so far as it is—

(a) expenditure to which Chapter IVA applies; or

(b) expenditure on the provision of an aircraft or hovercraft."

(2) After subsection (6C) of that section there shall be inserted the following subsections—

"(6D) Expenditure incurred on the provision of machinery or plant shall not be taken to be expenditure to which this section applies by virtue of subsection (3CA) above if—

(a) at the time when the expenditure is incurred, the person incurring it intends the machinery or plant to be used partly outside Northern Ireland; and

(b) the main benefit, or one of the main benefits, which could reasonably be expected to arise from the relevant arrangements is the obtaining of a first-year allowance, or a greater first-year allowance, in respect of the part of the expenditure that is attributable to the intended outside use.

(6E) In subsection (6D) above—

(a) 'the relevant arrangements' means the transaction under which the expenditure is incurred and any scheme or arrangements of which that transaction forms part;

(b) 'the intended outside use' means so much of the use of the machinery or plant as (at the time mentioned in paragraph (a) of that subsection) the person intends will be use outside Northern Ireland; and

(c) the reference to the part of the expenditure that is attributable to that use is a reference to so much of the expenditure in question as is so attributable on a just and reasonable basis."

(3) In subsection (10) of that section after "this section–" there shall be inserted—

"'hovercraft' has the same meaning as in the Hovercraft Act 1968."

(4) After section 22A of that Act there shall be inserted the following section—

"*Withdrawal of first year allowance on change of use*

22B.—(1) Where (but for this section) section 22 would apply to any expenditure by virtue of subsection (3CA) of that section, that section shall be deemed never to have so applied to that expenditure if, at any relevant time—

(a) the primary use to which the machinery or plant is put is a use outside Northern Ireland; or

(b) the machinery or plant is held for use otherwise than primarily in Northern Ireland.

(2) In subsection (1) above 'a relevant time', in relation to any expenditure, means a time which—

(a) falls in the period of two years beginning with the date of the incurring of that expenditure; and

(b) is a time when the machinery or plant belongs to the person who incurred the expenditure or to a person who (within the terms of section 839 of the principal Act) is, or at any time in that period has been, connected with the person who incurred the expenditure.

(3) All such assessments and adjustments of assessments shall be made as may be necessary in consequence of this section.

(4) Where a person who has made a return becomes aware that anything contained in that return has, after the making of the return, become incorrect by reason of the operation of this section, he shall, within three months of first becoming so aware, give notice to an officer of the Board of the amendments that are necessitated in his return in the light of the matter of which he has become aware."

(5) In the second column of the Table in section 98 of the Taxes Management Act 1970 (penalties in respect of certain information provisions), in the entry relating to provisions of the Capital Allowances Act 1990, after "Sections" there shall be inserted "22B(4),".

(6) Subject to subsection (7) below, the preceding provisions of this section have effect in relation to every chargeable period ending on or after 12th May 1998.

(7) No claim for an allowance falling to be made by virtue of subsection (1) above may be made at any time before such date as the Treasury may by order appoint; and where the period for making any such claim would (but for this subsection) have expired before the end of the period of twelve months beginning with that date, it shall expire, instead, at the end of that period of twelve months.'.—*[Mr. Geoffrey Robinson.]*

*Brought up, and read the First time.*

**Mr. Geoffrey Robinson:** I beg to move, That the clause be read a Second time.

**Madam Speaker:** With this, it will be convenient to discuss the following Government new clause 15—*First-year allowances: consequential amendments etc.*

Government amendments Nos. 25 to 28.

**Mr. Robinson:** The new clause is part of a package of measures announced by my right hon. Friend the Chancellor on 12 May aimed at creating a new framework of prosperity in Northern Ireland. That package included a varied range of measures covering areas such as employment, transport, education, housing, agriculture, tourism and innovation, as well as this special measure to assist small and medium-sized businesses.

Under the clause, during the four years starting from 12 May this year, expenditure on machinery or plant incurred by a small or medium-sized business for use in Northern Ireland will be eligible for a 100 per cent. first-year capital allowance. In other words, such expenditure may be written off for tax purposes in full straight away. That extra help to speed up investment for the rest of this Parliament represents a £100 million cash flow boost to smaller business in Northern Ireland.

As the House knows, some 99 per cent. of businesses in Northern Ireland are small and medium-sized businesses, including many in the tourism and service industry sectors. The new first-year allowances will therefore be available to a large number and wide range of businesses across Northern Ireland. I commend the new clause to the House.

*Question put and agreed to.*

*Clause read a Second time, and added to the Bill.*

**New clause 15**

FIRST-YEAR ALLOWANCES; CONSEQUENTIAL AMENDMENTS ETC.

'.—(1) In each of subsections (4), (6B) and (6C) of section 22 of the Capital Allowances Act 1990 (first-year allowances), for "subsection (3C)" there shall be substituted "one or more of subsections (3C), (3CA) and (3D)".

(2) In section 22A of that Act (expenditure of a small company or small business)—

(a) in subsection (4), for the words "parent company", wherever they occur, there shall be substituted "parent undertaking"; and

(b) in subsection (6), for "'parent company'" there shall be substituted "'parent undertaking'".

(3) In subsection (8) of that section, after paragraph (b) there shall be inserted—

"but for the purposes of this section each of those provisions shall be construed as if references, in relation to a group, to the parent company were references to the parent undertaking."

(4) In sections 23(6), 42(9) and 50(3) and (4A) of that Act (which contain provisions relating to the temporary first-year allowances under section 22(3B) and (3C) of that Act), for the words "subsection (3B) or (3C)", in each place where they occur, there shall be substituted "one or more of subsections (3B), (3C), (3CA) and (3D)".

(5) In sections 44(5), 46(8) and 48(7) of that Act (which also contain provisions relating to the temporary first-year allowances under section 22(3B) and (3C) of that Act), for the words "or (3C)", in each place where they occur, there shall be substituted ", (3C), (3CA) or (3D)".

(6) In section 39(2)(a) of that Act (definition of qualifying purpose), for "subsections (2) to (3C)" there shall be substituted "subsections (2) to (3D)".

(7) In section 43(5) of that Act (provisions relating to joint lessees in cases involving new expenditure), after "(3C)" there shall be inserted ", (3CA) or (3D)".

(8) In section 76 of that Act (which modifies the effect of section 75 in cases where machinery or plant has not been used before a sale)—

(a) subsection (3) shall cease to have effect; and

(b) in subsection (4), for ", (2B) and (3)" there shall be substituted "and (2B)".

(9) Subsections (1) and (4) to (8) above have effect in relation to every chargeable period ending on or after 12th May 1998.

(10) Subject to subsection (11) below, subsections (2) and (3) above have effect in relation to expenditure incurred on or after 12th May 1998.

(11) Subsections (2) and (3) above do not have effect—

(a) for the purpose of determining whether any expenditure is expenditure to which section 22 of that Act applies by virtue of subsection (3C) of that section; or

(b) for the purpose of determining whether any expenditure incurred in pursuance of a contract entered into before 12th May 1998 is expenditure to which that Act applies by virtue of subsection (3D) of that section.'.—*[Mr. Robert Ainsworth.]*

*Brought up, read the First and Second time, and added to the Bill.*

## New clause 1

REPAYMENT OF DIVIDEND TAX CREDIT TO NON-TAXPAYERS

'.—Section 30(5)(b) of the Finance (No. 2) Act 1997 shall cease to have effect.'.—*[Mr. Fallon.]*

*Brought up, and read the First time.*

**Mr. Michael Fallon** (Sevenoaks): I beg to move, That the clause be read a Second time.

New clause 1 is an attempt to put right an injustice that was raised in Committee. I pay tribute to my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb) and to Age Concern, who have highlighted the issue. Very simply, before the abolition of dividend tax credits, non-taxpayers could claim back the tax credits up to 20 per cent. of the dividends that they received. From next April, they cannot.

These are, perhaps, relatively small amounts of money, but they are extremely significant for non-taxpayers who are pensioners. They may be pensioners on very low fixed incomes of £4,000 or £5,000 a year who now stand to lose £100, £200 or £400—sums of that order. It is just dawning on those pensioners exactly what injustice they face.

Miss Geraldine Deery, from St. James road, Sevenoaks, came to see me at my surgery and pointed out that she is 76, has no occupational pension and is entirely dependent—apart from the state pension—on dividends from the investments that were made from the savings she had made from her salary. Next April, she stands to lose between £150 and £160 a year. After coming to see me, she wrote to me and said:

"This may seem peanuts to Mr. Robinson but it pays, for example, for my one short annual holiday which is all I can afford after paying everyday household bills."

Mrs. Pendleton has also written to me, pointing out that the change does not affect the amount of tax paid by taxpayers. Anybody who has an income sufficient to pay tax will not, under this change, have to pay more tax. The only people to suffer under the change are pensioners who are too impoverished to pay tax at all. That seems a double injustice.

To be fair to the Paymaster General, when we raised the issue in Committee, he recognised the problem and undertook to pursue a solution. He was spurred on in that not only by my hon. Friends but by the hon. Member for Dudley, North (Mr. Cranston), who was also rightly concerned about the particular problem of pensioners on very low incomes and the injustice that they will face next April. I understand that, through the good offices of the Paymaster General, the matter was further considered last week. I hope that he will be able to report to the House, as he undertook to do, on the progress that he has made.

4 pm

It may be that the change was rushed through the House and was an inadvertent consequence of the speed with which last July's Finance Bill was considered, but no Member should be in any doubt about the consequences. Next April, around 300,000 pensioners, who, in the financial year 1995-96 claimed on average £75—in many cases, the sum was higher or lower—will lose that entire amount. In your constituency, Madam Speaker, about 400 pensioners will be affected. The change will affect about 400 pensioners in each constituency. They will soon be asking why that change was made and who authorised it. It is late in our deliberations on the Bill, but it is not too late for the Paymaster General to put right this injustice. In moving the new clause, we give him the opportunity to do so.

**Mr. Edward Davey:** I do not want to detain the House for too long because I know that many hon. Members want to speak on the new clause. I set out my views in Committee last July, and my party's views were reiterated by my hon. Friend the Member for Twickenham (Dr. Cable) in Committee this May. I, too, congratulate the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) on the way in which he has pursued the matter and the hon. Member for Dudley, North (Mr. Cranston), whose intervention in Committee was important in getting the Paymaster General to promise to reconsider the change.

We have come a long way since the Government's first Finance Bill last July, when the Economic Secretary had a much less flexible attitude to interventions by Liberal

*[Mr. Edward Davey]*

Democrat and Conservative Members on this issue. I am glad that the Paymaster General was present in Committee to hear our argument, which is one of social justice. It is patently absurd that non-taxpayer pensioners, who are, by definition, the poorest pensioners in our society, should be singled out by the Government for tax increases that, as we have heard, average £75, but in some cases will be significantly higher.

As we have heard from the hon. Member for Sevenoaks (Mr. Fallon), more than 300,000 pensioners will be affected, which is more than 400 in every constituency. This is a major issue, and it is right that the House should be debating it.

We should remember that pensioners may have received shares not because they have been long-term investors in the stock market, but because they were made redundant or inherited them. They may have had a little flutter and bought privatisation shares issued under the previous Government. These pensioners will have received their shares not because they are sophisticated investors but by dint of happenstance and good luck. The dividend income from those shares makes a huge difference to their incomes. The average amount received, £75 a year, equates to one week's pension.

The Government's arguments in favour of the change were rehearsed many times in Committee, but have not stood up to analysis. Their main argument is that pensioners will be protected when individual savings accounts come in towards the end of the century. We have argued strongly against that defence; it is very clear to us that the pensioners affected may be infirm and may have real worries about dealing with complicated financial affairs. They are unlikely to read the financial press or to follow the Chancellor's every move so as to know when to switch their savings to the new ISAs. When they wake up in two or three years' time to the fact that their dividend credits have not been given to them, they will realise just how badly they have been affected.

The House should stand up for these unsophisticated savers and say no to the Government's proposals. These people deserve defending.

**Mr. Ross Cranston** (Dudley, North): As the hon. Members for Sevenoaks (Mr. Fallon) and for Kingston and Surbiton (Mr. Davey) have mentioned, I raised this issue in Committee. I was especially concerned about the poorest pensioners—non-taxpaying pensioners—who might have received a small number of shares from employers or from a privatisation issue. The income from the shares gives them a small supplement to their basic pension.

Earlier this week, the Minister received a deputation comprising the hon. Members for Bognor Regis and Littlehampton (Mr. Gibb) and for Twickenham (Dr. Cable), two representatives from Age Concern and me. He gave us a sympathetic hearing and is fully aware of the problem. I realise that there may be technical reasons why my hon. Friend cannot accept the new clause today; I realise that there are difficulties with identifying the pensioners who will be worse off as a result of the changes. I should like the Minister to give the matter his closest attention even if he cannot announce any improvements today.

**Mr. Nick Gibb** (Bognor Regis and Littlehampton): The issue goes back to last July's Budget, which prevented non-taxpayers from reclaiming dividend tax credits from the Inland Revenue. The new clause would undo the damage done then.

There are in this country 630,000 non-taxpayers who claim back some form of tax credit on their share income every year. They include children. Of the 630,000, 300,000 are non-tax-paying pensioners who claim an average £75 a year. Of that 300,000, 80,000 claim more than £100 a year—and many thousands claim much more than that.

**Mr. Desmond Swayne** (New Forest, West): Although these sums are not significant to us, will my hon. Friend acknowledge that they certainly are significant to the elderly pensioners among our constituents—precisely the sort of people for whom the Labour party used to care?

**Mr. Gibb:** That is an important point. A non-taxpayer is, by definition, a person on a very low income. After the essential bills—rent, telephone, heat, food—have been paid, the residual income is even lower; so tax refunds on dividend income constitute a high proportion of such pensioners' disposable incomes. From April 1999, that will be removed from them.

The Exchequer will save about £50 million a year by the measure, but, even if it were to continue to allow people to reclaim their tax credit, the amount would be halved in April 1999 in any case, because the Finance (No. 2) Act 1997 reduced the tax credit from 20 to 10 per cent. As a result, even if the Government were to accept new clause 1, pensioners and other non-tax-paying individuals would suffer a halving of the tax credit on their dividends. Therefore, the cost to the Treasury of reversing this measure would be only about £25 million.

As it is, the Government are continuing the policy of tax-back, where non-tax-paying individuals can reclaim income tax deducted on interest income in bank accounts when the bank or building society deducts the interest at source. If the Government are continuing that scheme, it seems odd that they are not allowing pensioners, and other non-tax-paying individuals who have shares, to reclaim the tax back on that income. Age Concern, which has vigorously supported this campaign, has said:

"Older people who have not had the opportunity to contribute to private pensions are particularly reliant on savings and investments. The loss of the tax credit will penalise them unfairly."

Every hon. Member has received considerable correspondence on the issue from constituents. I have had an especially large number of letters from constituents of other hon. Members throughout the country. One letter, from Mr. Geoffrey Pugh of Cheshire, was published in *The Times* at the beginning of June. He says that, between them, he and his wife have an income of less than £10,000. He continues:

"we own our house, drive a car, live modestly . . . we do not qualify for Government handouts, nor do we wish to. But the prospect of losing 20 per cent. of our modest investment income makes us wonder how we shall manage."

I have received many letters from my constituents. Mr. Caffyn, who lives in Pagham, just outside Bognor Regis, says:

"Apart from War Service, myself in the 8th Hussars, and my wife served as a Nurse, we have paid our taxes regularly through the media of PAYE, and to the National Pension fund . . . We have saved".

That is consistent with the statement by the hon. Member for Kingston and Surbiton (Mr. Davey) that it is not by luck that people have amassed a small share portfolio; they have saved hard. The letter continues:

"now it appears we are going to lose 20 per cent. (that we have been claiming back over the last few years.)

'Gobbler' Brown (as he is beginning to be known in this area) really should get himself organised, and not expect people in the no tax bracket to pay tax."

The Treasury has received many letters on the issue. A gentleman from Cornwall says:

"I have just received a payment from the Inland Revenue for £310 which under the new proposals would not be paid after April 99. I think this is grossly unfair when Standard rate taxpayers lose nothing."

A lady from South Wirral says:

"I am a 70 year old widow and have only my late husband's National Insurance contributions for my pension, so rely on my investment for income.

This year I reclaimed £213.56 tax credit and still my income was less than the personal allowance. There must be many more pensioners in the same position."

Many thousands of pensioners are in that position.

A gentleman from Keighley in West Yorkshire said:

"My wife aged 77 has received a small repayment of tax credit on her limited investments as she is a non-tax payer. Her retirement pension as a married woman is £38.70 per week . . . Last year she received a repayment of tax credits in the region of £250. As her annual pension amounts to only £2,012.40 this sum of £250 is a very welcome addition.

I am 81 years of age and the shares held by us jointly are the result of steps to save for our old age."

No luck in their share portfolio; they have worked hard for it, they have sacrificed and they have saved.

A lady in Nuneaton in Warwickshire wrote to me

- "As a 'non taxpaying pensioner' partly dependent upon share dividends I really am disgusted at this proposal".

A lady in Harrogate in West Yorkshire says:

"My own income, together with interest from investments and savings, amounts to the total 1997/98 allowance of £5,400 . . . I have beenable to reclaim £473"

on a dividend tax credit. The lady continues:

"The interest on Investments and Savings are the result of careful planning, modest living standards, and wise investments, and represents a 'private pension' built up over many years.

I am appalled to think that the Government is prepared to penalise senior citizens to this extent when we ourselves have done everything possible to protect ourselves from the demands old age can bring."

A gentleman in Ruislip in Middlesex writes:

"The wife and I stand to lose £500. When almost every day we read of certain spendings of tax on wallpaper, tables and a certain gentleman that forgets a £200,000 fee."

I have no idea what the last point refers to.

A lady from Solihull in the west midlands states:

"As a 67 year old . . . I have a mentally ill son of 44, and when I knew how severely ill he was and would never be able to work I set out to try and put a small nestegg away for him for his later years, and I stayed at work for an extra five years just because of it.

As a consequence he has about £120 a year tax refund, which I use to replace things like shoes and clothing."

A gentleman in Dudley in the west midlands writes:

"I am 78 years old and a war veteran . . . Thirty years ago I started to invest in Unit Trusts and later in Equities. Although I never earned a large wage I managed to build up a modest investment."

That gentleman will now lose £622 as a result of the measure.

**Mr. Howard Flight** (Arundel and South Downs): Will my hon. Friend confirm that, in addition to that penalisation, when the full measure is in operation in 2004 people who do not pay income tax will also not benefit under the new ISA arrangement? The Bill was supposed to make it more tax attractive for low-income groups to save, but it makes saving less attractive on two counts—by ending tax credits and by not replacing them with an ISA scheme from which those groups will benefit.

4.15 pm

**Mr. Gibb:** My hon. Friend makes a good point. When justifying the measure in Committee, the Government said that ISAs were the vehicle that such people could use, once the dividend tax credit repayment was abolished. However, for basic rate taxpayers, low rate taxpayers or non-taxpayers, there is no advantage in holding equities through an ISA. Low and basic rate taxpayers generally do not pay capital gains tax anyway, because they are unlikely to use up the annual capital gains allowance. The 20 per cent. tax credit reduced to 10 per cent. and repaid only until the year 2004, as we have heard, is hardly likely even to cover the charges. After 2004, even that small benefit from holding equities in an ISA will be abolished.

I shall mention two more people briefly. A gentleman in Burwood in Dorset states:

"In the case of my wife and self the total amount which we shall be unable to reclaim is £886 per annum. As our combined annual income is approximately £11,500, this new ruling is catastrophic to us."

A couple in Dorset say:

"The reason we are non-Tax payers is because we are pensioners and on a low income (hence the Non-Tax payers).

The thought of losing the ability to reclaim Tax Credits has really upset us . . . Last year the total reclaim between the two of us only amounted to £118.16p, but even this small amount makes a big difference to us, we use it to help the payment of bills."

That is a small sample of the correspondence that I have received, and an even smaller sample of the correspondence that I know the Paymaster General and other members of the Treasury team have received. I should have thought that that would prompt the Government into taking action before now.

The only response from the Inland Revenue is a callous letter, which states:

"It would have been anomalous to allow individuals to continue to claim payment of tax credits when such tax credits are being removed from all other investors."

The anomaly is that basic rate taxpayers, lower rate taxpayers and higher rate taxpayers will all benefit from the dividend tax credit, but the only people who will not benefit from it are those who do not pay tax. For some reason, the Government—inadvertently, incompetently or deliberately—have decided that non-taxpayers should pay tax on their dividends, whereas every other section of society should not.

*[Mr. Gibb]*

We went to see the Paymaster General last week. I am grateful to him for sparing the time to meet us. Both in Committee and at the meeting, he raised the difficulty over sovereign immunity—the fact that non-UK residents who have sovereign immunity would be able to continue to reclaim the tax credit.

I am surprised that the Government cannot find a way around this technical problem. The Revenue is full of technical specialists who I am sure could find a way of dealing with that loss of revenue. Despite the fact that the Government have not tabled an amendment, I hope that the Paymaster General will give an absolute commitment—with no dilutions and no caveat attached—that the Government will move an amendment to the next Finance Bill to reverse this measure. It will take effect in April 1999, which means that tax reclaims will begin to be submitted to the Revenue after April 2000 in the run-up to the general election. The political imperatives are there and, if the Government were to give such a commitment now, it would set at rest the minds of many hundreds of thousands of non-tax-paying individuals, who could be secure in the knowledge that they will continue to be able to reclaim important income from their dividend tax credits.

**Ms Helen Southworth** (Warrington, South): The Government are already taking serious action to ensure that poor pensioners receive the help that they need. We recognise that that assistance is very important. My experience before coming to the House showed quite clearly that there are far too many poor pensioners in Britain, and that their number increased under the previous Government.

We have taken action to reduce value added tax on fuel and have given every pensioner household winter fuel payments. I was privileged to contribute recently to policy that reduces VAT on insulation for poor pensioners. We are looking urgently at ways of reaching the 1 million pensioners on low incomes who are not claiming the benefits to which they are entitled and that they should be receiving.

I have spoken to Ministers about this issue. I understand that there are complexities involved in identifying individual pensioners on low incomes who are affected, but I ask my hon. Friend the Paymaster General to consider seriously taking action on this matter as soon as possible.

**Mr. Philip Hammond** (Runnymede and Weybridge): I add my congratulations to my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb) and to Age Concern on raising public awareness of this issue. It will affect large numbers of relatively poor pensioners from next April, and many of them were not aware of it until the press coverage that accompanied my hon. Friend's campaign in Committee.

The Paymaster General was clearly rattled by the points that my hon. Friend raised in Committee and, assisted by the intervention of the hon. Member for Dudley, North (Mr. Cranston), he gave us cause to hope that he would introduce a measure at this stage of the Bill's progress to ameliorate the impact on very poor pensioners. We are extremely disappointed that no Government amendment or new clause has been tabled to give effect to the implication of the Paymaster General's comments in Committee that he was sympathetic to our concerns.

As my hon. Friend said, many hon. Members on both sides of the House have received correspondence from pensioners who will be affected by the measure. That correspondence makes pretty heart-rending reading. In many cases, we are talking about people who stand to lose perhaps £200 or £300 a year. Those people view that money, which they have habitually reclaimed in the form of dividend credits, as the means of running a car or having a modest annual holiday. They are the small luxuries of life that those people will now have to forgo.

The fact that hundreds of thousands of people are prepared to fill in the relatively complex paperwork required to reclaim sums averaging only £75 a year is testimony to the importance that they attach to this money. Those sums may seem small to us—and even smaller to the Paymaster General—but they are clearly very significant to those who stand to lose them. It is clear from reading the correspondence that great confusion, concern and distress have been caused.

Even I, cynical as I may wish to be, cannot believe that it was the Government's intention openly to penalise the poorest, the non-tax-paying pensioners, by discriminating against them and putting them in a worse position than those paying standard rate or higher rates of income tax.

I was surprised that the Paymaster General did not take the opportunity to back down gracefully. In fact, the Government's reaction has been to dig in and, despite initially showing sympathy in Committee, the Government have given no ground at all.

In Committee, we heard that it is inconvenient and expensive for the Inland Revenue to process these many small claims, but I suggest that this is an example of the tax-collecting tail wagging the tax-paying dog. It is not good enough that this mean-minded measure should go through simply for the convenience of Inland Revenue officials.

**Mr. Edward Davey:** Is the hon. Gentleman aware that the Government drafted the Finance Act 1997 in such a way as to ensure that there was no increase in the tax burden of higher rate taxpayers as a result of the move? Does the hon. Gentleman wish to comment on that?

**Mr. Hammond:** The point that my hon. Friends and I would like to emphasise is that the measure discriminates against the poorest members of our society. In Committee, Labour Members, failing to understand the concerns raised by Conservative Members, attempted to paint this as some kind of fat-cats charter, but, by definition, the measure affects only those who are too poor to pay income tax. I cannot understand how a new Labour Government can believe that they are enhancing their political credentials by forcing through such a measure, creating 250,000 or so angry, disfranchised pensioners as a result of the loss of a vital chunk of income.

The measure is not simply mean-minded, but politically incompetent. The Government put up the Paymaster General, with all the baggage that he carries, to tell the poorest pensioners that they must give up, on average, £75 each for the convenience of the Inland Revenue and because it would be too tricky for the Government to find

a way of allowing them that little extra bit of income without allowing foreign potentates, who benefit from sovereign immunity, to slip through a loophole.

In Committee, the Paymaster General raised our hopes when he appeared to be sympathetic to the suggestion of my hon. Friend the Member for Bognor Regis and Littlehampton. He has now dashed those hopes and, with them, the hopes of many hundreds of thousands of pensioners throughout Britain. It is not part of my brief to recommend to the Government ways to avoid alienating 250,000 voters, but the matter is far more important than narrow party political advantage and I urge the Government, even at this late stage, not to commit this ludicrous act of mean-minded political suicide in penalising the very people whom they claim to be helping and whom it is the function of all hon. Members to seek to protect.

**Mr. John Burnett** (Torridge and West Devon): Considerable credit goes to the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) and Age Concern for highlighting the matter, and I am happy again to pay tribute to both.

The impact of the abolition of dividend tax credits on nil taxpayers, the poorest and most vulnerable, marked one of the low points in the Finance (No. 2) Bill. I cannot understand whether officials briefed Ministers on the consequences. By any objective assessment, the poorest and most vulnerable should pay the least tax. It is just and equitable that non-taxpayers who hold shares are not brought into taxation by the denial of the ability to recover tax credits on the meagre dividends that are paid to them. Therefore, what possible reasons do the Government have for denying this relief?

During the debate in Committee on 14 May, the Paymaster General, who is, I believe, convinced of the argument for change, said that he would reconsider the matter which has been discussed in today's debate. Will he give the House an up-to-date account of exactly what the Government propose to overcome such a mean and unnecessary consequence of their advance corporation tax change? Is it not time to hear first hand exactly what measures they will take to relieve this unjust and unfair consequence?

4.30 pm

**Mr. Tim Loughton** (East Worthing and Shoreham): This morning, I received in the post yet another letter from a constituent on this subject. We have heard from my hon. Friends how postbags have been deluged with correspondence from constituents who are only now waking up to the implications of the measure. Along with every hon. Member, I congratulate my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb) on his sterling work on the new clause, without wishing to make his head swell even more than it has already.

A constituent in Worthing listened to "Money Box" on Radio 4 only a few weeks ago. He heard:

> "They said that the people most affected would be those on low incomes who had perhaps inherited shares. This applies to me and to my disabled sister—both of us inherited shares from our father."

My constituent and his sister

> "feel very angry that the present Government who profess to help the not so well off, should bring about the exact opposite."

He went on to refer to a pamphlet that they received from Saga, which stated:

> "Tax changes punish the poor."

The letter could equally have been written by someone who had shares because of redundancy and had invested the payment in a small number of investments, or by any of the millions of people, many thousands of whom would have been of pensionable age, who bought a modest number of shares in the privatisations.

**Mr. Swayne:** There seems to be a received wisdom that people who hold shares as a means of saving are somehow financially sophisticated and able to take care of themselves. Does my hon. Friend acknowledge that many such people who have written to me, and who may have written to him, cottoned on to the change only as a consequence of the campaign that has been mounted by our hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb)? Such is their level of financial sophistication.

**Mr. Loughton:** To pour further praise on my hon. Friend the Member for Bognor Regis and Littlehampton, my hon. Friend the Member for New Forest, West (Mr. Swayne) is right. Our hon. Friend and Age Concern brought the matter to the attention of the media, which resulted in mass publicity in the newspapers and on the radio, and probably on satellite television as well.

**Mr. Bercow:** I am grateful to my hon. Friend for his characteristic courtesy in giving way. I hope that he will understand if I momentarily turn from praise, justified though it is, to blame. Our hon. Friend the Member for Bognor Regis and Littlehampton referred to a callous letter from the Inland Revenue, dated 11 February, which defended current Government policy. Although the Paymaster General is legitimately attacked on this matter, does my hon. Friend agree that the Financial Secretary should also be attacked on it? She is the Minister responsible for the Revenue: is it not about time that we were told whether she is in office or in power, and whether she is told what to do or whether she has the slightest influence on Government policy?

**Mr. Loughton:** My hon. Friend is right: the entire Treasury team should be ashamed of that act of callousness of the worst order. To put the record straight, I should point out that the article in Age Concern's magazine referring to the callousness of the measure contained a photograph of my hon. Friend the Member for Bognor Regis and Littlehampton with the word "callous" underneath it. Of course, that referred not to my hon. Friend, but to the culprits and perpetrators of the crime, who sit on the Labour Benches. It is worth putting the record straight, because we do not want his reputation blemished for the entirely pure and philanthropic measures that he promoted so ably.

May I return to my speech? As my hon. Friends have said, only now are people waking up to what has happened, yet the legislation was passed a year ago. Many of my hon. Friends who are here today and I were on the Finance Bill Standing Committee last year. They will remember that it was guillotined through in just five days, compared with the six and a half weeks of luxury indulgence which we have enjoyed this year. The Budget announced on 2 July passed into law by the end of July,

*[Mr. Loughton]*

so organisations such as Age Concern had no time to get their act together and make proper representations to help us publicise that highly damaging measure. The measure was rushed through with undue haste, and only now are the victims of that callous act waking up to the fact that in April 1999 they will be substantially less well off.

The measure affects more than 300,000 people of pensionable age earning less than £5,400. The cost to the Exchequer is relatively small—some £25 million to £30 million, perhaps a little more, next year. Thus it affects the poorest pensioners. I represent an area of Worthing with the highest number of pensioners in the entire country, so I feel particularly aggrieved that yet another blatant measure is discriminating against good pensioner folk. Few of the pensioners in my constituency live in comfortable luxury, and many make their way on little more than the basic pension. The poorest people are hit the hardest.

I am sorry that the Financial Secretary would not take an intervention when she spoke a moment ago. She was dangling yet another red herring—goodness knows, we have had so many during the stages of the Finance Bill—when she said that the Government were enabling more pensioners to take advantage of more benefits. Our proposal would be much better because it would enable pensioners to stand on their own two feet and support themselves from their own investments. They could take advantage of dividends and dividend tax credits which are rightfully theirs, rather than having to rely on the welfare state. They are entitled to do that, but, if more people can make preparations for their own retirement and stand on their own feet, that is to be encouraged. This measure takes away yet another leg of support. It is a shame that the Financial Secretary did not accept that point.

In Committee, we had an awful lot of red herrings from the Paymaster General. In replying to an amendment on this very subject, he started talking about individual savings accounts. If he is absolutely honest with himself, ISAs are of minimal, if any, attraction to that class of investor because none of them will get anywhere near the annual capital gains tax allowance. Moreover, ISAs hold few income attractions, if any, for those on low incomes. Even if there were any, they would all be gobbled up by costs. It was a real red herring—another desperate attempt to justify ISAs replacing a far better scheme. The Paymaster General should come clean on that.

As I said in Committee, one option open to pensioners, if they are sophisticated enough to take investment advice, is to switch into bonds that pay gross dividends or into bank or building society accounts that pay interest gross. However, why should we condemn pensioners to capital growth in those accounts when we know the much greater attractions of capital growth in the equity market? Why should they be condemned to a fairly pedestrian investment portfolio of fixed interest stocks or cash investments? Their choice will be limited if the new clause is not accepted.

We have all received many representations. I pay tribute to the bravery of the hon. Member for Dudley, North (Mr. Cranston), who did not realise that he was fundamentally undermining the Government's stance at the time and did a wonderful U-turn with great aplomb to support the amendment in Committee.

At one point in Committee, we were greatly cheered. The Paymaster General said:

"Combined with the abolition of ACT, we have made a major improvement of the corporate taxation system. We are getting rid of the in-built bias towards paying dividends".

He did not get off to a very good start. He then said:

"I shall deal with ISAs."

That was such a red herring that it was ruled out of order, and I hope that he does not repeat that error when he replies to the debate. Then things started getting better. After we had impressed on him the merits of the amendments, he said:

"The calculations that were made by the Opposition Members and by my hon. Friend the Member for Dudley, North are pretty much correct."

Things were looking up. We thought, "Golly, will this be the first amendment that we get accepted by the Government?" He went on:

"Perhaps a case can be made for an overall limit on payable tax credits, which might be in the region that Age Concern described in its very good paper."

That sounded as though the Paymaster General and his team were on the verge of accepting that sensible, common-sense amendment to prevent discrimination against the poorest people in the investment community. But then it all went wrong. He said:

"I see at this critical moment that my right hon. Friend the Chief Secretary is invigilating."

At that point, the Chief Secretary, who alas is not present today, appeared, and all the promises evaporated. The guarantees were suddenly not guarantees, and the promises were no longer promises. He ended up by saying:

"I make no promises, other than to revert to the matter on Report."—[*Official Report, Standing Committee E*, 14 May 1998; c. 191-94.]

What an enormous anti-climax that was.

I hope that the Paymaster General, without the presence in the Chamber of the Chief Secretary—although the Whip is here on his behalf—will have the courage to accept this common-sense new clause, and will show that the Government are concerned about the poorest in our society. It is very late in the day, but the Government have tabled scores of amendments to their own legislation, so it would not hurt them to promise to redraft this new clause to make it acceptable.

I hope that we are given better reasons than those given by the hon. Member for Dudley, North, who said that the amendments were unacceptable for technical reasons. We deserve better than that, and the pensioner investment community demands better. If the Paymaster General is not prepared to accept the new clause, we demand a proper explanation of why the Government continue to hit the poorest hardest.

**Mr. Quentin Davies** (Grantham and Stamford): For all the Government's failings, shortcomings, incompetence and insensitivity, for which I and many Opposition Members have berated them in the past year, I never expected that they would get into this mess. I hesitated before trying to catch your eye, Mr. Deputy Speaker, because I expected the Paymaster General to pre-empt the debate by declaring that the Government had come up with a solution that would protect the interests of the

poorest savers. The Government may feel that I have been unfairly critical of them, but even I gravely overestimated them.

It is clear that the Paymaster General has no intention of announcing that the Government will come up with a solution to this problem. It is a human problem, and, ultimately, that is what is important. The hon. Gentleman and the Financial Secretary have constituents, and I cannot believe that they have not seen the shine in the eyes of a poor pensioner who has received a cheque from the Inland Revenue for a small amount of money, which to some people on the Treasury Bench may be a derisory amount, but which to that pensioner is of enormous consequence.

Unless the Government change their mind or we succeed in defeating them on the new clause, the pleasure and happiness that very poor people derive from receiving such an exciting and unexpected bonus—they live on the margin and have only £100 or £200 in hand—will be replaced by tears. Labour Members will see those people in their surgeries, as we will in ours. No doubt they are more hard-hearted than we are and will be less moved when that happens, but happen it most certainly will.

4.45 pm

I shall move from human appeals to the more rigorous analysis that we are used to when discussing fiscal matters. I ask for a little more rigour in the Government's analysis, too. When the Paymaster General replies to the debate, he should not use the three arguments that I understand he used in Committee, none of which will wash. First, he should not talk about the feasibility and desirability of relieving the poorest savers from the need to pay tax, because that would not be the effect of the new clause.

Unfortunately, such is the effect of the abolition of advance corporation tax and the dividend tax credit that everyone who holds shares in British companies, directly or indirectly, will now pay tax. The argument is about whether the poorest pensioners and savers should pay double tax. The rest of us, whether we hold shares directly or through institutions and pension funds, will now pay double tax. The companies of which we are shareholders will pay corporation tax, and we will be taxed on the distributed profits. The issue is not whether, by means of the new clause, we should relieve the poorest savers from paying tax; it is whether we should relieve them of the burden of paying double tax.

The second point that I hope the hon. Gentleman will not make is that, for technical reasons, it is impossible to accept the new clause or to devise an equivalent measure to relieve the poorest savers—who are so poor that their incomes do not reach the income tax threshold—from the need to pay double tax on dividends from their investments. That cannot be true, because the Government have already introduced such a measure giving charities precisely the relief that we want for the poorest pensioners and savers. It will not wash to argue that there is no effective means of providing such relief, because the Government have condemned themselves by protecting charities from the abolition of the dividend tax credit.

The third argument, which has already been effectively demolished by some of my hon. Friends, is that the poorest savers can switch into the Government's new individual savings account. That argument will not wash either. As my hon. Friends have already said, the small savers involved are most unlikely to be able to benefit from the capital gains tax provisions of ISAs, because their capital gains will probably not exceed the individual allowance in any one year.

The major benefit of ISAs is the relief from capital gains tax liability. ISAs are not a solution to the problem of paying tax on dividends, because people will have to pay a management fee, and other commissions and charges, for the privilege of having an ISA. People will have to pay a fee to the intermediary who holds the franchise and who sets up the ISA: that is what these tax-advantaged savings vehicles are all about.

For people who pay tax at the standard rate of 23 per cent. or at the higher marginal rate of 40 per cent., it may be sensible to pay the fees required to join an ISA and to shelter part of their portfolio. Let me make the arithmetic simple. Let us say that the average dividend yield of the equities in an ISA is 4 per cent., and that tax is being paid at a marginal rate of 23 per cent. Roughly one of those four percentage points will be lost in tax. Someone who joins an ISA will probably pay 1 per cent. of the value of the fund by way of a management fee. In other words, what that person is not paying to the Revenue he will be paying to the financial intermediary who set up the ISA.

Opposition Members, at least, are concerned with the interests of poor savers. I am extremely sorry that that concern is not shared by Labour Members—apart from the hon. Member for Dudley, North (Mr. Cranston), to whom I pay tribute for his individuality and courage. By definition, poor savers are not currently paying tax. For them, the choice will be between paying a tax that they do not currently pay—and, in my view, ought not to pay—and paying the same amount to an intermediary for the privilege of putting their shares into an ISA. Either way, they lose, and whether the Revenue or the manager of the ISA gains is a somewhat academic question for them. As I said earlier, an apparently small financial loss may be disproportionately grave in terms of the sum of such people's happiness.

I hope that we shall hear none of those three arguments this afternoon. I hope that we can now concentrate on whether it is fair, and economically sensible, to penalise the poorest savers—those who may begin to save modest amounts from the lowest incomes—by imposing a double taxation regime on them. That is what the new clause is about. If the Government reject it—notwithstanding all the unpleasant, cruel and callous things that they have done so far, and the many more that they will no doubt do in future—their action will be written high up on their tombstone. It will remain in the minds of the electorate—not just those on the lowest incomes who will be directly affected, but all in our country who believe that taxation should be fair and just, and that those with the lowest incomes should be expected to pay proportionately the lowest share of the country's collective tax costs.

**Mr. Andrew Tyrie** (Chichester): I cannot do better than say how much I agree with what I have just heard from my hon. Friend the Member for Grantham and Stamford (Mr. Davies). It was a typically eloquent and impressive exposition of the arguments, referring to all the key points, including those which I hope we shall not hear later from the Paymaster General—who, I must say, has looked rather bored during our proceedings so far. He

*[Mr. Andrew Tyrie]*

has looked at his watch no fewer than three times, and has sat with his arms folded in a rather uninterested manner for most of the debate.

Let me begin by praising my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb), who is a neighbour of mine down in West Sussex and who first alerted me to this issue. Had he not done so, I would not have twigged—at least, not for a long time—that this change was in the Finance Bill. It was, of course, hidden away. It is a hidden consequence of the decision to make a grab on pension funds. The Labour party, which pushed the measure through at the time of the last Budget, had not thought it through at all. Many aspects of the legislation have had to be repaired: the sticking plaster has had to come out, and the Government have had to make emergency adjustments so that it looks right.

I have wondered why that is, and I think that the resignation of Sir Terry Burns gives us at least a bit of the answer. Sir Terry Burns is one of the best and most senior advisers in the Treasury. I would not mind betting that the policy on the pensions grab was thought out when Labour was in opposition, and was foisted on the Treasury without its having the opportunity to think it through carefully. That is why all the unintended consequences are now coming out of the woodwork—consequences that need to be dealt with.

I hope that Treasury Ministers will now begin to learn that it really does help to use the official machine rather than trying to bypass it. The press reports stating that the Chancellor works without properly consulting his official advisers, using an inner coterie instead, appear to have some credibility when we consider the effects of legislation such as this.

What exactly are those unintended consequences? My hon. Friend the Member for Bognor Regis and Littlehampton spelled them out very eloquently. They are very bad news for non-taxpayers, the people whom Labour purports to want to help most. We know that Labour does not help taxpayers, but we now also know that it does not want to help non-taxpayers either.

As I understand it, non-taxpayers used to be able to claim tax credits on dividend income, but they will soon be unable to do so. There are 300,000 people over 65 in that category—some are my constituents—and they will be deeply angered by the change. One of them came to see me about it before I understood the issue. Until he sat down and described it to me, I did not have a clue what it was about: I had not grasped the significance of the change. Several more people have written to me expressing their concern.

Incidentally, when I write to the Paymaster General, I rarely receive answers to my letters inside two to three months. He is not listening now, as is so often the case when people try to make points to him. I have a whole batch of letters—

**Mr. Hammond:** My hon. Friend may be interested to know that some members of the Standing Committee are still waiting for letters that the Paymaster General promised to write to them during the Committee stage.

**Mr. Tyrie:** That does not surprise me at all. I am flabbergasted by the time it takes to get a reply from the Paymaster General on this or any other issue.

As my hon. Friend the Member for Bognor Regis and Littlehampton pointed out, the average amount involved may seem small—£75, although it may be appreciably more in some instances—but it is a significant sum for non-taxpayers, to whom such small amounts matter a great deal. That is why Age Concern, among other organisations, has decided to make such an issue of the change. We have heard at least one quotation from an Age Concern document this afternoon. Age Concern is right to be worried, because the poor will be hit hardest. As I understand it, taxpayers will continue to obtain the benefit of the tax credit, but non-taxpayers will not. That will be the fundamental anomaly and injustice in the legislation, unless the Government make a last-minute decision to find a way out of this hole.

At present, the vast majority of those who will be affected—two thirds of a million altogether, including 300,000 pensioners—do not know about the measure. They have no reason to know, and no way of finding out whether the change will happen. They do not follow the Finance Bill. I am sure that those who drafted the Bill did not know about it at the time. How, then, can those people be expected to know? The time will come, however, when they will know, and they will resent it very much.

I said that the change was unintended. That may be a charitable view, but it is probably accurate. I gave an explanation of why it was unintended: Treasury Ministers do not listen to their own officials, although I think they are beginning to listen to them a little more than they did when they first arrived. Some of their best officials pushed off immediately; others waited a year out of politeness.

This afternoon, we shall find out whether this is an unintended measure that the Government want to put right, or a measure for which they should henceforth be squarely blamed. If they refuse to accept the new clause, we will know that this is something that they intend and want to do. They will have had ample time to reverse it and to think through what to do. They will be judged on the decision that they take.

**Mr. Geoffrey Clifton-Brown** (Cotswold): Is my hon. Friend aware that anyone earning up to the new personal allowance threshold of £4,195, or just £80 a week, will be hit by this measure, which will thus affect some of the poorest in the land? Does he not think that that is highly reprehensible?

**Mr. Tyrie:** I did not know the exact numbers. I do find it highly reprehensible. I find it highly reprehensible, too, that Treasury Ministers are not even bothering to listen to the points that are being made to them.

If Treasury Ministers ignore and sweep away the new clause, we—and hundreds of thousands of people throughout the land—will know that it was their intention effectively to reduce the income of some of the poorest people, including pensioners.

5 pm

**Mr. Geoffrey Robinson:** There has been a good deal of cross-party support on this matter. I think that that was evidenced at the meeting that I was pleased to have with Age Concern, with the hon. Members for Torridge and West Devon (Mr. Burnett) and for Bognor Regis and Littlehampton (Mr. Gibb), and with my hon. Friend the Member for Dudley, North (Mr. Cranston). I think that

they made a powerful case. I think that the case in the country, and the feelings that have been conveyed, are considerable. I am sympathetic to that case. I have listened hard to it, but hon. Members will obviously be aware that we have not tabled a new clause at this stage and that, from our point of view, the matter is still under review. I am taking a deep personal interest in it.

Most hon. Members have made pretty much the same points during this debate as were made in Committee. I do not think there are any new points that particularly require addressing by me. As always, I welcome the hon. Member for Grantham and Stamford (Mr. Davies) to our debates. I am pleased that he is not deterred by his new onerous responsibilities from attending them. He is always a welcome figure.

Some points were quite irrelevant. The hon. Member for Chichester (Mr. Tyrie) made some remarks regarding some senior civil servants leaving early and others leaving now. Nothing could be further from the truth. We work extreme closely with civil servants. All the policies are worked out with civil servants in the Treasury, in Customs and Excise and at the Inland Revenue itself, so the hon. Gentleman need not worry about that. There is plenty of contact, and I am happy to have such good relations with the most senior and the most junior officials in the Department.

**Mr. Quentin Davies:** The hon. Gentleman is trying to muffle my fire by throwing up a smokescreen of compliments in my direction; in all honesty, that will not work. May I ask him to address the specific point about charities? If it is possible to devise a solution to protect charities, why is it so technically difficult to devise a solution to protect the poorest savers?

**Mr. Robinson:** That is a fair point. We have had good responses from the charities for what we did there, which was, as the hon. Gentleman knows, unprecedentedly generous: when the Conservatives removed tax credits, they gave a much shorter period. With regard to pensioners and non-taxpayers, the matter is more complicated. I say this to Conservative Members, including the hon. Member for Bognor Regis and Littlehampton, who has led the campaign from the Opposition Benches: it will not be issues of sovereign immunity that will stop us doing this. It is not a question of the convenience of the Inland Revenue. There are certain things that we are looking at. We are looking at alternatives, as we did when we went into the consultation period following the initial ending of tax credits, and deciding which way to go on company taxation policy overall with regard to ACT.

I can give no commitment today and I have not brought a solution to the House; we would not be having this sort of debate if I had. I am aware also of the growing anxiety among poorer non-taxpayers who have been hit by the measure, so I know that we need to make our position utterly clear as quickly as possible. I am working to that end.

**Mr. Fallon:** May I reply to the debate and thank all those who have participated? I think almost everyone who has spoken has shown some sympathy with the new clause. I am particularly grateful for the support from the Liberal Democrat Benches. My hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb), with the eloquence and precision that we have come to expect of him, made the case again: in this matter, he is the pensioners' champion. My hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) pointed out that the sums involved make a difference to the quality of life for some of our poorest pensioners. I am grateful, too, for the support of my hon. Friends the Members for East Worthing and Shoreham (Mr. Loughton), for Grantham and Stamford (Mr. Davies) and for Chichester (Mr. Tyrie).

No one defended the Government's position on the new clause. The hon. Member for Dudley, North (Mr. Cranston) gave us his usual cameo of the Paymaster General's learned junior and said that there was something defective about the new clause, but I think he has some sympathy with, and is perhaps a secret supporter of, the new clause.

Then we heard, most surprisingly of all, from the hon. Member for Warrington, South (Ms Southworth). I am told that she was a member of the Standing Committee and that she sat upstairs with us for six weeks. She was certainly silent for six weeks, yet now she suddenly appears in the House and tells us that she has had a word with the Paymaster General. That parliamentary effort seems to have exhausted her—she has now disappeared—but we wait to see what effect that will have. We shall be judging the effort that is put in by Labour Members on this matter.

To the Paymaster General, I would say, "We expected a bit more than that." He has had six weeks to correct this injustice and to come up with an amendment of his own. Yesterday, there were amendments on the Order Paper to help the casinos. Perhaps he is more interested in the casinos than in the lives of our poorest pensioners. He has had six weeks to draft an amendment. He has admitted tonight that drafting such an amendment is not impossible—that there may be technical difficulties, but that they can be overcome. Indeed, he has said that he has listened sympathetically and has the matter under review.

The Government brought about this injustice a year ago. They have had plenty of time to review it. This was slipshod, inadvertent drafting, for which the Financial Secretary was responsible a year ago. Little wonder that she was not put up to answer the debate, and that it was left up to the Paymaster General instead.

There are two choices before the House. We can—at one point I was considering doing this—give the Paymaster General the benefit of the doubt, as we have done quite a lot, on quite a number of matters, over the past few months, or we can place on record our opposition to one of the meanest tax increases of all. We could put a marker down now, while he works away on his amendment, to the effect that we are opposed to the measure on behalf of 300,000 of the poorest pensioners—people who have put something aside, who have not claimed benefit, who have saved for their old age and who now find a Labour Government are robbing them of sums of £75 or £100. It is right that we press the new clause, and I invite my hon. Friends to support it.

*Question put*, That the clause be read a Second time:—

*The House divided:* Ayes 171, Noes 284.

**Division No. 316]** **[5.8 pm**

**AYES**

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Arbuthnot, James
Ashdown, Rt Hon Paddy
Atkinson, David *(Bour'mth E)*
Baker, Norman
Ballard, Jackie
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brake, Tom
Brand, Dr Peter
Brazier, Julian
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burnett, John
Burns, Simon
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Curry, Rt Hon David
Dafis, Cynog
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Ewing, Mrs Margaret
Faber, David
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Rt Hon Sir Alastair
Gorman, Mrs Teresa
Gorrie, Donald
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Hayes, John
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Jones, Nigel *(Cheltenham)*
Kennedy, Charles *(Ross Skye)*
Key, Robert
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Andrew
McLoughlin, Patrick
Major, Rt Hon John
Maples, John
Maude, Rt Hon Francis
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Öpik, Lembit
Ottaway, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid-Norfolk)*
Soames, Nicholas
Spicer, Sir Michael
Stanley, Rt Hon Sir John
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swinney, John
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Tonge, Dr Jenny
Townend, John
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Wallace, James
Walter, Robert
Wardle, Charles
Waterson, Nigel
Webb, Steve
Whittingdale, John
Wigley, Rt Hon Dafydd
Wilkinson, John
Willetts, David
Willis, Phil
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

**Tellers for the Ayes:**
**Sir David Madel and**
**Mr. Stephen Day.**

**NOES**

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Banks, Tony
Bayley, Hugh
Beard, Nigel
Begg, Miss Anne
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Berry, Roger
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byers, Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Donaldson, Jeffrey
Donohoe, Brian H
Doran, Frank
Drew, David
Eagle, Maria *(L'pool Garston)*
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Field, Rt Hon Frank
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Grant, Bernie
Griffiths, Jane *(Reading E)*

Griffiths, Nigel *(Edinburgh S)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Ivan *(Harwich)*
Heppell, John
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Howarth, Alan *(Newport E)*
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Iddon, Dr Brian
Ilsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Jones, Mrs Fiona *(Newark)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Lepper, David
Leslie, Christopher
Lewis, Terry *(Worsley)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McDonnell, John
McFall, John
McGuire, Mrs Anne
McKenna, Mrs Rosemary
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWilliam, John
Mahon, Mrs Alice
Marek, Dr John
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
O'Brien, Bill *(Normanton)*
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Llew *(Blaenau Gwent)*
Smyth, Rev Martin *(Belfast S)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Steinberg, Gerry
Stevenson, George
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Temple–Morris, Peter
Thomas, Gareth R *(Harrow W)*
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Alan W *(E Carmarthen)*
Winnick, David
Wood, Mike
Woolas, Phil
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

**Tellers for the Noes:**
**Mr. David Jamieson and**
**Mr. Jim Dowd.**

*Question accordingly negatived.*

## New clause 5

SPECIAL REGARD TO TRADING PATTERNS OF THE RETAIL INDUSTRY

'.—After section 59DA of the Taxes Management Act 1970 (payment of corporation tax under self-assessment) there shall be inserted—

"59F In making any regulations under section 59E above, the Treasury shall have special regard to the trading patterns and profitability of the retailing industry".'.—*[Mr. Heathcoat-Amory.]*

*Brought up, and read the First time.*

**Mr. Heathcoat-Amory:** I beg to move, That the clause be read a Second time.

New clause 5 is an attempt to correct one of the main deficiencies in the Government's corporation tax system, specifically the payment method provided for in the Bill. However, so that I might describe fully the intention behind new clause 5, I hope that it will be in order if I explain to the House some of the problems and—in all fairness—what the Government have tried to achieve in changing the method of taxing companies.

In the past year, we have moved away from the imputation system of corporation tax, which has, for some years, been a familiar part of the taxation landscape. The system was a good one, as it avoided double taxation of profits—in the hands both of companies and of shareholders. However, the Government decided—I can appreciate at least in part their motive for doing so—to switch from that system, abolishing dividend tax credits, to a system of periodic payment of corporation tax.

Our quarrel with the Government is that they have used the change to introduce very large increases in effective taxation. We witnessed an example of such an increase last year, when the abolition of tax credits dealt an enormous blow to the pensions industry by instituting a £5 billion annual raid on pension funds.

Last year was a particularly stupid time to tax savings, as the Government were themselves becoming alarmed at inflationary pressures in the economy. Taxing savings rather than consumption was therefore the most short-sighted action. It was also in conflict with everything that the Government were saying about the need to build up a savings culture in the United Kingdom, to encourage people to provide for their own retirement and generally to increase self-reliance.

I think that the Government understood that the only realistic alternative to welfare dependency was private savings. However, as usual with the Government, there

*[Mr. Heathcoat–Amory]*

was a huge gap between Ministers' rhetoric and their action. By withdrawing dividend tax credits, they sent a clear message to those who save and have private pensions: "Do not bother to save. If you do, the Government will come along and change all the rules, and tax the very savings and pension funds that you have built up."

Withdrawing dividend tax credits was another short-sighted action, as an acknowledged strength of the United Kingdom is the fact that we have an enormous and successful private pensions industry. It has been calculated that the total sum of pension assets under management in the United Kingdom exceeds the sum for the rest of the European Union combined. On the continent, perhaps only the Netherlands has a comparable private pensions industry. Governments in other countries, particularly some southern European ones, have colossal off-balance-sheet debt. When they promise pensions to their electorate, all they are doing is hoping that a future generation of taxpayers will meet those obligations.

**Mr. Nicholas Soames** (Mid–Sussex): Will my right hon. Friend speculate on why the Government should have done such a stupid thing? Although it is easy for Opposition Members to understand why the Government abolished tax relief on health insurance—it was out of pure spite and malice—it seems inexplicable that they could have done such a stupid thing with savings.

**Mr. Heathcoat–Amory:** I am genuinely at a loss to give my hon. Friend an answer to his question. We have racked our brains to try to determine why the Government should have done something that was not only wrong in macro-economic terms, as I explained, but contradicted their express desire to get people off welfare and on to private provision and self-reliance. I can only speculate that their action was due to ignorance and, perhaps, the instinctive reaction of a Labour Government to tax, which is to try to tax their way out of any difficulty.

**Mr. Hammond:** Does my right hon. Friend agree that the Government may have hoped that those who were bearing the tax might not notice that they were bearing it? It was a back-door tax which many pensioners did not appreciate they were paying until Conservative Members drew their attention to it.

**Mr. Heathcoat–Amory:** I think that my hon. Friend has part of the answer—that the Government hoped that no one would notice. They thought that instead of taxing people directly, they could tax corporations and pension funds, which do not themselves have votes. However, millions of people who rely on those pension funds now know perfectly well that the Government effectively conducted a £5 billion-a-year-raid on pensioners and contributors to pension funds.

Last year's Budget, therefore, will always be known as the Robert Maxwell memorial Budget. That is entirely appropriate as at least two of the Ministers conducting that raid had first-hand experience of how the late Robert Maxwell handled his business affairs. So the Government did not get away with it, but the damage created by that Budget will be with us for many more years. It was compounded this year when the Government returned to the subject and used the change in the system of corporation tax to smuggle in a back-door tax increase, borne this time by corporations and the larger business sector in particular.

5.30 pm

When we debated the economy yesterday, the Chief Secretary to the Treasury again asserted that the Government had cut the rate of corporation tax. That may be true in nominal terms, although the Government have a long way to go before they match our record. In 1979, we inherited a corporation tax rate of 52 per cent. and by gradual degrees, year upon year, we reduced it. All the Labour Government have done is to signal that there will be a further 1 per cent. reduction, which will not take effect until next April.

Companies and the Confederation of British Industry are concerned that, despite a nominal reduction, there has been an actual increase in the burden of corporation tax. I am not making an allegation or giving the House an opinion; I invite hon. Members to consult page 18 of the Budget statement, which shows that the abolition of advance corporation tax and the introduction of quarterly payments will increase tax by £100 million in the current financial year, by £1,600 million next year and by a full £2 billion in the year 2000-01.

**Mr. Hammond:** Are not the Government engaged in utterly cynical manipulation? They are bringing forward in a one-off shift tax revenues that would have been enjoyed later so that they can spend them during the period of this Government and, hopefully from their point of view, buy their way back into power at the next general election?

**Mr. Heathcoat–Amory:** Yes. My hon. Friend is entirely right. It is particularly short-sighted because the Government are relying on those same larger companies to provide the extra jobs that they need for their so-called welfare-to-work programme. If they persist in taxing those companies, it will rapidly turn into a work-to-welfare programme. There is already evidence that the labour market is turning, and investment is also affected. The same Red Book published in March shows a steady and continuing reduction in investment, particularly by the business sector. That can only be a consequence of the increased tax burden that businesses are expected to bear.

**Mr. Quentin Davies:** Could not the position get even worse? Not only will companies be less inclined to invest because of the extent to which the tax burden on them is increased, but if the economy continues to turn down as a direct result of Government action and inaction—manufacturing is already in recession—will not that additional £2 billion a year of cash-flow burden on British industry make all the difference to the survival or the collapse and bankruptcy of British businesses? Therefore, there may be an escalating effect. The Government may be launching a vicious circle which will be damaging to output and to employment for a long time.

**Mr. Heathcoat–Amory:** Yes. My hon. Friend makes a good point. The measures are pro-cyclical; they are reinforcing what is already an emerging recession. The

effective increases in corporation tax will hit companies precisely when they are already experiencing a recession. The damage has not yet become entirely apparent.

Another issue concerns our general competitiveness and our position in the European Union and in the wider world. One of the great—and, we hope, lasting—achievements of the previous Conservative Government is that we established a low-taxation structure. We are the envy of Europe. Indeed, the Chancellor of the Exchequer in one of his disguises goes round the European Union lecturing other countries about the problems of high taxes, particularly on labour, and the need for them to introduce flexible labour markets. At the same time he is undermining precisely those achievements at home, so it is little wonder that he is now excluded from Euro X and the other committees on which such matters are discussed. They have spotted a degree of hypocrisy. The Chancellor is telling them to do what he is failing to do at home.

We hope that tomorrow we shall be debating the increase in indirect taxation on transport fuel, for example, which is eroding the competitiveness of our haulage industry, but at least we thought that we had entrenched a competitive advantage for Britain in terms of business taxes which makes us a beneficiary of inward investment from the European Union and the rest of the world.

**Mr. Soames:** Is my right hon. Friend aware that the competitive advantage which, indeed, was well entrenched, has become eroded in such a way—even within the past year—that in my constituency and neighbouring constituencies, quite substantial numbers of jobs are already beginning to flow out of manufacturing industry? What does my right hon. Friend have to say for the future when the impact of the ill-thought-out and ill-conceived changes to corporation tax will further hit manufacturing industry?

**Mr. Heathcoat-Amory:** My hon. Friend is entirely right. The damage is already apparent, and we have not yet had the full impact of the changes in corporation tax. The figures that I quoted from the Red Book show that what is a problem today is in danger of becoming a catastrophe tomorrow unless avoiding action is taken. New clause 5 goes some way towards at least drawing the teeth of the change in corporation tax and bringing relief to some sectors of British industry that are faced with effective tax increases.

The Government have abolished advance corporation tax, but replaced it with a system of interim payments whereby larger companies will have to make payments on account, which represent an effective tax increase.

**Mr. Andrew Love** (Edmonton): I have listened to my right hon. Friend for the past five or seven minutes, and have yet to hear any recognition from the Opposition that, when corporation tax is reduced by 1 per cent. next year, it will be at its lowest rate ever.

**Mr. Heathcoat-Amory:** Yes, but the hon. Gentleman has not understood my point. Businesses are not concerned about the nominal headline rate of corporation tax if the actual tax that they pay goes up. Labour's world is all about theory. When Labour Members see a cut of 1 per cent., they assume that all the companies in their constituencies will pay less corporation tax. The hon. Gentleman may have been nodding off when I quoted from the Red Book. Even the Chancellor's own arithmetic shows that there is an effective increase in the tax burden on companies in Britain of £2 billion a year. Does the hon. Gentleman not understand that simple point? If he will not accept it from me, will he do the House the honour of spending the next few minutes reading the Chancellor's Budget statement, which sets that point out with commendable clarity?

**Mr. Oliver Letwin** (West Dorset): Does my right hon. Friend agree that the position is even worse than he has described? He has been describing the stagnation part of inflation, but by directing their attentions to corporate taxation and interest rates, which have been shown increasingly to have a greater effect on the corporate sector than on the personal sector, the Government are not addressing inflation.

**Mr. Heathcoat-Amory:** My hon. Friend is right. I hope that he will catch your eye later, Mr. Deputy Speaker, to elaborate on that point.

I should like to establish the fact—this is not a contestable opinion—that the Government are smuggling in a real increase in the burden of corporation tax suffered by corporate Britain. When investment falls, as it is due to do, and unemployment increases, the Government will have only themselves to blame.

**Mr. Geraint Davies** (Croydon, Central): The right hon. Gentleman is confusing cash flow with tax burden. The changes will bring forward tax revenues, but the net present value of tax due by UK plc has gone dov.n. He should welcome that, not try to confuse issues—or is he the one who is confused?

**Mr. Heathcoat-Amory:** The hon. Gentleman has missed the point. Bringing forward a tax payment is an effective increase in tax, hitting the cash flow of companies and costing them money. If the hon. Gentleman had to pay his tax bill a year earlier than he had been used to, he would resent the change and regard it as a burden on his finances and his ability to spend on other items. The two Labour interventions simply underline our arguments.

If the Government had wanted the change to be tax-neutral, they could have taken the advice of the CBI and put back the payment dates for corporation tax by two months. They did not do that, because they wanted the exercise to raise tax. That is what we are complaining about. The consequences will be long-lasting and very damaging.

The Government are asking companies to predict their profits. Companies will have to pay tax on estimated profits, which may well change. Many companies make unexpected capital gains or losses, perhaps towards the end of their accounting period.

**Mr. Derek Twigg** (Halton): On a point of order, Mr. Deputy Speaker. The new clause is specifically about

*[Mr. Derek Twigg]*

the retail industry, which the right hon. Gentleman has not mentioned. I wonder when he will speak to the new clause.

**Mr. Deputy Speaker:** The right hon. Gentleman is responsible for his speech. So far I have found him to be in order.

**Mr. Heathcoat-Amory:** The hon. Gentleman thinks that he can do your job better than you can, Mr. Deputy Speaker, but we heard almost nothing from him in Standing Committee. Many times we had to do his job for him, trying to stand up for the interests of businesses in his constituency about which he was silent. He failed to do his job upstairs and now he thinks that he can do your job better. I am grateful for your confirmation that everything that I have said is fully in order.

There is something seriously wrong with the system of the interim payments introduced by the Bill. The intention behind the new clause is to do something about that. Companies will have to predict their profits, which will be very difficult, particularly for those with marked seasonal variations in their profits. Leisure and tourism is a big industry in my constituency. Almost by definition, it is highly seasonal, with profits tending to be made in the summer. Similarly, many retailing companies, particularly the larger ones, make most of their profit in the run-up to Christmas. That is particularly true of companies that sell discretionary items such as jewellery or greetings cards.

The system of corporation tax payments laid down in the Bill makes no provision for seasonal variations. If a company makes most of its profits towards the end of the financial year, it will be asked to pay tax on profits that it has not yet earned.

5.45 pm

**Mr. Geraint Davies:** Why does the new clause refer specifically to the retailing industry, and not to industries with seasonal variations in profitability, including tourism? Does that have anything to do with the fact that the shadow Chancellor has an interest in retailing, as do other hon. Members who were on the Standing Committee?

**Mr. Heathcoat-Amory:** That was not a tremendously telling intervention. As the hon. Gentleman will remember, we discussed seasonality in Committee. I regretted very much at the time that the hon. Gentleman failed to participate in the debate. I am glad that we can, perhaps, look forward to a contribution from him now. We are restricted in the new clauses that we can table on Report. We have chosen the retailing sector to illustrate the problem. If, as I hope, the Paymaster General accepts what we have in mind, he can easily widen the concept to bring relief to manufacturing, processing and service companies that are similarly affected. We have chosen the retail sector because it illustrates particularly well the problem that we are trying to deal with.

It is accepted that many companies have a seasonal variation in their profits. The requirement to make interim regular payments that bear no relation to how the profits are made is inequitable, forcing companies to pay tax on profits that they have not yet earned.

**Mr. Hammond:** Does my right hon. Friend agree that the provision might require a company to borrow money to pay tax if its revenue pattern was highly seasonal and it did not have great reserves out of which to make the payments?

**Mr. Heathcoat-Amory:** That is indeed the case. Such companies may make little or no profit during the first six or nine months of the financial year and they will have to borrow money to fund their tax payments. In the final three months of the year, when they make most of their profits, they will be able to repay the money, but they will have lost the interest.

When we debated the issue, the Paymaster General seemed sympathetic to our case. He correctly pointed out that the regulations on the mechanism and timing of payments are out for consultation; that consultation period does not end until 15 July. However, we do not need to wait until 15 July to know what companies want. The British Retail Consortium has already submitted its ideas for relieving its members of the burden.

We have learnt the hard way during the passage of the Bill that, although the Government may express sympathy in Committee, they do nothing about the problem on Report. New clause 1, which we have just debated, was a good example of that. The Paymaster General said that he entirely understood the plight of poorer, non-taxpaying pensioners who were not receiving their dividend tax credits. He said that something would be done about that and that he would return to the issue on Report, but he did not. No amendments or new clauses were tabled until we raised the subject, in an attempt to get the Government to deliver on the sympathetic noises that they made upstairs.

We are in the same danger in this debate. In Committee, the Paymaster General said that he was minded to look at the British Retail Consortium's suggestions, and might respond in due course. Here is an opportunity to make him do so. If not, the consultation period will end, the Government will make up their mind and they will propose regulations that this House will never scrutinise in any way because they do not provide for any affirmative vote by this House or any scrutiny by any Committee.

A theme of the Bill—on which we have commented many times—is that there is far too much reliance on Treasury regulations, promulgated by the Treasury according to its own assessment of the situation, which may or may not bear some relation to assurances given earlier. We shall never again have an opportunity to express an opinion, let alone to vote on the matter.

**Mr. Love:** I apologise to the right hon. Gentleman for inadvertently calling him "my right hon. Friend" earlier. I assume that he will take that comment in the spirit in which it is meant. Does he consider the new clause to be woolly, in that it refers to having

"special regard to the trading patterns and profitability of the retailing industry"?

What are we supposed to make of that? Will not the net effect of the new clause simply be to increase the complexity of the regulations about which the Opposition are complaining?

**Mr. Heathcoat-Amory:** No, that is not the case. The British Retail Consortium would not have proposed the idea unless it thought that it would be of advantage to its

members. Retailers do not believe that the measure will bring additional and unnecessary complexity. This is a modest way in which the Government can respond to the corporate sector and undo some of the damage that the rest of their corporation tax proposals will do.

**Mr. Hammond:** Does my right hon. Friend recall the hon. Member for Edmonton (Mr. Love) complaining in Committee about woolly clauses in the Bill, requiring reams of regulation to be proposed by the Government thereafter?

**Mr. Heathcoat-Amory:** My hon. Friend is absolutely right.

The question of regulation is a constitutional issue. It has been noticed by outside commentators that there is greater reliance on the use of secondary legislation in the Bill, and that is highly undesirable. The Law Society commented that, in some cases, it was unprecedented. A new source, which we have not quoted—because I have only seen its submission recently—is the Institute of Chartered Accountants of Scotland, which said:

"A reading of this Finance Bill results in the feeling that much of it is missing. Continually, clauses simply provide for a delegated authority to permit regulations to be drawn up."

It points out that substantive issues of taxation—the amount of tax, when it is to be paid and by whom—are not in the Bill either. They are delegated to subsequent secondary legislation which, in most cases, will never be debated at all. The institute expressed

"very strong reservations about the wider use of regulations."

If that outside commentator expresses strong reservations, how much more should we—as Members of a Parliament that came into existence to guard the taxation of the people and to ensure that it did not fall into arbitrary hands?

**Mr. John Swinney** (North Tayside): Is the right hon. Gentleman aware that the Institute of Chartered Accountants of Scotland expressed similar concerns about the attitude of the Government during the passage of the Scotland Bill? It was concerned that many aspects of the Bill were being left to regulations, including important points such as, for example, the definition of who would be eligible to be a taxpayer under the Scottish Parliament. That matter was left in a rather woolly state by the end of the passage of the Bill, and it is the subject of regulations that we have not seen.

**Mr. Deputy Speaker:** Order. We would be going somewhat wide of the amendment if we started to discuss that intervention.

**Mr. Heathcoat-Amory:** I had better not be drawn too far down that line, but I think that it would be in order to relate that point to the new clause, which attempts to correct exactly the problem to which the hon. Member for North Tayside (Mr. Swinney) has drawn our attention—the use of primary legislation to give delegated powers to the Government to propose secondary legislation which will never be scrutinised.

The measures have been called Henry VIII clauses, and we debated them in Committee. Henry VIII used the statute of declarations to ensure that pretty well anything he said had the force of law. He could amend or repeal any statute simply by issuing a proclamation. The Government are getting perilously close to that in the Bill—and, indeed, in the clause dealing with corporation tax. They give to the Treasury almost unparalleled powers to amend any statute which it sees fit to bring into the new system of corporation tax.

Clause 30(5) states that regulations under the section

"may make such modifications of any provision of the Taxes Acts, or . . . may apply such provisions of the Taxes Acts, as the Treasury think necessary or expedient for or in connection with giving effect to the provisions of this section."

That is an extraordinarily wide provision. It is really saying that the Treasury can do what it likes if it thinks that it is bringing the system of corporation tax into effect. The point is that we shall never have a further opportunity to give an opinion on the matter, still less to vote on it.

**Mr. Gibb:** Are not the regulations in connection with quarterly corporation tax payments different from other Treasury regulations, which deal with the administration of tax, in that the details of the regulations will determine the burden of tax that will be paid by companies? The timing of the payments is part and parcel of the burden, and, therefore, the regulations go much wider than previous Treasury regulations.

**Mr. Heathcoat-Amory:** My hon. Friend is, characteristically, entirely accurate. The £2 billion extra burden of taxation, to which I have referred, is not provided for in the Bill, and is contingent on regulations that we have not seen. How can this House pass a Bill which apparently gives effect to the Government's arithmetic, but does not include it?

I urge the House seriously to consider accepting the new clause, which would go some way towards correcting the problem by creating the possibility of future regulations. We would then, at least in one small way, lay down in the Bill what the Government must do to relieve the burden on the retailing sector of the economy. That is a modest request. It does not go nearly far enough to correct the damage in the Bill but, at the very least, it would bring relief to a sector of the economy that will suffer because of a failure by the Government to understand the seasonal pattern of its trading activities.

**Mr. Derek Twigg:** Given the fact that the right hon. Gentleman has shares in a retailer, and the shadow Chancellor is a director of Asda, how seriously can we take their comments? Are they in someone's interests, or is the right hon. Gentleman speaking to a genuine new clause on the retail industry?

**Mr. Deputy Speaker:** Order. Right hon. and hon. Members are responsible for declaring their own interests. It is not a matter for debate here in the Chamber.

**Mr. Heathcoat-Amory:** That was a stupid intervention by the hon. Member for Halton (Mr. Twigg)—something that is becoming characteristic. It might interest hon. Members to know that the hon. Gentleman has said more during this debate than he did during the entire Committee proceedings when we scrutinised a 400-page Bill, which closely affects his constituents and on which he remained completely silent. We debated retirement relief and matters of taxation adversely affecting small and medium businesses in his

*[Mr. Heathcoat-Amory]*

constituency—we know that because letters from them were copied to us—and the hon. Gentleman remained silent. Now he pops up to make an entirely irrelevant remark about a new clause tabled by the Opposition.

**Mr. Deputy Speaker:** Order. The matter before us is not what happened in Committee, but the new clause. We must discuss the new clause.

6 pm

**Mr. Heathcoat-Amory:** You are right, Mr. Deputy Speaker, and I was mistaken in giving way to the hon. Member for Halton. I shall not make that mistake again in this debate. However, I shall respond directly to his point. It may interest him to know that food retailing companies would probably be the last to get a concession from the new clause because their business is less seasonal than most. Any company selling goods will of necessity probably not experience highly seasonal variation. Companies that show a marked increase in sales around Christmas will probably chiefly benefit.

I hope that the House will give serious consideration to a modest measure to repair at least some of the damage caused by the Bill.

**Mr. Flight:** New clause 5 would not only protect retail industries but put the Treasury on notice in forming its regulations to consider all seasonal industries and protect their cash flow from the effects of moving to the new pattern of seasonal payments. The quarterly payments of corporation tax will have to be made in the third and fourth quarters of the current financial year before many companies have earned the profits to pay them. As we have heard, many companies will have to base their payments on predictions.

As my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) has pointed out, the new clause is a minor attempt to correct the poor history of this Government wading into massive reform of the corporation tax system without considering all the implications. First, foreign income dividends were forgotten about, and, in changing the system, the Government proposed quarterly payments. In doing so, they forgot that such payments would bring forward the payment of tax, and that many businesses have extremely seasonal patterns of trading.

**Mr. Gibb:** My hon. Friend is generous to the Government in saying that they forgot that the proposal would mean bringing forward corporation tax receipts. I put it to him that the Government did not forget; they were fully aware of that by-product of the measure and they wanted the revenue.

**Mr. Flight:** I am sure that the Government do want the revenue and, as I shall describe, the objective of the measures is massively to boost revenue without the citizens at large being aware that that is occurring. I suggest also that the professionals in the Treasury often have to work on these matters in haste without thinking through all the detailed implications of the changes. I refer in particular to the failure to consider the effect on foreign income dividends, which my hon. Friend described in great detail when we considered the previous Finance Bill.

One intended effect of new clause 5 would be to allow firms simply to pay less corporation tax in the first and second instalments and more in the later instalments. That is analogous to the system that obtains in the USA.

The crucial point is not only the additional tax that will be paid—I shall move on to the total of that later—but that we are moving into a phase of economic downturn. We do not know whether that will be a recession, but it is unwise of the Government to impose additional, major cash-flow burdens on business after they have already substantially put up taxation in other ways. It has been pointed out that it is also pro-cyclical and is likely to encourage the worst aspects of the economic cycle.

The problem that new clause 5 aims to tackle arises also from the Chancellor's penchant for disingenuous headline grabbing when presenting the Budget. He made a bold announcement in the House that corporation tax was coming down by one percentage point. Only later did we learn that the true effect—the cash flow effect and the figures recorded in the Red Book—is a substantial increase in the taxation being paid by companies. The measure adds £1.6 billion of taxation in 1999-2000, £2 billion in 2000-01 and £3.1 billion in 2001-02, which is a total of £6.7 billion over those three years. Substantially more taxation will be paid than will be cut by the reduction in corporation tax by 1 percentage point to 30 per cent.

**Mr. Love:** The hon. Gentleman quoted from figures for the next three years, but did not quote those for the following years when the net effect will be to reduce the burden on companies. Perhaps he could set the record straight.

**Mr. Flight:** Self-evidently, the effect on the rate of corporation tax will eventually be that it is 30 per cent. rather than 31 per cent., but, equally self-evidently, for the next three to four years, there will be a substantial increase in the burden of taxation paid by companies. I repeat that the increase is being imposed at a point in the economic cycle when it may be extremely negative for employment and investment.

**Mr. Gibb:** Another point is that the Government's guarantee that they will not increase corporation tax extends only to the end of this Parliament, so by the time the measure becomes revenue-neutral or begins to give back money to the companies, the Government—if they are re-elected—could easily raise the rate of corporation tax.

**Mr. Flight:** My hon. Friend makes an important point. We hope that the country will be saved from the re-election of a Government who mess around with our tax system as foolishly as they have done over the past two years. My hon. Friend is correct to point out that, faced with potentially deteriorating tax revenues as the cycle turns negative, there is no guarantee that, if re-elected, this Administration would not increase the rate of corporation tax. He is correct: the net effect can be judged only between now and the next election, and it will be a substantial increase in the amount of taxation paid by companies.

As my right hon. Friend the Member for Wells pointed out in describing the background to the changes, they arise from the sad change to the imputation system of taxation

and the consequent substantial tax on savings. It has been doubly unfortunate that the tax on savings has produced a fall of almost 2 per cent. in the rate of savings at a time when any economist would say that we need a rise in savings. That fall has produced a rise in consumption.

**Mr. Deputy Speaker:** Order. We really must keep to the new clause.

**Mr. Flight:** Thank you, Mr. Deputy Speaker.

We are trying to correct one of the minor mistakes resulting from the changes to corporation tax that have been introduced over the past two years. Those changes have had a negative impact on the economy, and threaten to have a negative micro-impact on seasonal industries such as the retailing and tourist sectors, which will suffer from the new quarterly payments of corporation taxation. Reforms introduced in a hurry and designed to raise revenue have ended up creating the sort of problems with which the new clause is intended to deal.

Neither the new system of payment nor the increase in corporation taxation has attracted much attention—the public are scarcely aware of them. The corporate sector has been cash-rich for the past three years; its cash flows have been able to absorb the rise in taxation that has been imposed. But over the next two years, companies' cash flows will swing the other way. It is then that these corporation tax measures will really bite. It is then that retailers and their employees will pay the price for the changes. The very least we can do to counteract what the Government have been doing is to endorse the new clause, which attempts to cushion the cyclical industries from a tax change that will be a major cause of unemployment.

**Mr. Derek Twigg:** The hon. Gentleman has referred several times to cyclical industries, in the plural. Why, then, does the new clause relate only to retailers? That question was not answered when it was asked earlier.

**Mr. Flight:** The answer has already been given: the new clause is specific and refers to how the new quarterly payment system will be brought into effect by the Treasury. The intention is to persuade the Treasury to draft the relevant regulations with reference to all cyclical industries, retailing being the main one.

**Mr. Edward Davey:** The debate has wandered fairly wide of the subject matter so far. Both the right hon. Member for Wells (Mr. Heathcoat-Amory) and the hon. Member for Arundel and South Downs (Mr. Flight) knocked around the issues surrounding the introduction of a new system of corporation tax payments. Indeed, they reminded me of some of the world cup football matches in which the back lines have played for time during the last five minutes of the game. Of course we hope that the England team will be doing just that in a few hours' time—playing for time before their victory.

The debate has been enlivened by a few lunges from the Government Benches which proved in the end rather untimely. One such lunge was made by the hon. Member for Croydon, Central (Mr. Davies), who is not in his place, at the right hon. Member for Wells. The intervention concerned cash flows, but the hon. Gentleman completely missed the point.

The introduction of the new system has been driven by financial motives. The Government have realised that there is a time cost for tax payments, and have sought to recoup it for themselves. They will get the benefit of this revenue, and the corporate sector will be the worse for it. In Committee, the hon. Member for Croydon, Central told us of his experience of multinational companies, so he will know how many companies have built their profits on float income. The time cost of capital is an important factor in any business operation, as the Government have apparently realised—although they now seek the benefit for themselves.

The short-term financial motives of the Government apart, there is nothing wrong in principle with the new system; but the way in which the Government have introduced it has given rise to suspicions of their motives. A new system throws up new problems—problems of implementation, problems for the corporate sector, problems that were not relevant to the previous system. It may throw up problems that the civil servants have never before had to consider.

6.15 pm

The new clause highlights just such a problem which did not occur under the old system—the problem of seasonal profits. Profits vary throughout the year, and the new system of corporation tax payment will serve to highlight that fact, particularly for businesses that generate most of their profits in the second half of the year: most notably, retail companies that make most of their profits in the last quarter.

The new system of paying corporation tax in even quarterly instalments, based on forecast taxable profits for the current year, penalises seasonal businesses such as retailers that do not earn their profits evenly. Because they will have to pay tax up front, they will be required to pay it even before the profits have been earned. That may force them to borrow, which will be a significant extra cost. Therefore, the new system discriminates against companies whose business activities happen to be seasonal, and there would seem to be no justification for such discrimination—we heard no grounds for it in Committee.

The cost of borrowing will be much higher for private sector firms than it would be for the Government. Companies with seasonal profits may be given a higher risk assessment because it will not be known whether Christmas, for instance, will turn out to be a good trading period.

The right hon. Member for Wells mentioned businesses whose profits are linked primarily to the festive season—jewellers, for instance. My hon. Friends and I have been approached by Signet plc, a holding group for a number of high street jewellers whose profits are earned almost entirely in the last two or three months of the year. They will be particularly affected by the new payment system. Toy retailers and companies selling cards and Christmas decorations fall into the same category. Fireworks manufacturers, who would not be covered by the new clause, as they are not retailers, will also be adversely affected by the failure to take seasonality into account in the new system.

**Mr. David Ruffley** (Bury St. Edmunds): Is the hon. Gentleman aware of the argument of some Labour critics that it would be open to retail industries, especially those

*[Mr. David Ruffley]*

who rely on big Christmas sales, simply to change their year end to get around the seasonality problem? Will he explain why that argument is so fallacious and defective?

**Mr. Davey:** As I understand it, the payments must be made in equal amounts in the four quarters, so changing the year end would not get around the problem.

Other industries are affected by seasonality—tourism has been mentioned. I do not understand why such firms should be punished because they operate in a specific marketplace and undertake a particular business activity. The state takes money from individuals and businesses to finance its activities on behalf of the community, and it should make it as easy as possible for companies and individuals to pay tax. It should not discriminate against some individuals or some businesses in the way it does.

The right hon. Member for Wells said that draft regulations were out to consultation. We have heard that, in different places, the Paymaster General has expressed sympathy for those who will be affected by the problems that are being outlined and highlighted in the debate. He said:

"We shall re-examine the draft regulations in the context of the" British Retail Consortium's "proposals and we shall inform the House of our view."—[*Official Report, Standing Committee E*, 19 May 1998; c. 254.]

I hope that tonight we shall hear not just sympathetic words, but promises of action. The consultation period may end on 15 July, but the Paymaster General must have heard many representations—not only tonight, but well before tonight—about people's worries about his proposed system of payment. He would not exceed his remit if he gave a hint of the Government's thinking. If he feels unable to do so, will he tell us when the Government will publish their response to the consultation? Will it be in the depths of the summer, when the House is in recess, so that the House cannot hold the Government to account? We should like a date from him.

The Paymaster General may want to accept new clause 5 tonight, but I doubt it. He may argue that it is a partial solution to the problem that he is apparently so sympathetic about; I am sure that Conservative Members would admit that it is indeed partial. However, at least he could respond to the spirit of the new clause. I have often argued that Ministers should answer the spirit of the debate, and he should do so tonight.

**Mr. Gibb:** Given that the new clause merely enables the Government to draft their regulations on the basis of the words in the new clause—that is, it enables them to include some indication that they are taking into account the seasonal effects of retail industry—surely there is no technical reason why the Paymaster General cannot accept the new clause. All the details and planning that the Government need to do can still be done in the regulations.

**Mr. Davey:** The hon. Gentleman has a point, but it is important that we do not allow the Government to get away with limiting allowances for seasonality to the retail industry; other industries also suffer from the problem.

I hope that, in reviewing the regulations and replying to the debate, the Paymaster General will address some of his comments not only to new clause 5, but to the system proposed by the British Retail Consortium. That proposed add-on to the Government's new system of corporation tax payments suggests that the Government lay down some criteria that would help us determine seasonality, possibly borrowing from the United States system, so that if 70 per cent. of a company's profits were earned in the latter half of the year, that would enable it to elect to pay its corporation tax on actual, not forecast, profits. That 30:70 per cent. split works in the United States; I cannot see why the Government cannot borrow from the way in which that system operates.

The Government may argue that the United States corporation tax system is famous—or infamous—for its other complexities, and that it imposes heavy burdens on United States companies. We are not arguing for borrowing the United States corporation tax system lock, stock and barrel. We would not want the onerous burdens that it places on United States companies to be imposed on British companies, but it would be missing the point to use that argument against borrowing something like the 30:70 criterion. A small element borrowed from the United States system would significantly improve the proposed system of corporation tax payments. We believe that there is no need to imitate the US system point by point; one can borrow the best and leave the worst.

I have spoken to members of the British Retail Consortium, who are in no doubt that they would be more than happy to bear any extra burden placed on them by giving them the option to elect to pay on the basis of actual, not forecast, profits. We are talking about companies that have professional tax departments. In the main, they are large companies, which are more than capable of dealing with any extra burden. To use the words that the Economic Secretary is most likely to utter on the subject, it would be "nae bother" for them to deal with such burdens.

The Government have said that they are anxious that the system that they propose retains simplicity—that we do not complicate it. That argument is not well founded, given the Government's other actions on the Bill. They have introduced complexities into tax legislation, especially with their proposal on capital gains tax, and those complexities must be handled by individuals. The complexities that would be needed to give some sort of seasonality in the system for corporation tax payments would be simple by comparison with the complexities that the Government are introducing on CGT. The argument that the Government need to retain simplicity in the system does not stand up to examination.

I urge the Minister to say that the Government retain an open mind on seasonality, and that they will consider the issue, as it is a serious one for many of our country's largest and most successful companies.

**Mr. Quentin Davies:** This has been an extremely interesting debate. It has revealed something very significant about the Government's thinking, and it has strongly confirmed an impression that many of us have gained about the Government's fiscal policy. It has revealed that the Government do not understand the concept of cash flow. A most revealing intervention by a Labour Member made that absolutely clear.

Companies are more likely to fail for cash flow reasons than for any other reason. Cash flow is vital to a company's success, and cash flow planning is especially vital to the success of any small or growing company. Therefore, the idea that one can, with complete levity, say, "Oh, the £2 billion additional burden is just a cash flow burden; actual rates of tax have not changed," reflects, I am afraid, a complete lack of familiarity with some of the essential elements of business management, which is very disturbing in a Government in any country, especially in our own.

**Mr. Hammond:** My hon. Friend cannot know this and will be disappointed to hear it, but the hon. Member for Croydon, Central (Mr. Davies), who made that intervention—he is not in his place—is one of the few Labour Members who claim to have real experience in business. Is it not utterly depressing that he displayed such a lack of understanding?

**Mr. Davies:** My hon. Friend has said it all, but, with respect to him, I do not think that we should crow unduly. It may give Opposition Members cause for satisfaction and reassurance to see the Government's obvious failings and shortcomings, but the country will pay the price for that incompetence and inexperience, and I am afraid that the price will be paid by a very large number of businesses, and by those employees and investors whose futures depend on them.

What the Government are doing is comparable to what would happen if, for example, a company suddenly said that it would double, unilaterally and arbitrarily, the period of settlement of its invoices. That would create a great cash flow problem for the company's suppliers. Alternatively, the company might demand that all its customers pay in advance. That would create cash flow problems for its customers. In competitive markets, it might not matter unduly if a company behaved in that way, because the suppliers would decline to supply it or would supply it only on more onerous terms, and the customers would place their business elsewhere.

6.30 pm

However, if a monopoly business behaved in that way, and could enforce on its suppliers or its customers whatever payment terms it chose arbitrarily from time to time to enforce, the situation would be exactly comparable with that of a Government—a tax-raising authority—who arbitrarily said that all tax payments must be brought forward, and the hell with the resulting cost to the companies paying the tax.

That is a serious matter, which leads directly to the second point on which the debate has been particularly revealing. It has strongly confirmed a clear impression that the whole country has begun to appreciate: that the Government believe in surreptitious taxation. They have launched a sinister tradition of surreptitious taxation. It is easy to see that that will lead to fiscal and other forms of tyranny. It is arbitrary and means that the British taxpayer, who, on the whole, believes that Governments act in reasonable good faith and that Government pronouncements can be taken at face value, in accordance with the normal meaning of the English language, is learning that he was wrong. What you see is not what you get with this Government.

The Government believe that they have found a way of taxing the public and taxing business, and then being able to deny that any taxation has taken place. That was the basis of the pensions tax—the abolition of the dividend tax credit. The Government thought that they were extremely clever. They get £5 billion a year, which they are indeed taking, out of pension funds, and they thought that the public would not quite understand that their prospect of receiving a pension in retirement had been reduced by exactly the same figure.

We have seen the same thing today. The Government try to deny that companies face an annual burden of £2 billion more of corporation tax, even though, as my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) pointed out, that figure derives from the Government's Red Book. They say that corporation tax has not been increased—indeed, that it has been reduced. The debate has provided a depressing insight, but we should be realistic and recognise how the Government have operated over the past year, and how they no doubt intend to continue for the rest of their mandate.

Two anomalies and unfairnesses arise from the changes in corporation tax, the abolition of advance corporation tax and the decision to levy quarterly payments on companies to replace the existing system of corporation tax. They are two sources of economic problems, both potential burdens on business. Although they are related, they are separate and should be considered separately.

The first is the issue of predictability. The Paymaster General and I had an earlier exchange on the subject. I suggested that, however clever one was and however well run one's business was, it was not possible to predict how things would work out over the next year. The hon. Gentleman, who has great faith in his business abilities, said that all companies produce business plans. There was something of the dialogue of the deaf proceeding between us.

The Paymaster General must acknowledge that, however well managed a company is, and however convincing its business plan may be on the basis of assumptions made before the beginning of a financial year, that plan is only as good as the assumptions on which it is based. If the assumptions change as a result of some exogenous and unpredicted event, the business plan may no longer be valid.

Who could have predicted the collapse in Asia? Is the hon. Gentleman going to tell us that he predicted it? I shall be happy to give way, if he wants to tell the House that he knew a year ago that the Asian markets would collapse and the Asian countries would devalue massively. That is an example of an unpredicted and exogenous shock. There could be many more shocks much nearer home, of a more sectorally or geographically limited kind, which the hon. Gentleman can no doubt think of as well as I can.

The issue of predictability arises immediately, if companies must make payments on the basis of their anticipated net revenues and, therefore, taxable income for a given year, when those predictions may prove to be unsound retrospectively. That is a pro-cyclical attack on the company. My right hon. Friend the Member for Wells sometimes corrects me for using technical language in Finance Bill Standing Committee debates, but I am glad that he used that term earlier. It is not a particularly technical term, but it is the right one.

*[Mr. Davies]*

A pro-cyclical burden means that, if the company's profits are less than anticipated because of some unpredictable event, they will be further reduced because the tax charge is excessively high, by virtue of the mechanism that the Government deliberately and thoughtlessly introduced into our tax system. Pro-cyclical burdens are a very bad thing. It is extraordinary that one should have to give the Government such an elementary lecture.

It should be the concern of a good Government to avoid pro-cyclical burdens, whether in macro-economic management, which the Government have utterly failed to do—I shall not be drawn down that line as it is not directly germane to the new clause—or in the micro-economic area. We know that tax changes are enormously important because of their impact on the micro-economy, where the essential decisions on investment, resource allocation and wealth creation are made. The issue of predictability is important. It is fundamentally unsound to make tax payments premised on any assumption at all about future revenues.

The second issue, which has not always been separated in the discussion, is seasonality. Seasonality may be entirely predictable for a retail business. As has been pointed out in several contributions, not only retail businesses are seasonal—the tourist industry is a clear example. Under the measures proposed by the Government, the fact that seasonality is predictable will give businesses no relief from making an excessive tax payment early in the year, when their cash flow may be weak or even negative.

A perfectly sound business may make no money at all in January, February and March, but will still be forced to make a substantial tax payment, because it expects to make some money between October and Christmas. That is pro-cyclical. It places a larger cash flow burden on the company than it would naturally face as a result of operational conditions. That cannot be sensible. I beg the Government, even at this eleventh hour, to think again.

My hon. Friend the Member for Arundel and South Downs (Mr. Flight) referred to the way in which the Americans addressed the matter. They have never had an advance corporation tax system, so they have lived for a long time with the issues that the Government now face. They have a system under which, I gather, there is a 30:70 criterion. My hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb) is the expert in these matters. Companies that expect to make more than 70 per cent. of their profits in the second half of the year can opt to make tax payments that are loaded at the back end of the year.

Will the Paymaster General, for once, give us clear answers to some serious questions? To what extent did the Paymaster General look at the American system and other systems around the world before he took a decision on this matter? What would be the cost to the Revenue in this country of implementing a system along the American lines? Let us assume that we introduced the American system exactly: a 70:30 breakdown. What would it cost? I am sure that the Paymaster General's officials have calculated that figure—if they have not, the Government have not done their homework and we should hear about that before we vote on the measure. When we know the answer to that question, it will give us a clue about the heart of the matter.

This measure is about advancing the Government's revenue in this Parliament, and hang the consequences for British industry, for the British economy and for our future wealth, prosperity and employment. It happens to be convenient—I wonder why—for the Labour Government to garner all the resources they can in the next two or three years in order to affect a greater measure of economic competence and a better record of economic achievement than the facts will justify under any circumstances.

**Mr. Hammond:** I shall add some brief comments to those of my hon. Friends. [HON. MEMBERS: "Hear, hear."] I see that I have managed to introduce a note of consensus into the debate, as my announcement meets the approval of Government Members.

Whatever the Government say, the changes to the corporation tax system are revenue-driven. The Government talk about modernising the system, but it is clear that that is a sham and a smokescreen for an exercise in building a war chest through a one-off shift in the pattern of revenue, bringing forward into this Parliament revenues that Government would otherwise have enjoyed later. The measures that we have considered in Committee will require companies to make payments quarterly. As my hon. Friends have outlined, that gives rise to two quite distinct and separate problems. First, there is the problem of estimation. Companies will be required to make payments throughout the year based on their predicted profits for the whole year.

My hon. Friend the Member for Grantham and Stamford (Mr. Davies) explained eloquently the difficulties involved in doing that. The Paymaster General told us in Committee that all businesses are able to predict their profits and that they have mechanisms for doing so. However, if the Paymaster General reflects carefully, he will acknowledge that many companies have failed to predict their profits accurately and effectively. Retailers who depend heavily on seasonal profits are one notable group that have failed, as a result of the large fluctuations that occur at the year's end, to predict accurately the profits that they will enjoy over the whole year.

If a retailer gets it wrong, overestimates his profits and begins to pay substantial corporation tax earlier in the year, only to find that, because of a downturn in business, he is squeezed later in the year, he will be doubly jeopardised. He will have to live with the cash flow burden of having made those payments earlier in the year. However, if a retailer makes the opposite mistake and underestimates his likely profits for the year, he will face a penal regime which requires him to pay additional penalties when making up those payments later. Companies will be required to perform an exact and precise exercise in an area where history and experience suggest that it is not possible to do so with any accuracy.

The second problem that companies will face is much more obvious—the impact on their cash flow. The proposed new clause focuses particularly on the retail sector, in which a substantial number of companies have seasonal patterns of cash flow and profitability. Those companies that make advance corporation tax payments during the earlier part of the year will not only face

making those payments but, because of the seasonal nature of their businesses, typically invest large sums to build up stocks for their busy period.

Companies involved in the jewellery, toy, Christmas card or Christmas decoration businesses do not operate for only two or three months: they operate all year round. Christmas crackers are manufactured in January and February and are financed and stockpiled. That stockpiling represents a heavy drain on the cash flows of those companies. The Government propose to pile an additional burden on that cash flow strain by requiring those companies to make payments during a lean time in anticipation of profits that they may or may not make later in the year. According to my definition, that amounts to kicking a man when he is down.

The hon. Member for Croydon, Central (Mr. Davies) apparently failed to understand—although my right hon. Friend the Member for Wells (Mr. Heathcoat–Amory) did his best to explain it in simple terms—that, if we ask a company to pay £X million to the Treasury in January or June, that is £X million that that company cannot spend on investment in plant and equipment or on working capital for its business, thus generating jobs and prosperity in the economy. That is common sense, and it is not much to expect of the Government that they should make special provision in the most exceptional cases for companies that have seasonal cash flow and profitability patterns.

6.45 pm

We know that the draft regulations are out to consultation. The Paymaster General will no doubt tell us in a moment that, when he has completed that consultation, he will amend the draft regulations if he believes that there is a case to answer. However, we are anxious that the Government should state in fairly broad terms in the Bill that they intend to have regard to the special circumstances of seasonal retailers. It is not good enough that the regulations procedure is being used once again—even at the draft stage—to avoid scrutiny in the House of the Government's proposals. The Government will be allowed to do their dirty work behind the scenes at the regulations level. I urge the Government, even at this late stage, to rethink the measure.

**Mr. Gibb:** I shall explain briefly the problem that the Government have created. Quarterly payments must be paid in months seven, 11, 14 and 17. That means that, in month seven of the current accounting period, a company must determine the profits on which its corporation tax is payable. It must then apply all the corporation tax rules, including the deductible and non-deductible items, to determine its tax bill—and it is still only seven months into the current accounting period. The company must then pay its first quarter amount based on a quarter of the bill.

The problem facing the retail sector is that much of the activity that determines its profits will not have occurred in month seven—or indeed in months eight or nine—of the accounting period. *[Interruption.]*

**Mr. Deputy Speaker (Sir Alan Haselhurst):** Order. If Labour Members wish to conduct a conversation, I would prefer that they did so outside the Chamber.

**Mr. Gibb:** Thank you, Mr. Deputy Speaker.

The figures of retail companies, whose profits are determined in the last two or three months of the year, could fluctuate wildly. It is imperative that, in drafting the regulations, the Government come up with a new method that enables the retail sector to have some flexibility when calculating its profits for the full year. The profits that are determined in November or December could differ wildly from those estimated at the beginning of the year when companies must make their calculations.

My hon. Friend the Member for Bury St. Edmunds (Mr. Ruffley) quizzed the Liberal Democrat spokesman, the hon. Member for Kingston and Surbiton (Mr. Davey), about why companies do not simply change their year end. That would be a way around the problem because, if their busy period were at the beginning of the accounting period, companies would know what their profits were by month seven. The determinant period—for example, January and February or November and December—would be at the beginning of the accounting period and companies would know what had happened in that busy time.

The problem is that the stock exchange will want to see quoted retail groups' results for that busy period—which will determine the whole year's profits—as soon as possible after the event. Many retail groups have January year ends and, if such companies were to change that to another period, their value on the stock exchange would markedly decline because of the uncertainty inherent in having to wait a full year before the profits were reported to the exchange.

For those reasons, I urge the Government, when they have finished their consultation process, to take into account the serious concerns of the British Retail Consortium and the retail industry throughout Britain.

**Mr. Geoffrey Robinson:** We have had a long and wide-ranging debate on new clause 5. I hope to emulate the consensual approach of the hon. Members for Runnymede and Weybridge (Mr. Hammond) and for Bognor Regis and Littlehampton (Mr. Gibb) in the brevity of my speech and by sticking closely to the issue.

The right hon. Member for Wells (Mr. Heathcoat–Amory) went off into his usual wide-ranging ineffectual attack on the Government's long-term measures to put right what a previous Conservative Government did wrong in the economy. However, I notice that he seems finally to have accepted the principle of the changes and is now down to criticising their implementation. I am not sure whether the same can be said for the hon. Member for Grantham and Stamford (Mr. Davies). However, generally, the Conservative party is no longer seriously suggesting that, in the unlikely and impossible event of its ever being in government again, it would repeal the changes that we have introduced, be it the independence of the Bank of England, the code for fiscal stability or the abolition of tax credits to make a level playing field to encourage investment.

The Government have largely won the argument. There is no real argument for going back to an imputation system. No one will do that. There is no real argument for ending the operational independence of the Bank of England and returning its powers to the Treasury. The issue before us is the narrow point in new clause 5. Before I deal with that, there are one or two other things that I must say, particularly on secondary regulation, a matter to which Conservative Members return with boring regularity.

*[Mr. Geoffrey Robinson]*

All we have had—it is a pity that the quality of debate among Conservative Members has sunk to this—is a rehash in general and in detail of everything that was said in Committee on the Floor of the House and upstairs. We have had no new ideas from them whatever, other than a grudging final acceptance of the correctness of our approach to these matters. *[Interruption.]* The hon. Member for Bognor Regis and Littlehampton shakes his head, but is he seriously saying that he would rather we returned to a system of tax credits and advance corporation tax?

**Mr. Gibb:** The hon. Gentleman has completely ravaged Britain's corporation tax system solely because, in July, the Government wanted to raid Britain's pension funds to the tune of £5 billion a year. That is what we are paying for with these new complex provisions.

**Mr. Robinson:** The stock market is standing higher than on the day we took office, and the country continues to do well.

The Conservative Government's last three Finance Bills provided more than one dozen sets of regulation-making powers covering direct taxes alone. That is the extent of regulation under the previous Government. Three quarters of those regulations included powers to modify existing provisions in the taxes legislation. We need no lessons from Conservative Members on secondary regulations. I beg them to grow up in that respect and see that we are a Government who respect the proper prerogatives of this Parliament. The hon. Member for Bognor Regis and Littlehampton well knows that, although the regulations will be introduced under the negative resolution procedure, hon. Members can pray against them.

The hon. Member for Grantham and Stamford has a captivating interest in the American system. If we were to adopt that system en bloc, a high proportion of companies would pay the whole of their tax within the year, instead of just half of it as happens under the system that we have adopted. We considered the American system, but we have gone for one that is much better from that point of view. Moreover, our system includes a relatively small number of companies. We consulted on who should come within it and excluded the small and medium sectors.

I am looking to see whether Conservative Members have made any new points to which I should reply, but I cannot find any.

The new clause simply returns to an issue with which we dealt during the debate on new clause 30 in Committee of the whole House and again during the debate on amendment No. 8 to clause 36 in Standing Committee. As I made clear on both those occasions, the regulation-making power provided by clause 30 is already sufficiently wide to allow for the regulations governing the payment by large companies of their corporation tax by instalments from 1999 to include special rules for companies with seasonal trades. Therefore, the new clause is unnecessary, otiose and as useless as the Opposition.

**Mr. Hammond:** Is the Paymaster General, then, giving the House a commitment now that those regulations, when they are finalised, will include special provisions for retailers with highly seasonal patterns of profitability?

**Mr. Robinson:** No, I am not saying that. I am saying that the regulations are capable of doing that, so we do not need the new clause.

Much has been made by the Opposition of the alleged plight of retailers and others with businesses that have seasonal peaks and troughs in their profits, but many retailers do not have particularly seasonal trades. For example, I understand that supermarkets selling food—in fairness, this point was made by Conservative Members—earn their profits fairly evenly during the year, and many other retailing businesses are carried on by small or medium companies or by individuals, and so are not affected by the introduction of instalments.

I am aware that some large companies with retail businesses are quite highly seasonal, with sales, and therefore profits, peaking around Christmas and at sale times. The hon. Member for Runnymede and Weybridge mentioned some of them and obviously knows something about that sector. If that causes them to get their instalments wrong so that they pay their corporation tax late, they will be charged interest, but that will just reflect their late payment of corporation tax, and their use for a while of money that should have been paid over to the Exchequer. Similarly, if they pay too much corporation tax by instalments, they will get the extra back with interest. As Opposition Members know, the ratio of interest between what the Government pay and are paid has been brought into close, reasonably commercial proximity.

The Opposition have suggested that companies with seasonal profits should be allowed to pay their instalments based on actual tax-adjusted results for the previous six months. I think that that is the suggestion of the British Retail Consortium, which would confine it to companies consistently making less than 30 per cent. of their profits in their first half year. However, that would help few large companies, because few can consistently make upwards of 70 per cent. of their profits in the second half of the year, and it would be difficult to police.

This is simply another attempt by the Opposition to return to an issue that has already been thoroughly explored. I have said before that I am anxious to keep the instalment regime as simple as possible. It is no good the hon. Member for Kingston and Surbiton (Mr. Davey) saying that, because the Government could not obtain in aspects of other legislation the simplicity that we would have wanted, it does not matter in this case. That is a perverse argument. The hon. Gentleman would be surprised at the extent to which we have achieved simplification in many areas, and, if we can obtain it, we must clearly go for it.

Introducing special rules for retail companies would inevitably add considerable complexity to the instalment rules while benefiting only a relatively small number of companies. However, we have received representations on the point which we are continuing to consider, along with

all representations received during the consultation period, ending on 15 July, on the draft regulations. We shall take all those into account and let the House know our decision.

**Mr. Heathcoat-Amory:** These debates are achieving a sort of regularity. Conservative Members put up an unanswerable case and the Paymaster General blusters and flusters. On this occasion, he ended up virtually accepting our case, but he spoilt it all by saying that new clause 5 was unnecessary because the regulations under the Bill already make the same provision. However, we have learnt not to accept Government intentions but to try to tie them down so that they deliver on some of their words. We debated earlier this evening a new clause which we introduced precisely because the Government had failed to deliver on an expressed sympathy for the low-paid and poorer pensioners who had been hit, and continue to be hit, by the withdrawal of dividend tax credits in the Bill. We shall press the new clause to a vote to ensure that the Government deliver on their intentions.

7 pm

**Mr. Clifton-Brown:** Does my right hon. Friend agree that one of Labour's hidden tax rises will be affected if the Government do not accept the new clause? In the tourism industry, for example, large hotels in my constituency with variable profit fluctuations will have to pay higher corporation tax or file higher corporation tax returns than they would otherwise have done because of the interest penalties that will endure. It will be cheaper to pay the tax in advance—which is, in effect, a cost—rather than endure the penalties.

**Mr. Heathcoat-Amory:** My hon. Friend has given a good example of the difficulties that businesses will face because of the Finance Bill as it stands. Our new clause would, in a modest way, relieve the ravages of Labour's high tax policy for a small sector of corporate Britain. We want to include it in the Bill, and this is our last chance to make that happen. The Paymaster General did not even refer to the fact that parts of the Bill will never be debated again because they will be relegated to secondary legislation.

I repeat that there is in the Chancellor's own Budget arithmetic a £2 billion a year increase in the effective rate of corporation tax, consequential on these quarterly payments. That is specified on page 18 of the Red Book, but it is not specified in the Bill, and hon. Members will not find any clause laying down how that sum is to be raised and who is to pay it.

Those who were Members of Parliament before us would be amazed that we are authorising a £2 billion a year increase in taxation which is to be laid down later in regulations that the House will never have a chance of debating, approving or voting against. We will betray the traditions of the House if we allow the Government to increase taxes in such a way, without giving ourselves any opportunity to express an opinion.

In a small way, through our new clause, we are ensuring that the parts of the retail sector that experience seasonal profits will have their interests at least partly protected. We have had a proper debate, which we have won, and we shall put the new clause, which should be incorporated in the Bill, to the test of a vote.

*Question put,* That the clause be read a Second time:—

*The House divided:* Ayes 175, Noes 276.

**Division No. 319]** **[7.2 pm**

**AYES**

Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Ashdown, Rt Hon Paddy
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Norman
Ballard, Jackie
Bercow, John
Beresford, Sir Paul
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brake, Tom
Brand, Dr Peter
Brazier, Julian
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burns, Simon
Cable, Dr Vincent
Campbell, Menzies *(NE Fife)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Curry, Rt Hon David
Davis, Cynog
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Emery, Rt Hon Sir Peter
Evans, Nigel
Ewing, Mrs Margaret
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fox, Dr Liam
Fraser, Christopher
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Hayes, John
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Nigel *(Cheltenham)*
Kennedy, Charles *(Ross Skye)*
Key, Robert
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lidington, David
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Major, Rt Hon John
Maples, John
Maude, Rt Hon Francis
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian

Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spicer, Sir Michael
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swinney, John
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Tonge, Dr Jenny
Townend, John
Tredinnick, David
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Wallace, James
Waterson, Nigel
Webb, Steve
Wells, Bowen
Welsh, Andrew
Whittingdale, John
Wigley, Rt Hon Dafydd
Wilkinson, John
Willetts, David
Willis, Phil
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim

**Tellers for the Ayes:**
**Sir David Madel and**
**Mrs. Caroline Spelman.**

**NOES**

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Banks, Tony
Beard, Nigel
Begg, Miss Anne
Bennett, Andrew F
Benton, Joe
Berry, Roger
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byers, Stephen
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Caplin, Ivor
Casale, Roger
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbett, Robin
Corston, Ms Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Drew, David
Eagle, Maria *(L'pool Garston)*
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Field, Rt Hon Frank
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Grant, Bernie
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Henderson, Ivan *(Harwich)*
Heppell, John
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Howarth, Alan *(Newport E)*
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hutton, John
Iddon, Dr Brian
Ilsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Jones, Mrs Fiona *(Newark)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lepper, David
Leslie, Christopher
Lewis, Terry *(Worsley)*
Liddell, Mrs Helen
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McDonnell, John
McGuire, Mrs Anne
McKenna, Mrs Rosemary
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWilliam, John
Mahon, Mrs Alice
Mandelson, Peter
Marek, Dr John
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*

Temple-Morris, Peter
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Twigg, Derek *(Halton)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Alan W *(E Carmarthen)*
Winnick, David
Wood, Mike
Woolas, Phil
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

**Tellers for the Noes:**
**Mr. Jim Dowd and**
**Mr. David Jamieson.**

*Question accordingly negatived.*

## New clause 7

DEFINITION OF NATIONAL DEBT

'.—For the purposes of sections 152 and 153—

The "National Debt" shall be taken to include the principal amount of any non-governmental debt to the extent that such debt is guaranteed by the Government or by any organisation under its effective control or management and the amount of Government borrowing in any one year shall be calculated accordingly.'.—*[Mr. Heathcoat-Amory.]*

*Brought up, and read the First time.*

**Mr. Heathcoat-Amory:** I beg to move, That the clause be read a Second time.

The new clause attempts to incorporate into the Bill a tighter definition of what the Government mean by national debt. The matter has assumed greater importance since the publication, some two weeks ago, of the Government's public expenditure plans, which signal a marked increase in public expenditure under a smokescreen of fiscal rectitude.

The talk has been about imposing a discipline on the national account, but the reality underneath is that public expenditure is signalled to rise from next year and in every subsequent year by at least 2.75 per cent. in real terms. We estimate that the figure will be greater than that, once account is taken of all the changed definitions at the margin.

Thus, the question of definitions is important, particularly the frontier between capital and current expenditure. Those of us who have laboured in one of the professions thought that we understood the distinction between capital and revenue expenditure, but I do not think that the Government do. I tabled a simple question to the Chancellor of the Exchequer about whether

"he plans to classify expenditure on hospital repairs as current or capital spending."

Any first-year accountancy student can answer that. Repairs are revenue, whereas alterations or additions are capital expenditure. However, the Chief Secretary answered, after some delay:

"Expenditure on hospital repairs will follow the classification rules for the national accounts."—[*Official Report*, 29 June 1998; Vol. 315, c.29.]

Therefore, either he does not know or it is still to be determined. A simple question received a very muddled response.

**Mr. Barry Gardiner** (Brent, North): Will the right hon. Gentleman inform me—I am genuinely ignorant about this—on whether exchanging the old shadow Chancellor for a new one is considered a repair or an alteration?

**Mr. Heathcoat-Amory:** If the hon. Gentleman wants to make a better attempt at a witty intervention, I hope he will catch your eye, Mr. Deputy Speaker, so that we can hear him develop that point, because it will obviously be very humorous. I am attempting to ask a serious question.

Are the Government adhering to normal accountancy rules in classifying expenditure? Judging by the reply that I have elicited, they have not made up their mind. That is a pity, because they have put enormous weight on the so-called golden rule under which the Government promise to borrow only for capital expenditure. If they are able to capitalise expenditure, they can meet that golden rule with almost any increase in overall public expenditure.

We tabled the new clause, which is modest in intent, to urge the Government to ensure that any off-balance-sheet lending is properly classified as national debt, if they extend a guarantee. The best example that we can think of is the channel tunnel rail link. Perhaps the Paymaster General can enlighten us, but it appears that the Government have extended a guarantee so that no risk, or not sufficient risk, has been transferred from the public sector. If so, the borrowing should surely be classified as national debt. The Government have every incentive to remove borrowing from the national debt so that they can, in effect, engage in public expenditure without it showing up in debt or breaching the golden rule, or the secondary rule, which places a limit on the ratio of debt to gross domestic product.

There is much confusion in this area. Changing a definition does not make something different. In the space of only three months, the Government have given up their objective of repaying national debt. The Red Book, which is only three months old, shows that, even under the most lax option of public expenditure, they had a clear intention of repaying debt. On page 121, it refers to the fact that the Government's calculations reflect

"the projected debt repayment over the medium term."

In the expenditure statement issued less than three months later, all that was gone. There is now no provision for repaying national debt.

In government, things can move quickly. Promises and intentions made perhaps in good faith at Budget time are abandoned a few months later under the impact of a few broken promises. The Government are in difficulty over class sizes, they have broken their promises on hospital waiting lists, they have been panicked into taking the brakes off public expenditure, and they are reverting to tax and spend policies. The principles of national accounting should remain sacrosanct. They should not be able to manipulate the picture by changing definitions, particularly the definition of capital expenditure and revenue expenditure, simply to suit the political imperative.

New clause 7 would at least ensure that any debt guaranteed by the Government, or by any organisation under their control, would be classified as national debt. I do not seriously see how the Paymaster General can object to that, and I await his reply with interest.

**Mr. Cranston:** We had the usual trip around the houses with the right hon. Member for Wells (Mr. Heathcoat–Amory). He spoke about the Government's confusion, but I think that he is totally confused. He moved a new clause that proposes a change in the definition of national debt to include

"the principal amount of any non-governmental debt . . . guaranteed by the Government".

I suggest that that is incoherent.

If a guarantor guarantees an amount, there is a contingent liability, which depends, for example, on the risk of default by the principal debtor. One certainly does not attribute to the guarantor a debt for the full amount guaranteed. It is a contingent liability.

**Mr. Gibb:** If a bank guarantees a loan, it is obliged to account for the full extent of that guarantee as a liability on its balance sheet.

**Mr. Cranston:** We are talking about the definition of national debt, which is an entirely different concept.

The new clause would include in the definition of national debt any debts incurred by any other organisation under the Government's control or management. There is a legal argument as to whether the Export Credits Guarantee Department gives guarantees or grants insurance. The ECGD is under the control of the President of the Board of Trade. Is any debt guaranteed by ECGD to be taken into account in the national debt? That would be ludicrous.

The new clause is a typically incoherent amendment moved with the usual rhetoric by the right hon. Member for Wells. It signifies nothing, and I am sure that it will be rejected.

**Mr. Gibb:** The new clause is important, because the Government have consistently and deliberately attempted to manipulate the national accounts. On the private finance initiative, for example, there is a dispute between the Treasury and the Accounting Standards Board about exposure draft FRS5. The Government claim that the liability should not be on their balance sheet, but on the private sector.

The Accounting Standards Board accept that the liability should not appear on the Government's books, but only if the risk is transferred to the private sector. It is right. If it were to give in to pressure from the Treasury, the same accounting standards would apply to the private sector, and a swathe of debt would disappear from private sector balance sheets, which would lead in due course to company bankruptcies. The people to blame for that would be the auditors who had not applied sensible accounting methods to those companies' accounts.

**Mr. Cranston:** I should like to ask the hon. Gentleman a question about banking, as he invited me to do so earlier. Is not the aim of securitisation to get assets off the bank's balance sheet? It is a typical commercial practice.

**Mr. Gibb:** Yes—and it is important that, when securitisation takes place, there is a genuine transfer of the risk. That is why the integrity of organisations such as the ASB is so important, and why it is wrong for the Treasury to put pressure on the ASB to change its rules simply to suit the Treasury's convenience in getting debt off its own balance sheet.

That is the first way in which the Government are manipulating the accounts. We have also seen the accounting treatment of family credit. There has been almost a deliberate decision to replace family credit with working family tax credit, in order to take £1 billion from Government expenditure by reclassifying an element of a benefit as a tax credit. Its classification as tax forgone rather than expenditure wipes £1 billion, with one sweep of the pen, from the Government's accounts.

7.30 pm

The third element, to which my right hon. Friend the Member for Wells (Mr. Heathcoat–Amory) alluded, involves the debate about capital versus revenue, and about what those words mean. The Government have set great store by the introduction of the golden rule that states that they can borrow only to finance capital expenditure; but what is capital expenditure? My right hon. and hon. Friends have sought to discover the definition, but have been rebuffed by the Government in all quarters, because the Government cannot provide a definition enabling us to be certain about what they mean by capital.

Does a repair to a school, for example, count as revenue expenditure, or does it count as an improvement to the school, and therefore as capital? In the private sector, a repair is treated as revenue for accounting purposes, but, responding to a question, the Paymaster General said that it would depend on the level of repair. If the repair improved the building, it would be treated as capital; if it merely repaired the building, it would not. That is too uncertain a definition. We must have certainty in national accounts; we cannot allow such a level of subjectivity.

David Clementi, one of the Government's representatives on the Monetary Policy Committee of the Bank of England, said in evidence to the Treasury Select Committee:

"It can be quite hard to decide what counts as investment and what is current expenditure."

It is difficult—which is why William Buiter, another member of the Monetary Policy Committee, has dismissed the golden rule altogether as a method of assessing the correct level of debt for a Government. In evidence to the Select Committee, he said that many countries that supposedly operate the golden rule—as Germany has to do under its constitution—find

"creative accounting ways of emasculating it when this needs to be . . . you can always reclassify 'current' as 'capital' if you twist the arms of your accountants".

That is precisely what the Government are seeking to do. We have seen it with the ASB, and we are seeing it with the golden rule. The new clause would put into legislation a definition of what is capital and what is not—of what is debt and what is not.

The fourth area in which we have seen manipulation of the accounts is the guarantee. We saw it with the guarantee of the loan that the channel tunnel rail link consortium needs to finance the link—a £3.8 billion Government guarantee. Yes, it is a contingent liability; it has not been drawn down on the Government. But, even under the Government's current rules, in assessing whether an item ought to be included as a liability or debt, the Government must consider the level of risk. If the Government consider it sufficiently likely that the debt will be drawn down, under their current rules that debt will be regarded as part of Government debt.

In a parliamentary question, I asked about the guarantee. The Chief Secretary to the Treasury replied:

"The Government believe that the amount of finance required for the Channel Tunnel Rail Link is such that the financial markets would have been unable to provide the credit support which Government are to give."—[*Official Report*, 29 June 1998; Vol. 315, c.28.]

The Government are providing a guarantee, not to reduce the cost of finance, but to provide a loan that no one in the private sector is prepared to give. If that is not an admission that this is a very risky venture, I do not know what is. Even according to the Government's own current definition, they should include the channel tunnel rail link guarantee as part of debt.

We have seen four examples of the way in which the Government are manipulating the accounts. It is vital that that element is removed.

**Mr. Love:** The hon. Gentleman has referred to the difficulty and complexity of decisions of this type. He has mentioned the ASB and the Government. He will know that earlier this year, during discussions on the rules on a true and fair view, the ASB was able to persuade the Treasury to accept that element in the new accounts. Does he agree that such complex and difficult issues should be left to those who can negotiate and discuss them, rather than our trying to deal with them in a catch-all clause such as this?

**Mr. Gibb:** The "true and fair view" debate was about the Government's imposing on small businesses all the paraphernalia of statements of standard accounting procedures, which has never been done before. SSAP 9, for example, requires an element of overheads to be included in the valuation of stock. That imposes an unbearable burden on small businesses.

The hon. Gentleman is right to say that the ASB should not be bullied by Government. It should not be forced to change its principles and procedures simply to accommodate the Government's desire to shift debt from the balance sheet. That is why the new clause is so vital: it will give the world outside the Government—the City of London, and people who read Government accounts—certainty about what constitutes repair, what constitutes capital and what constitutes debt.

I hope that the Government will either accept the principle of the new clause, or set out the precise definitions of capital, revenue and what they regard as debt. I hope that they will also explain why the channel tunnel rail link guarantee of £3.8 billion is not being included in the balance sheet as a liability, notwithstanding the Chief Secretary's admission that it is such a risky venture that no one in the private sector would lend us money for it.

**Dr. Vincent Cable** (Twickenham): It is difficult to see anything objectionable in the new clause. I consider it a matter of general public interest for the public accounts to feature as much transparency as possible. That is desirable not just for public scrutiny purposes, but because the markets increasingly require exacting standards in regard to both public and private borrowing.

I do not think, however, that we should become too excited. It is not at all clear that the new clause constitutes an enormous advance in our understanding of the problem of public debt. The real problem—as has been revealed by the crisis in Asia over the past year—is not the difference between guaranteed and non-guaranteed debt, but the difference between implicit and explicit debt. In Asia, enormous amounts in private loans have been raised by private agents, and the markets chose not to believe that those were purely private transactions. There was an implicit assumption that the Governments would underwrite them. Similarly, the British economy has a large amount of implicit debt that is not guaranteed, and would never be picked up by a measure of this kind.

I am sure that Conservative Members are well aware of an obvious instance. I refer to the legacy of privatisation of the utilities. If, for example, a highly geared water utility were to make itself insolvent as a result of mismanagement, it is difficult to believe that the Government of the day—whatever their politics—would allow taps to be turned off for months on end while the question whether guarantees were implicit or explicit, and the relationship with creditors, were sorted out. It would be a Government responsibility to act immediately, and an implicit guarantee would be associated with that utility because it was a utility. Simply having explicit guarantees does not take us forward very far. Inevitably, there is a vast murky area in which the Government effectively underwrite the liabilities of large parts of the private sector.

None the less, the new clause has taken us forward a little. It also enables us to raise a few more fundamental questions about what the Government hope to achieve with their debt objectives. In a sense, they have only themselves to blame for the fact that they are now being caned for a lack of precision on debt, because they have chosen to elevate their public debt target to such a high level.

It is not clear why public debt has become such an obsession for them. It can be seen from the latest relative public-debt ratios achieved by countries in the Organisation for Economic Co-operation and Development that we have a lower gross debt ratio to gross domestic product than any other G7 country—lower even than the United States—and that our net debt-to-GDP ratio, which we are now targeting, is lower than that of any other OECD country except Japan, which has the special problems of pension funding. We do not have a seriously aging population, so why is there this preoccupation with public debt?

The Government's reasoning is that they have a problem with interest payments, but the reason why we have an interest problem on public debt is because of the extremely high rate of interest on long-term debt, which is the highest in the G7. That is in large part because of the inflation expectations of the market, which now rates Britain as a greater inflation risk than Italy; it has done so for some time, not just under this Government. Therefore, the issue about public debt seems to have been grossly inflated.

I should like to pose one question, and I hope that the Minister will deal with it in his answers. What is the implication—the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) has already touched on this—of the two rules that the Government have set for themselves: the golden rule and the public debt rule? How do those two things interact?

At first sight, the golden rule is—I disagree with the hon. Gentleman on this—sensible. It provides for balanced budgeting, but allows the Government to borrow

*[Dr. Vincent Cable]*

up to whatever the limits are in terms of viable projects producing a good social return, but the question arises: supposing the Government do follow the golden rule and borrow heavily for good, useful public sector projects and that drives public debt upwards, how do the Government reconcile what would then be inconsistent objectives? What takes priority—the golden rule or the debt target, and why should the golden rule be overridden if there were a particular worry about public debt that is created by good public sector projects?

I pose that question, which might seem a little academic, in the context of two specific industries: the Post Office and the London Underground. Those are two good examples of seriously under-capitalised utilities that clearly need to borrow substantial amounts for investment. It would almost certainly be economically sensible for them to do so. It would produce good returns for the public sector. In our view and in, I think, that of most Labour Members, they should remain within the public sector, so why should they not borrow, and why would it matter if that drove up to a modest level the debt-to-GDP ratio?

I thank Conservative Members for raising this issue; it does seem important. I do not think that they take us enormously far forward, but this seems a useful addition to the collection of statistics. Perhaps it is a good opportunity to help the Minister to take us a little forward in debating his thinking on public debt management.

**Mr. Flight:** The new clause is extremely important because it airs an issue, in a changing world, about which Governments, of both political complexions, have scarcely thought. In the past, the general principle has been that any material liabilities that were being guaranteed should be covered by the reserves, but I think it is correct to say that there have not been clear rules on the matter to date.

The issue is important for the reasons referred to by the hon. Member for Twickenham (Dr. Cable) and my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb). As we move out of an age in which much—particularly in the utility and other sectors—was within the Government sector anyway, and into an age of many more private finance initiative deals and many more Government-private partnerships, it is inevitable that the amounts that are explicitly guaranteed by Government will grow—before we even reach the more difficult issue of what is implicitly underwritten by Government.

The new clause makes the explicit, transparent requirement that anything that is guaranteed by Government, Government agency or body related to Government, should be included within the national debt total. That could logically be interpreted as meaning that two different lots of figures should be produced: the national debt total ex such guarantees, and the national debt total cum such guarantees, with such liabilities as have been guaranteed potentially being classified by their assessed risk.

The Government's present posture seems to be somewhat cavalier, particularly in relation to the £3.8 billion-worth of London and Continental Railways bonds that have been guaranteed. I believe that I am correct in saying that the view of the Deputy Prime Minister was, "There is less than a 20 per cent. chance that the liability will be called, so forget it." That is not at all adequate, for the reasons to which my hon. Friend the Member for Bognor Regis and Littlehampton drew attention. Whatever the risk, the money could not have been raised without that Government guarantee. If the Government are going to move forward with their private sector partnerships and with PFI activities, the issue is going to come up much more.

As has been pointed out, this touches on wider issues—for example, what do the Government mean by their definition of the factors underlying the golden rule? It is also correct to make comparisons with the private sector. As has been pointed out, in looking at a bank's capital adequacy, contingent liabilities, where guarantees have been given, have to be taken into account. In relation to any other financial services business that has capital adequacy requirements, the same is true, although, interestingly, contingent liabilities are given weightings, depending on the degree of risk involved.

7.45 pm

This is an issue in regard to which there may be scope for pan-European clarification. Certainly, the statistics that are kept by the countries of Europe—indeed, by EU member states—seem to be all over the place. If this country simply ignores this important issue, we move into what I refer to as Italian-Franco territories. Much though I love both countries, they are notorious for fiddling their national statistics, so that we do not know what the real situation is.

I was astonished to discover that the famous Italian debt ratio, on which the whole of the EMU went ahead, is not, in fact, based on the official Italian national income—the national income has been inflated by an estimate of Italy's black economy, thus serving to reduce the debt ratio from what would otherwise be about 150 per cent. to close to 110 per cent. I repeat: there is much to be said for having pan-European, agreed rules on what Government statistics should comprise, what should be published and what the divisors for certain ratios should be.

The hon. Member for Twickenham rightly raised the important issue of implicit as well as explicit potential liabilities. I think that it is impossible to define rules for the quantification of that, but it is a fair point that, in relation to the problems in Asia, the expectation that there was implicit Government support has been an important cause of some of those problems. The point at issue is not so much the explicit wording of the new clause as the fact that there need to be agreed, clear rules on this issue. Pan-European rules would be useful in enabling us to understand the true financial situation of all EU member states.

In addition to dealing with the extent to which Governments' liabilities that have been guaranteed should be set down and there should be transparency, the new clause raises the issue of future unfunded Government liabilities, which should also be explicitly quantified. What are the unfunded pension liabilities of Germany? What are the potential liabilities of the UK's national insurance arrangements? Without such data, any comparison of economies is meaningless.

Given the combination of the change in definition from the public sector borrowing requirement to the public sector net cash requirement; the issue of how to define

capital and current expenditure to implement the golden rule; and the wider issue of whether we are going to organise expenditure wholly within the state sector or within private and state allowances, I fear that the Government are deliberately seeking to ensure that the statistics can be manipulated to suit whatever story they want to be told. The current economic situation means that that is easier to do than it has been in the past.

I strongly support the new clause and all that goes with it. If the Government do not accept it, I hope that they will come forward with sensible proposals on how the true figures of our national accounts can be recorded, and on the possibility of having a pan-European standard.

**Mr. Nick St. Aubyn** (Guildford): I, too, welcome this debate. Viewers of the parliamentary channel may be debating whether they dare switch over to watch the match at 8 pm. We are debating a vital issue that will affect all our futures, so I hope that viewers will stay with us.

As this is a debate about the national debt, I should like to put to rest once and for all the canard that we have heard so often from Labour Members—I hope that we will not hear it again tonight—that the previous Government doubled the national debt. That is totally misleading. The previous Government halved the national debt in their first 10 years in office.

I am grateful to the authors of the Chancellor's fiscal strategy report for pointing out that, during the first 10 years of the previous Government, the level of debt fell from 49 to 27 per cent. of gross domestic product. It is true that, in the following recession, it rose again to 45 per cent. of GDP, but that was still below the level that we inherited from the profligate previous Labour Government. However, there was a benefit even there, because one of the effects of the recession, difficult though that period was, was that it delivered a very low sustainable rate of inflation and, with that, a much lower rate of Government borrowing on Government bonds, of which, of course, this Government have been the beneficiary. This Government really did have a golden inheritance. Unfortunately, not all that glitters is gold.

**Mr. Christopher Leslie** (Shipley): The spectre of the golden legacy stirred me into action again. If the legacy was so golden, what explanation would the hon. Gentleman give to his constituents of the £25 billion used to pay interest charges on the national debt which still hang around the necks of all taxpayers in this country? Does he not realise that many people feel that the previous Government should be surcharged for such profligacy?

**Mr. St. Aubyn:** I am surprised that the hon. Member for Shipley (Mr. Leslie) is not embarrassed by his own question. At this stage in the previous economic cycle, the Conservative Government repaid Government debt and reduced Government interest charges. This Government have changed their tune within a year of being in office and have no intention of repaying a single pound of debt. The debt is going up year on year. That will be the tarnished legacy that we will inherit in a few years' time. The Paymaster General may smile, but we have to ask what the golden rule means.

I re-examined the figures in the Chancellor's report. It is interesting that capital expenditure under the last Labour Government accounted for more than four fifths of the level of their borrowing. We all know that borrowing under that Labour Government was at an absurdly high and unsustainable level, yet most of it was what this Government would call capital expenditure and would therefore come close to their golden rule. As my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb) pointed out, it is no wonder that the golden rule is next to meaningless when it comes to judging how truly prudent a Government have been.

We have heard about the bonds in respect of the new rail link to the channel tunnel. Only this morning, the *Financial Times* pointed out how imprudent it is of the Government not even to count that guarantee as a contingent liability, let alone subject it to the more rigorous system that we are proposing, whereby the sum would be stated up front, as it were, on the Government's balance sheet.

Let us consider the Export Credits Guarantee Department. We all support the idea of guarantees for exports. It is a thoroughly sound idea, and it underpins the strength of the economy that we bequeathed to the present Government. However, there is always room to consider the cost of what we are doing for exports. If we know the true figures, we can get clearer information and a better idea of that cost.

Of course, there is a cost associated with all the guarantees that the Government are giving. They mean that the paper in the market is effectively Government paper. As we know, the more Government paper there is in the market, the higher will be the cost of raising additional funds for the Government. There is a cost to all taxpayers for the guarantee of the channel tunnel link funding, and that cost will be in the form of higher interest rates or all Government debt. Again, the hon. Member for Shipley should have been too embarrassed to get out of his seat.

My hon. Friend the Member for Arundel and South Downs (Mr. Flight) alluded to another problem. I am grateful to the Library for coming up with some information from the International Monetary Fund on pension fund liabilities. The IMF report states:

"For many industrial countries, net pension liabilities exceed current overall national debt."

In fact, in Japan, Germany and France—according to the IMF figures—the level of unfunded pension debt alone is more than 100 per cent. of GDP. In other words, as my hon. Friends have said, there are myriad ways of measuring the obligations of Governments.

We should not be blinded by the fact that the Minister will no doubt allude to the Maastricht definition. The Maastricht definition makes no reference to the level of unfunded pension liabilities which are so high in Germany and France but which, according to the same report, are less than 5 per cent. of GDP in this country. There is a dramatic difference between the strong Government debt position inherited by the Labour Government and that in any other country in Europe—and, indeed, in almost any other country in the world.

The new clause is simple and would have a very clear effect. Above all, if the Government accepted it, it would show that they took their liabilities seriously. It would show that they did count the cost, and merely by demonstrating that, would go some way to mitigating the profligacy that we have already witnessed on the part of the Government, in respect not only of the channel tunnel funding but of student loans.

*[Mr. St. Aubyn]*

By the end of this Parliament, there will not only be £3.5 billion-worth of guarantees of channel tunnel funding but about £6.5 billion-worth of student loans guaranteed by the Government. That debt will be in the market, and the Government are ultimately responsible for it. The Government are using guarantees as a way to supplement their borrowing powers in every way they can. In the process, they are undermining the very claims to prudence set out in the report that we received from the Chancellor earlier this month.

**Mr. Geraint Davies** (Croydon, Central): New clause 7 is a clear example of Conservative Members' financial illiteracy. The obvious point about the £400 billion national debt has already been made in this debate, as has the point about the cost of paying for that debt. The basic point that I want to make is one of financial literacy—that a contingent liability is not borrowing.

The Export Credits Guarantee Department has been mentioned in the debate. In simple terms, that department gives a guarantee—to Midland Bank, for example—to underpin a credit facility for an exporter, who in 99 per cent. of cases will later be paid by an importer. Therefore, that contingent liability never becomes borrowing. The idea of including such a liability on the balance sheet is therefore wrong. It is a situation in which a contingent liability never becomes a debt.

8 pm

I can see the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) thinking about that, and about the fact that it is facile and stupid to include contingent liabilities with borrowing. That liability will not become debt, although it is risk.

**Mr. St. Aubyn** *rose—*

**Mr. Flight** *rose—*

**Dr. Cable:** Will the hon. Gentleman give way?

**Mr. Davies:** I shall give way in a moment.

We therefore cannot simply club together those items, which are apples and pears. A comparison of that prescription with private sector practices, in companies and in balance sheets, would reveal that—although a company would have company borrowing on its balance sheet—a contingent liability, such as a guarantee to an associated company, would be in the footnotes of the accounts and not in the balance sheet. The reason for the practice is that that contingent liability may not be realised as a borrowing or debt obligation.

The Government issue Treasury bills and are obliged to pay for them; that is borrowing. Conversely, if they give various guarantees but there is no real prospect of having to pay out on them—a contingent guarantee—it would be completely irrational to add contingent liabilities to actual borrowing to come up with a concept of debt.

Therefore, new clause 7 underlines a fundamental misunderstanding of public accounts.

**Several hon. Members** *rose—*

**Dr. Cable** *rose—*

**Mr. Davies:** I wonder why, if the new clause is such a good idea, the previous Government did not introduce such a measure during their 18 years in office. There seems to be a whole queue of hon. Members waiting to get involved in the debate.

**Dr. Cable:** Does the hon. Gentleman include the World bank in his definition of financial illiteracy? As a matter of course, that bank regards publicly guaranteed private debt as part of external public debt for the 130 countries that it reviews.

**Mr. Davies:** I was simply saying that one cannot combine borrowing with contingent liability and come up with a figure. No one is saying that we should not assess the level of the Government's exposure to risk. If one has, for example, a credit guarantee for £100 million here and one for £100 million there, and if one of them is a very highly geared, high-risk guarantee whereas the other is as safe as houses, we simply cannot add together the two and produce a meaningful figure. The idea that we can then add on to that figure an actual borrowing liability is ridiculous.

Those who tabled new clause 7 are trying to suggest that we should enrich our understanding with a more detailed breakdown of the different types of our exposure—which would include the private finance initiative, for example. If that were really the objective of the new clause, we would be having quite a different debate. However, it is facile seriously to expect the House to pass such a simplistic new clause.

**Mr. St. Aubyn:** It is evident that both a guarantee and a loan are a use of credit and a use of the Government's good name. They are very similar uses of credit, and we therefore need a common measure of both of them.

**Mr. Davies:** That is ridiculous. If the Government borrow money, they borrow money and have an obligation to repay it, underpinned by taxpayers' money. Conversely, it is a quite different kettle of fish if they give a guarantee covering, for example, a credit failure by an exporter, or by an importer to pay an exporter in a foreign market. If the hon. Gentleman cannot understand that difference, he should not have served on the Committee considering the Bill.

**Sir Michael Spicer** (West Worcestershire): I had not planned on speaking in this debate, but was inspired to do so by the final remarks of the hon. Member for Croydon, Central (Mr. Davies). He said that borrowing is borrowing—which I totally agree with—but he should speak to the Chancellor of the Exchequer about that. The Chancellor has invented a new definition of borrowing, which is that it has to be related to capital expenditure and not to current expenditure.

I caught only the end of the speech by my hon. Friend the Member for Guildford (Mr. St. Aubyn), when he mentioned the golden rule. The golden rule is constantly being mentioned—I think mistakenly—as some act of great prudence.

**Mr. Geraint Davies:** Will the hon. Gentleman give way?

**Sir Michael Spicer:** I shall finish these comments—I might forget them—and then I shall certainly give way.

The golden rule breaks the point that the hon. Member for Croydon, Central made about borrowing being borrowing. It is quite wrong to try to disguise that fact.

Secondly, somehow or other, the golden rule has been used as some type of fig leaf for prudence. Yesterday, the Chief Secretary to the Treasury argued in the House with my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb) about evidence given by Professor Buiter—one of the members of the Monetary Policy Committee—to the Treasury Select Committee, of which I am a member. Professor Buiter argued effectively—for very much the same reasons given by the hon. Member for Croydon, Central—that the golden rule was rubbish. The Chief Secretary said that that was not quite true, because the Government were actually interested in prudence. However, prudence—which is related to a second completely false conception, that I shall deal with now that I am speaking in the debate—is meaningless.

It is mistaken to argue that the golden rule, which is a new definition of borrowing, is somehow more prudent than a belief—as the hon. Member for Croydon, Central seemed to argue—that all borrowing is related to prudence.

**Mr. Davies:** I should like to make it clear that the golden rule is not a definition of borrowing, but a prescription for sound and prudent financial management. One borrows only against capital investment and not to pay for consumption. That is very sensible practice and is not a definition of borrowing. We all know that borrowing is simply taking money and spending it on whatever. The golden rule is a quite different proposition. I commend and support wholeheartedly the Chancellor's actions on debt management, the golden rule and separating capital and revenue. However, I completely reject new clause 7.

**Sir Michael Spicer:** I think that the hon. Gentleman and I agree on some points. The problem is that, as a definition of prudence, the golden rule is not a very good one. All precedent in public spending has shown that any increase in capital spending is usually accompanied by a pretty massive current expenditure commitment, even if it is argued that it is for capital expenditure. The relationship between capital expenditure and current expenditure has been well established as an economic concept.

**Mr. Davies:** Surely the point is that the revenue costs of capital investment should be paid from revenue and not from borrowing. One can borrow to invest in capital expenditure. Although there will be a knock-on revenue cost, that should be paid for out of tax. The points are quite consistent.

**Sir Michael Spicer:** As the hon. Gentleman said, all borrowing is borrowing. The fact is that there is not such a thing as "distinct borrowing for capital expenditure" that can somehow be identified as different from borrowing for current expenditure, in terms not only of prudence, but of practical fact.

I do not understand why there is such a fuss about the new clause. I should say, partly in response to a comment by the hon. Member for Croydon, Central, that one of the reasons why the previous Government did not make such practices particularly explicit is that there was never any doubt that attaching some type of public sector guarantee—as there would be, for example, if a company had a Government stake of more than 50 per cent. as some form of guarantee and, therefore, there was a distortion in how it was allowed to borrow in the market—should attract the application of public sector borrowing requirement rules.

**Mr. Hammond:** Does my hon. Friend agree that the hon. Member for Croydon, Central (Mr. Davies) fails to see that almost all borrowing by public bodies could be replaced by private sector borrowing with the backing of a Government guarantee? Therefore, his position is ludicrous. The Government could wipe hundreds of millions of pounds off the PSBR at a stroke. That is why guarantees and borrowing are similar in their effect.

**Sir Michael Spicer:** That is certainly a very important point. Another important principle, which I thought was shared by hon. Members on both sides of the House, was that if any institution, corporate or otherwise, entered the market for money with the backing of a Government guarantee, not only would it have the effect that my hon. Friend has just mentioned, but it would be highly distorting and very unfair to others in the marketplace borrowing at their own risk. It is a fundamental principle and until now, it seemed unnecessary to spell it out in legislation.

However, a number of initiatives and pronouncements by the new Government and some of the spins that have been put on them suggest that, for instance, they might be prepared for a company with a 49 per cent. private shareholding and a 51 per cent. Government shareholding to borrow in a way that ignored the PSBR rules, that was outside the definition of public sector borrowing and that unfairly distorted the borrowing process. The fact that such a prospect is in the political air makes it necessary to spell out exactly what fits into public sector borrowing—not only by means of figures, but in respect of any potential distortion in the capital markets, which are highly important and should not under any circumstances be neglected.

The fact that, apparently, we have a new ethos, makes it suddenly necessary to spell out exactly what is within the PSBR rules and what is not. We have not had to do so in the past because no Conservative Government would have dreamed of breaking the rules. We know that to distort the marketplace in such a way would be not only unfair, but disruptive and inefficient in terms of the best use of capital. In future, however, such a definition may well be needed. The more that Labour Members talk about no premium being attached to borrowing by people who have some guarantee—either because of a public sector majority shareholding or through another guarantee—the more it becomes necessary in terms of equity and the most efficient distribution of capital.

Unless the Government can guarantee that there is no question of there being any distortion or any public sector guarantee leading to the PSBR rules being broken, the new clause is absolutely essential as part of the new regime.

8.15 pm

**Mr. Geoffrey Robinson:** I should make two declarations of interest. First, I am not an accountant and secondly, I have an interest in football, so I hope that we shall make some progress on what is a particularly arcane issue.

*[Mr. Geoffrey Robinson]*

The Opposition appear to be developing a new leitmotif along the lines that, under Labour, the Inland Revenue has taken much greater licence in secondary legislation—although the figures show that the same occurred as much if not more, and on equally vital issues, under previous Tory Administrations. They are also developing the line that there has been some weakening in the standards of our national accounts classification rules. The hon. Member for Arundel and South Downs (Mr. Flight) mentioned other countries fiddling their figures. I shall ensure that his remarks are brought to the attention of the Governments of the appropriate countries where, no doubt, he will be a welcome visitor this summer. However, in our case the rules have not changed.

Some Opposition Members are succumbing to what could be described as professional recidivism. In a sense we appear to be turning into accountants instead of legislators. We made it clear in Standing Committee that we could not accept a proposal along the lines of new clause 7, as it would make the Chancellor and the Government of the day accountable to the law courts, with all that that would involve, instead of to the people of this country, as we intend to remain the case.

**Mr. Hammond:** Will the Minister give way?

**Mr. Robinson:** I shall give way in a moment. I sense that the hon. Gentleman does not share my interest in making progress.

The hon. Member for Twickenham (Dr. Cable) asked what was so wrong with building up a high level of borrowing. We would prefer a prudent level, and he should bear in mind that one cannot get complacent about borrowing. In one year—the pre-Budget year of 1992—the Conservative Government increased the PSBR by £50 billion. When we took office, the interest burden was about £25 billion a year, which is more than we spend on schools and hospitals. Having said that, if we are to invest prudently for the future, we must stick to the golden rule and balance the books over the economic cycle in revenue terms. If the burden of that investment in the future is paid for in future by those for whom we are investing—our children—it has a certain fairness and symmetry.

The hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) repeatedly asks how we deal with repairs and what is the difference between substantial repairs and additions. The right hon. Member for Wells (Mr. Heathcoat-Amory) gave us quite a good definition. He said that repairs to schools were usually paid for out of revenue, but that substantial additions or improvements were partly capitalised. It is a normal accounting process. We are in no way trying to understate the need for capital investment or the required level of capital investment. We realise only too clearly the great neglect there has been under previous Governments of all colours. When there is a cash problem, the immediate solution is to cut back on capital spending and keep going on revenue. That results in under-investment in services such as London Underground, to which the hon. Member for Twickenham referred. It is clear from the current state of affairs that there has been under-investment throughout the public sector, which is a crying shame.

Several Opposition Members raised the same two or three issues, so I shall not reply to them individually. In respect of the channel tunnel rail link, instead of admitting that it was a complete mess from the beginning, having been pushed through with bad financial arrangements and for political reasons by the former Deputy Prime Minister, and saying, "We made a mess of it; thank goodness the Labour Government have managed to get it back on the rails and make a success of it," they are attempting to say that we are doing something wrong.

The Government guarantee was examined by the Office for National Statistics, which then decided not to include it as a contingent liability. Opposition Members may disagree with the ONS; from time to time, no doubt they will. It is true that we are using the financial reporting standard—on the exposure draft. We are having a vigorous debate with Professor Tweedie and his colleagues and are trying to reach an agreement. However, that is not unusual for Governments. The idea that we are doing things that are more risqué—bending the rules and twisting the interpretations further than would be reasonable—is quite wrong.

The Conservatives hate the fact that we have found a way in which to make a success of the PFI. We have done more in our first year than they did in the previous five years. Apart from the channel tunnel rail link, which was a flop, they achieved hardly anything. We have made a success of the idea organisationally and practically. Building programmes on a Victorian scale for schools and hospitals are under way because we have got the PFI right within a year, after the Conservatives spent five years messing around and getting nowhere.

That puts the CTRL and the PFI into context. We are examining ways in which to strengthen the role of the ONS and the National Audit Office. The normal accounting principles continue as before. We have not changed anything; we have been far too busy for that. Instead of congratulating the Government on moving towards welfare tax reform—a major reform that the Conservatives did nothing about in all their years of power, except intensifying dependency—

**Mr. St. Aubyn** *rose—*

**Mr. Robinson:** I shall give way in a moment. If I am being unreasonable, I hope that hon. Members will understand. I should like to make progress if possible.

The Government are getting on with their plans and succeeding. Our golden rule is well understood in the country. We want a prudent level of debt, and we are publishing our code of fiscal stability. That is what is necessary. The new clause would merely make the Chancellor report through the courts for his actions and result in the Government's economic policies being judged by lawyers, who, for all their immense contribution to our national well-being, are not cut out for that role. We cannot accept the new clause. I hope that good sense will prevail all round and that the Opposition will not press the issue to a vote.

**Mr. Heathcoat-Amory:** The purpose of the new clause was to get some assurances from the Government that they would respect the ground rules in the presentation of the national accounts. The Paymaster General's response added to our alarm. However, we do not intend to divide the House. We are aware that there is a football match taking place somewhere else and we would not wish some team or other to score when we are otherwise engaged. Hon. Members in all parts of the Palace can relax on that score.

We had hoped for some assurances. We are fully aware that the Government have two fiscal rules, which they are proud of. We wanted to know how the rules will be policed. The golden rule is all very well, and supposedly ensures that the Government borrow only for capital expenditure. If that is the case, it is important that the Government maintain discipline in allocating expenditure to capital or revenue. There might be a natural temptation for them to allocate expenditure to capital so that they can claim to be keeping to the golden rule while letting expenditure increase almost without limit. That is why we have asked some routine questions about whether the Government will keep to normal accounting rules.

The Paymaster General has given us some assurances. His understanding of the distinction between repairs and improvements is familiar. That makes it all the odder that, when asked the same question, the Chief Secretary gave an evasive reply that amounted to little more than, "We will make up the rules as we go along." That is why we were suspicious. The Paymaster General at least gave us an outline assurance.

The second discipline is that the Government say that they will keep a limit on debt as a proportion of gross domestic product, but there is another possible fudge on that. They can reclassify debt as private rather than national debt, even if it is guaranteed by the Government, who retain all the risk. That would be a clear evasion. The Paymaster General said that the private finance initiative was now a great success. It is easy to make a success of the idea if all the risk remains with the Treasury.

As the Register of Members' Interests shows, I am a director of two companies. My fellow directors and I will take on any PFI project, borrowing enormous sums and undertaking any Government contract, if the Treasury guarantees the loan and all the risk remains with the Government. It is easy to make a success of PFI if the Government take the borrowing off their balance sheet, but retain the risk. That is the problem that we were attempting to explore and that would be prevented by the new clause.

**Sir Michael Spicer:** Is not what my right hon. Friend is saying particularly important in the context of the Government's macro-policy on public spending, bearing in mind that public spending may go through the roof—or at least go considerably higher than we had planned? If the Government do not raise taxes, they will have to fudge public sector borrowing, as my right hon. Friend is saying. Those are issues of the highest importance.

**Mr. Heathcoat-Amory:** My hon. Friend is right. Our request is simply that the published projections and the national accounts should give a true and genuine picture of the state of borrowing. My hon. Friend is familiar with the problem in other countries that have huge contingent liabilities that are not disclosed.

My hon. Friend made a notable speech in the debate on the convergence criteria and the single currency. Several of us observed that it was risky for the single European currency to start when the constituent economies did not show the true extent of public borrowing. Italy, for example, has a gigantic unfunded public pensions liability, which amounts to little more than a hope that a future generation of taxpayers will honour the promises made by the Italian Government today. We have contrasted that with the happy position in this country, where the majority of pension liabilities are represented by assets that are audited and are a visible expression of where future pensioners can expect to have their pensions paid from.

The reliability of public accounts is very important, not just domestically but in international comparisons. We are not satisfied with the way in which the Paymaster General has dealt with the issue. We shall return to it on another occasion. We greatly regret the fact that a new clause tabled in a positive and constructive spirit has not found favour, but we know that we have won the argument. I beg to ask leave to withdraw the motion.

*Motion and clause, by leave, withdrawn.*

## New clause 8

STAMP DUTY ON TRANSFERS OF LAND TO DEALERS IN OR DEVELOPERS OF LAND

'.—Where a transfer of land to a dealer or developer of land takes place and the instrument effecting that transfer is liable to stamp duty at the rate specified in either subsection (1)(d) or subsection(1)(e) of section 55 of the Finance Act 1963 and the dealer in or developer of land intends either:—

(a) to transfer to an unconnected third party the same parcel of land within six months without improvement or,

(b) to develop the land and transfer to third parties or dedicate to the highway every part of the land within a period of two years from the date of transfer

he may indicate such intention by notice in writing to the Inland Revenue and provided that in the case of (a) above the land is so transferred within six months and the instrument effecting the transfer is duly stamped within the time allowed by statute for such purpose and evidence of such is produced by him to the Inland Revenue, or in the case of (b) above the land is developed (within the meaning of the Town and Country Planning Act 1947) and every part of the land is so transferred or dedicated to the highway within two years of the date of transfer and the instrument or instruments effecting such transfer or transfers are duly stamped within the time allowed by statute for such purpose and evidence of such is produced by him to the Inland Revenue, then the Inland Revenue shall repay to him the full amount of the stamp duty paid by him on transfer of the land to him.'.—*[Mr. Whittingdale.]*

*Brought up, and read the First time.*

**Mr. John Whittingdale** (Maldon and East Chelmsford): I beg to move, That the clause be read a Second time.

**Mr. Deputy Speaker (Sir Alan Haselhurst):** With this, it will be convenient to discuss the following amendments: No. 45, in clause 147, page 137, line 14, after '£500,000', insert

'in the case of a transfer of a dwelling house or £5,000,000 in the case of any other transfer'.

No. 70, in page 137, line 15, leave out

'for "£1.50" there shall be substituted "£2"'

and insert—

'(a) for "£1.50" there shall be substituted "£1 for every £100 or part of £100 of the consideration up to £250,000, and at a rate of £2" and

(b) after "consideration" there shall be inserted "in excess of £250,000".'.

No. 71, in page 137, line 16, leave out

'for "£2" there shall be substituted' "£3"'

and insert—

'(a) for "the rate of £2" there shall be substituted—

"(i) the rate of £1 for every £100 or part of £100 of the consideration up to £250,000.

(ii) the rate of £2 for every £100 or part of £100 of the consideration over £250,000 but below £500,000, and

(iii) the rate of £3" and

(b) after "consideration" there shall be inserted "over £500,000".'.

No. 46, in page 137, line 17, at end insert

'and after "£500,000", insert "in the case of a transfer of a dwelling house or £5,000,000 in the case of any other transfer".'.

**Mr. Whittingdale:** I realise that this is perhaps not the most opportune moment at which to be moving a new clause. I accept that there are other distractions, and I hope that the attendance in the Chamber does not denote the fact that hon. Members do not regard this as an important matter—it is an important matter on which we should spend a little time.

The purpose of the new clause is to provide a measure of relief to dealers or developers of land who will be worst hit by the Government's swingeing increase in stamp duty. It is worth remembering that this is the second substantial increase in stamp duty since the Government came to power. The last Conservative Government significantly reduced the impact of stamp duty by abolishing it on the transaction of shares, and by substantially raising the value of properties on which it became payable.

Within a few months of the election of the Government, the Chancellor chose to increase stamp duty by 50 per cent., from 1 per cent. to 1.5 per cent. on property sales above £250,000, and by 100 per cent., to 2 per cent., on property sales above £500,000. At that time, the Chancellor said that the measure was necessary to reduce volatility in the housing market. He said in his Budget statement last year:

"I will not allow house prices to get out of control and put at risk the sustainability of the recovery. I have therefore decided that it is right to take measures aimed at stability in the housing market."—[*Official Report*, 2 July 1997; Vol. 297, c. 313.]

As we said at the time, that had little to do with stability in the housing market. It was a spurious excuse for what was, plain and simple, a tax rise.

**Mr. Swayne:** Has my hon. Friend considered the possibility of a wider agenda, in that the Chancellor may be seeking to attack our fondness for owning properties—particularly housing—because that is one of the principal causes of our economic cycle being out of sync with the rest of the European norm?

8.30 pm

**Mr. Whittingdale:** My hon. Friend makes a good point. There is a real concern that this is not the last such increase that we shall see. The levels of stamp duty elsewhere in Europe are considerably above those in this country, and that may not be unconnected with the fact that we have much higher levels of house ownership.

Nine months later, in the second Budget of this Administration, the Chancellor abandoned his previous attempts to justify rises in stamp duty on economic grounds. In the Budget in April, the Chancellor increased stamp duty again to 2 per cent. on property sales above £250,000, and to 3 per cent. on property sales of more than £500,000. At that time, he made no mention of the need for stability in the housing market. The only justification that the Chancellor was prepared to offer was that 98 per cent. of house transactions would be unaffected.

The implication of that statement was clear—this would be a tax increase affecting only the rich living in expensive houses. The truth, as we have sought to show, is different. The real burden of the tax rise does not fall on a few rich house owners who, it might be argued, can afford to pay. The real burden falls on the commercial sector of businesses and on those who invest in properties. It is hardly surprising that the Institute of Directors said:

"We deplore the increases in stamp duty on high-value properties. While very few house purchases will be affected, a far higher proportion of purchases of business premises (and of goodwill and patents) will be affected. Insurance companies, pension funds and property unit trusts will bear the brunt of the direct impact of increases in stamp duty, because most commercial properties are owned by such investors and then leased. The millions of people who invest in insurance, pensions and unit trusts will therefore suffer."

it is to meet that concern that we have tabled amendment no. 45, which deals with that point by restricting the £500,000 limit to the transfer of a dwelling house, and applying a £5 million limit to other transfers.

Moreover, the effect of the increase in stamp duty is likely to be highly distorting. As my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) has pointed out, stamp duty is imposed on a slab system, not a slice system. As a result, if a property sells for £249,999, stamp duty is payable at the lower rate of 1 per cent. However, if its price increases by £1, stamp duty becomes payable on the entire amount. As the Chartered Institute of Taxation has pointed out, at the £250,000 limit the duty on an additional £1 of consideration will lead to an additional amount due of £2,502—thus giving a marginal rate of duty of 2,502 per cent. At the £500,000 limit, the marginal rate for the extra pound of consideration is 5,003 per cent.

For all those reasons, we would much rather that the increases in duty did not take place. The purpose of new clause 8 is to seek to provide at least some protection for those who will be among the hardest hit. The Chancellor attempted to claim that 98 per cent. of house transactions would be unaffected by the increase, but that is simply not the case. Like many hon. Members, I suspect, I have seen substantial developments of new estates in my constituency in recent years. A large proportion of house sales are conducted by those buying new houses from builders and developers.

Although few of those individual transactions may amount to more than £250,000, the original purchase by the developer of the land almost certainly does amount to more than that. In most cases, developers will buy land for building in parcels worth considerably more than £500,000, and the additional cost to the developer of the increase in stamp duty is simply likely to be passed on in higher prices of the homes which he then goes on to sell. The result is that the tax increase will hit far more than 2 per cent. of house transactions.

The measure is likely to fuel house price inflation and will add to the cost of many first-time buyers and those starting a family who wish to move to a bigger home. In many cases, the value of the purchase will be far less than £250,000, but nevertheless the buyers are likely to be paying more as a direct result of the measure imposed by the Chancellor.

On top of that, developers and those who buy houses from them will have to pay stamp duty twice. It will be charged on the original purchase of land by the developer and it will then be paid again by those who come to buy properties from the developer. In Committee, the Paymaster General moved new clause 10, which was to provide for relief from double stamp duties. That measure was made necessary by the repeal of the Government of Ireland Act 1920, and was a sensible measure to ensure that people did not have to pay stamp duty twice as a result of the repeal of that Act.

In this instance, the consequence may well be that people will have to pay stamp duty twice. They will pay it indirectly through the increased cost of their homes, because the developer has had to pay it. They will then pay it again, directly, on the cost of the house that they purchase. That is serious enough at the present rates, but our fear is that it will become more serious if stamp duty increases again. In his two Budgets so far, we have seen the Chancellor's willingness to use stamp duty as a means of increasing tax and revenue.

As my hon. Friend the Member for New Forest, West (Mr. Swayne) pointed out, we have a far higher level of home ownership and far lower levels of stamp duty than exist on the continent. I should be interested to know whether it is the Government's intention to have further increases in stamp duty in coming Budgets, and whether there might be an agenda to move towards a harmonisation of stamp duty levels across Europe. I am glad to see the Financial Secretary in her place. She has a particular interest in harmonisation, and I should be interested to hear whether that future harmonisation is under consideration.

As I said, the effect of the amendments is not to remove the increase—although, ideally, that is what we should like—but to remove the increased cost of stamp duty from developers and restrict it to the sale of houses worth over £250,000. It is the Chancellor's declared intention that people selling such properties should have to pay it. If the Paymaster General wants to ensure that the measure applies only to those people, who were specifically mentioned by the Chancellor when he introduced the measure in the Budget, he should accept our amendments.

**Mr. Hammond:** I declare an interest in this matter, which is included in the Register of Members' Interests, in that I am a director of a small house-building and development company. I speak to the new clause not because I expect personally to benefit from the proposed change. As my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale) ably pointed out, the developer or dealer will not ultimately bear the incidence of this potential double taxation; the end purchaser will inevitably pay this tax.

Until the two Budgets under this Government, stamp duty was largely an irritant to people in the property development business and those buying and selling houses. At 1 per cent. on properties over £60,000, it had to be paid, but was not likely to be a determinant of people's behaviour in their transactions. Stamp duty on transfers of land valued at above £500,000 is now levied at 3 per cent. and, as my hon. Friend the Member for Maldon and East Chelmsford has pointed out—I know that the Paymaster General has acknowledged this problem—we have the slab, rather than the slice, system. That produces ludicrously high marginal rates of taxation, which create artificial distortions in the property market and effectively make it certain that no house will ever be sold for £249,000 or £499,000. Anything that introduces artificial distortions into the market is greatly to be deplored.

As my hon. Friend said, when the measure was announced in the Budget speech, the Chancellor led the public to believe that it applied only to houses and then only to the houses of the few. The purpose of the new clause is to draw attention to the fact that land at every stage in the cycle of transactions will be subject to the stamp duty. To describe the effect at its simplest, a £1 million parcel of land that is sold to a developer will attract stamp duty at 3 per cent., which is a levy of £30,000. That land might be used to build low-cost housing units, which would sell for less than £60,000. People who bought those houses might think that they had escaped the Chancellor's attack on the tax-paying public because they were paying no stamp duty. However, the price of the house that they bought, as determined by the developer, would inevitably include the cost of the 3 per cent. stamp duty on the land which he had been obliged to bear.

Typically across the UK, land makes up something like a third of the price of new houses. The measure will be unequal in its impact because in certain parts of the UK, such as London—which is the most extreme example—and the south-east, high land values mean that land can represent a much higher percentage of the price of a property. In London, land could represent as much as three quarters of the value of a property. It does not take a mathematician to work out that if land is bought subject to a 3 per cent. stamp duty and dwellings are built on it which are then sold for over £500,000 each, which is not unusual in central London, the ultimate incidence of stamp duty in the final purchase price could easily amount to 5 per cent. We must ask the Government openly to acknowledge that, with stamp duty being charged on every step of the transaction, multiple tiers of stamp duty will be included in the end price.

As I said earlier, at 1 per cent., stamp duty was an irritant and did not cause major concern, but at 3 per cent. it becomes a significant factor. As my hon. Friend the Member for Maldon and East Chelmsford made clear, it has an impact not only on houses but on factories, shops, offices and any kind of development or property that is bought and sold in the marketplace. Where land is purchased and then developed, our new clause would reduce the phenomenon of double dipping.

8.45 pm

The Chancellor said in his 1997 Budget speech that he had increased stamp duty to control inflation in the housing market. As my hon. Friend noted, he did not make a similar comment in the 1998 Budget speech when he increased stamp duty on larger transactions. Will the Paymaster General tell the House whether the Government intend to reduce stamp duty if the housing market, or the property market in general, shows a marked downturn, suggesting that it is need of such a counter-balancing stimulus?

It would also be interesting to know whether the Government's longer-term intentions are to use stamp duty as a means of applying a hand on the tiller of the housing market. We hear that the Government are determined to ensure convergence with the economies of

*[Mr. Hammond]*

our European partners, as a prerequisite to joining economic and monetary union. We have not so far seen very much in the way of convergence on interest rates. Indeed, the trend under this Government has been entirely in the opposite direction.

The Government have lost direct control of interest rates and have an avowed policy of seeking convergence with the economies of our European partners, although they know full well that the structure of the UK housing market is very different from that prevailing in all other European economies. Short-term interest rates have a much greater impact on individuals—that is to say, not to put it too cynically, on voters—in the UK than they do in any other country in the European Union. Do the Government intend to use stamp duty as a method of regulating the housing market, in the absence of any other controls being available to them within economic and monetary union, if and when the UK joined? In that case, what sort of rates of stamp duty might the British public expect to be imposed?

**Mr. Love:** The hon. Gentleman referred to convergence in Europe. I attended a conference yesterday organised by the Council of Mortgage Lenders, at which a speaker made European comparisons. First, unlike what Opposition Members are saying, the UK is not at the top—*[Interruption.]*

**Mr. Deputy Speaker (Mr. Michael Lord):** Order. When hon. Members enter the Chamber, they must be aware of what is occurring. At the moment, the hon. Member for South Derbyshire (Mr. Todd) is making an intervention.

**Mr. Love:** I am Mr. Andrew Love, Mr. Deputy Speaker. However, like my hon. Friend the Member for South Derbyshire, I have a moustache, so I accept that mistakes can be made.

As I was saying, the first comparison revealed that, unlike what Opposition Members are saying, the UK is not at the top of the owner-occupier league in Europe, although it is close to the top. The more interesting comparison revealed that countries that have a higher rate of owner-occupation are the least wealthy countries in the European Community. Is that the kind of convergence that the hon. Member for Runnymede and Weybridge (Mr. Hammond) wants?

**Mr. Hammond:** It is not simply the percentage of owner-occupation that is important, but the way in which it is financed. I suggest to the hon. Gentleman that the United Kingdom has the greatest vulnerability to short-term interest rates as an influence on the housing market.

The Paymaster General knows of my concern with this issue; we have discussed it before. I end by asking him whether, as part of the single currency package that the Government are putting together, the people of Britain are to look forward to stamp duty approaching or reaching continental rates, and being used regularly by the Government, in a downward or upward direction, to regulate fluctuations in the housing market, thereby controlling that important element of demand in the economy.

**Mr. Clifton-Brown:** This measure is expected to yield £390 million in 1998-99, £470 million in 1999-2000 and more than £520 million in 2001. This is no longer a minor tax: it is a severe tax.

I declare an interest, as one of only two chartered surveyors in the House.

Pension funds have been raided by the withdrawal of advance corporation tax, and now they are being raided still further, because their property assets will have to be devalued in the Royal Institution of Chartered Surveyors' red book valuation. Until one has proper market comparatives, properties will have to be devalued. Property is always compared with equities, which retain a stamp duty rate of 0.5 per cent; property now faces a savage 100 per cent. increase in respect of values of more than £500,000—hence it will become an unattractive investment class.

It has been estimated by the well-known property consultants BTZ that there was £417 million-worth of overseas property investment in the UK in 1997, double that of 1996. The concern in the property industry is that if these swingeing increases in stamp duty continue, they will reduce the attractiveness of the UK property industry as an inward tax haven of the kind that was so successful in the golden years of Conservative economic management.

My hon. Friends have already commented on the unprogressive nature of stamp duty—it is a lumpy tax. In future Budgets, the Government might like to consider making the tax more evenly progressive. A property currently sold for £499,000 would attract stamp duty, at 2 per cent., of £9,980; whereas a similar property negotiated for sale at £1,000 more, or £500,000, attracts the 3 per cent. rate—a staggering £15,000. That amounts to a marginal rate of tax of around 5,000 per cent.

It would be interesting to know the Government's intentions for this tax. It is all very well increasing taxes in a bull market, but the property market is beginning to stagnate—house prices in London and commercial property prices throughout the UK are slowing down. On behalf of the property industry, I urge the Paymaster General to shed light on the Government's thinking.

**Mr. Geoffrey Robinson:** I must begin by explaining to the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale) that the Government measure debated in Committee referred to double taxation on the same transaction only—a different set of considerations altogether.

I can tell the hon. Member for Cotswold (Mr. Clifton-Brown) that I am perfectly happy to consider slicing instead of slabbing—one can see the attractions of that, although the current system is well established. I should add that the change could be effective—given sound reasons for making it—only if the overall tax take did not diminish. Even with a more progressive system, there will be bunching and other anomalies. That is why we cannot accept the new clause's attempt in that direction.

The cost of the proposals contained in amendments Nos. 70 and 71 would be £250 million in a full year—perhaps rather more than Conservative Members intended,

although the amendments may be purely illustrative. At the £60,000 and above threshold, the amendments would cost about £700 million. These are orders of magnitude that we could not contemplate.

If Opposition Members would prefer a progressive, slicing system, I should be prepared to consider it; but I certainly cannot deal with that at this stage of a Finance Bill's progress.

The new clause aims to provide relief from stamp duty for land dealers and developers. If they have paid duty of 2 or 3 per cent. on a purchase of land, they would get the duty repaid if they sold the land without improvement within six months, or developed and sold it within two years. The new clause gives no relief where the dealer or developer has paid duty at the 1 per cent. rate.

The proposed relief would have a revenue cost; other things being equal, the rates of duty proposed in the Budget would have to be increased to make up the lost yield. More specifically, that would involve making some arbitrary distinctions between cases qualifying for relief and cases that would not. The same sort of bunching problem would recur.

For example, a dealer selling unimproved land after five months would qualify, but one selling after seven months would not. If the land passed through the hands of a number of dealers in succession, the clause would appear to allow each in turn to claim repayment of duty on his purchase when the land was sold on to the next dealer. A whole series of transactions could result in only one stamp duty charge ultimately being payable.

Similarly, the proposed relief for developers would have arbitrary limits. A development that took longer than two years to complete would not qualify; that would impose arbitrary constraints and distort commercial decisions—not in the best tradition of Tory free-market thinking: more like old Labour. It is much better to impose general rates of duty that apply across the board.

**Mr. Hammond:** Can the Minister see any really good reason, apart from revenue raising, why a piece of land that changes hands three or four times in a year should be subject to stamp duty at 3 per cent. on each transaction?

**Mr. Robinson:** There must be a very good reason for the land to pass through three pairs of hands in six months; a profit must be made on it in each case, and, if that is the case, the tax should be levied. That is how markets work. In case the hon. Gentleman does not understand, that is what market economics is: each transaction is taxed, even if there are three or six transactions in a given period. It is much better to let a market work in that way. I accept that we may have differences about the level of tax, but it is not sensible arbitrarily to interfere with markets.

Regrettably, I cannot accept new clause 9, amendments Nos. 70 and 71 or, for that matter, amendments Nos. 45 and 46. The latter two amendments would alter the application of the new top rate of 3 per cent. for stamp duty on transfers of land and buildings. There would be no change for residential property, but, for commercial property, the 3 per cent. would apply only to transfers over £5 million instead of £500,000. The implication is clear that the Opposition believe that the 3 per cent. rate is damaging the commercial property market, but no hon. Member made a convincing case for that in the debate.

I say to the hon. Member for Runnymede and Weybridge (Mr. Hammond)—the subject was also raised in earlier debates—that there is no hidden European agenda to bring our stamp duty rates up to the European level. The equivalent taxes in other European countries are a great deal higher—I gave the figures in the previous debate. Some of them are extraordinarily high. In Belgium, there is a 12.5 per cent. registration tax; in France, registration duty is 8.6 per cent; in Germany, the rate is 3.5 per cent. of purchase price across the board, as far as I can see—no graduation there. In Greece, the rates are 9.3 and 11.3 per cent. In Italy, the rate is 8 per cent; in Luxembourg, 5 per cent. of sales price; in the Netherlands, 6 per cent. of market value of property.

Traditionally, those countries have very high levels of such taxes—higher than ours, and their markets are differently structured. We have no agenda to move to those levels, but—I again address my remarks to the hon. Member for Runnymede and Weybridge—I would not prejudge the Budget judgment that the Chancellor of the Exchequer might wish to reach in any year about the level of stamp duty, given the condition of the property market and the overall state of the economy, and the hon. Gentleman could not realistically expect me to do so.

One thing that we do want to prejudge and avoid, however, is boom-bust in the property market. We had the saddest, most disheartening boom and bust, when young people—especially young couples—were caught in awful negative equity traps as a result of such mismanagement. We certainly want to get away from that. That is why all that we do is geared toward stability, and the taxes that we are debating are part of that.

Amendments Nos. 45 and 46 would cost us £130 million, and, for that reason alone, we cannot accept them. I am sorry that it is no on all counts. I hope that there is no need to press the amendments to a Division, but that decision rests with the Opposition.

9 pm

**Mr. Whittingdale:** We should be grateful for small mercies. The Paymaster General has conceded that the present system of the slab operation of stamp duty has the absurd effect of giving rise to incredibly high marginal rates, and he has suggested that he might be prepared to consider that. I hope that we may return to that subject when we debate future Finance Bills; we look forward to debating it then.

The Paymaster General has given us several reasons why he considers our amendments to be deficient, and I understand those reasons. The amendments did not constitute our ideal solution. We should have preferred it if the increases had not been introduced. Our preferred option was that the Paymaster General would tell us that he would not be proceeding with them, but obviously he is not prepared to do so.

The Paymaster General has not entirely reassured us about his future intentions. He has told that us that there is no European agenda to move toward the harmonisation of stamp duty rates, and I suppose that we should be grateful for that, but he has obviously not told us that there will be no intention in future to make further increases in stamp duty. My hon. Friends and I retain a considerable suspicion that the Chancellor now views that as an easy way to increase taxes and raise money.

*[Mr. Whittingdale]*

We have sought to show that, although the Chancellor may try to suggest that the measure hits the rich and affluent—the owners of large houses—exactly the reverse is the case. It will have an impact throughout the housing market, and many of those young first-time buyers, whom the Paymaster General mentioned, may end up paying more as an indirect result of the measure.

However, as I have suggested, I do not believe that this is the occasion on which to press new clause 8 to a Division, so I beg to ask leave to withdraw the motion.

*Motion and clause, by leave, withdrawn.*

### New clause 9

AMOUNT OF INHERITANCE TAX CHARGED IN HERITAGE CHATTELS WHICH DO NOT MEET THE AMENDED HIGHER THRESHOLD TEST

Notwithstanding the provisions in section 140 of and Schedule 25 to this Act (amending section 31 of the Inheritance Tax Act 1984 introducing a new higher threshold for chattels qualifying for heritage exemption), for those chattels which do not qualify as pre-eminent, the rate of tax will be based on the value at the date when the original heritage exemption was agreed between the owner and the Inland Revenue.—*[Mr. Woodward.]*

*Brought up, and read the First time.*

**Mr. Shaun Woodward** (Witney): I beg to move, That the clause be read a Second time.

**Mr. Deputy Speaker:** With this it will be convenient to discuss the following: New clause 10—*Lower corporation tax for art sales*—

'.—(1) This section applies to any company whose business consists primarily of the sale of objects, properties and assets (hereinafter referred to as a "qualifying sale of art") which (i) come within group 11 of Schedule 9 to the Value Added Tax Act 1984 and (ii) are effected by or through such company acting as a recognised agent (as defined in sub–paragraph (4) below) where such recognised agent is liable to account for any amount of corporation tax in respect of a quarterly period (hereinafter referred to as a "qualifying tax payment").

(2) The recognised agent shall be deemed to have paid the full amount of his qualifying tax payment in respect of any quarterly period even though he deducted from that full amount a sum equivalent to 40 per cent. of the amount due (the "permitted deduction").

(3) The amount of the permitted deduction shall be calculated for each quarterly payment period, and a permitted deduction may not be carried back or forward for offset in any other quarterly payment period.

(4) For the purposes of this section, a recognised agent means any auctioneer or any person carrying on a trade of dealing in any description of moveable property, or of acting as an agent or intermediary in dealings in any description of moveable property. In respect of any qualifying sale of art there shall be not more than one recognised agent for the purposes of this section within any period of six months who in the event of dispute shall be determined by the Commissioners of the Inland Revenue.

(5) This section shall come into effect on 1st October 1998.'.

New clause 11—*Corporation tax relief for art sales*—

'.—(1) This section applies to any sale of objects, properties and assets (hereinafter referred to as a "qualifying sale of art") which (i) is within Group 11 of Schedule 9 to the Value Added Tax Act 1984 and (ii) is effected by or through a recognised agent (as defined in sub–paragraph (4) below) where such recognised agent is liable to account for any amount of Corporation Tax in respect of the quarterly period during which the sale takes place (hereinafter referred to as a "qualifying tax payment").

(2) The recognised agent shall be deemed to have paid the full amount of his qualifying tax payment in respect of any quarterly period even though he deducted from that full amount a sum equivalent to $1\frac{1}{4}$ per cent. of the proceeds of the sale (the "permitted deduction") in respect of qualifying sales of art occurring in that period.

(3) The amount of the permitted deduction shall be calculated for each quarterly payment period, and the amount of the permitted deduction shall not exceed the amount of the qualifying tax payment for the quarterly payment period to which it relates. A permitted deduction may not be carried back or forward for offset in any other quarterly payment period.

(4) For the purposes of this section, a recognised agent means any auctioneer or any person carrying on a trade of dealing in any description of moveable property, or of acting as an agent or intermediary in dealings in any description of moveable property. In respect of any qualifying sale of art there shall be not more than one recognised agent for the purposes of this section within any period of six months who in the event of dispute shall be determined by the Commissioners of the Inland Revenue.

(5) This section shall come into effect on 1st October 1998.'.

Amendment No. 72, in clause 39, page 23, line 1, at beginning insert—

'(1) Save as provided in subsection (2),'.

Amendment No. 73, in page 23, line 6, at end insert—

'(2) Sections 26 and 27 of the Taxes Act 1988 shall continue to have effect in respect of the estate and maintenance funds which cover heritage properties receiving an audited number of visitors of 5,000 or more per year.'.

**Mr. Woodward:** New clause 9 and amendments Nos. 72 and 73, which stand in my name, are obviously about heritage, tourism, access, fairness and a fair tax regime. The Bill is unfair and will damage our tourism and heritage business very much.

Sir Richard Eyre's report for the Government, published today, states:

"Every Government since the War has been committed in principle to the belief that the arts are important . . . and each Government is at some time obliged to ask itself how important".

It is sad that, in the Bill, the Government pay no regard to the importance of our tourism industry or our heritage. At a time when we face the outcome of the comprehensive review of expenditure, Sir Richard Eyre says:

"Whatever the structural outcome, there must be a more positive and constructive approach to delivering arts policy objectives."

The amendments attempt to make sense of a strategy for the arts and tourism that at best is muddled, and at worst—and more likely—is symbolic of the fact that the Department for Culture, Media and Sport is irrelevant in the eyes of the Government, and the Secretary of State has no weight in determining Government policy. The Treasury has won on every count. The purpose of the new clauses and amendments is to ask the Government at this late stage to recognise the considerable damage that will be caused to the arts and the tourism industry.

Amendments Nos. 72 and 73 seek recognition of the importance of heritage properties that attract an audited figure of 5,000 visitors a year. Despite the fact that millions of people enjoy access to those properties, clause 39 would almost certainly deprive many of those people of access to some of the buildings of greatest historical and architectural importance in our country.

This is not the place to rehearse the Government's thinking behind the clause, but I shall give the House an idea of the damage that will be done. The Historic Houses Association calculated that its 64 members who will be affected by the proposal face routine recurring repairs set off against income over the past five years of about £11.4 million. They will have major repairs set against income over the past five years of £6 million. The estimated additional tax that will be payable over the next five years, after the concession is withdrawn, is £8.7 million.

The Treasury is chasing a relatively small sum, but the damage that it will do to public access and to the tourism industry which feeds off access to those houses is considerable. The Historic Houses Association estimates that, every year, 2.7 million people visit the properties that will be affected, and an even greater number enjoy their parks and gardens. Those 2.7 million people will be disappointed so that the Treasury can meanly chase £1.7 million in taxation.

If one of those houses were handed over to the National Trust for it to look after, the cost to the public sector would be around £10 million a year. The problem with clause 39 is that it is certain that some of the 64 houses open to the public will be withdrawn from public access, because the owners will no longer be able to run the properties. The homes will go into the hands of people who may have a great deal of money and who can afford to run the houses without opening them to the public and without taking advantage of one estate election.

Although in their rhetoric the Government are committed to access, in practice they are removing it. The tourism industry, which is on the back of that business, will be brutally damaged. It is sad that, in the clause, the Government are showing that they do not care about the tourism industry. That is clearly summed up in the Culture, Media and Sport Select Committee report, which pointed out that the Secretary of State does not value tourism. The report recommended that tourism should be the lead responsibility of a Minister in the Department, yet there is no sign from the Government that they recognise the importance of that. The report goes on to say:

"We note the Department's commitment to enhance its influence within Whitehall and to highlight the economic and cultural importance of the sectors which it sponsors. However, a commitment is not an achievement and unfortunately the Department has not enhanced its influence in the way it says it would like to do."

That is the point: the Secretary of State has totally failed the heritage and tourism industries. The purpose of amendments Nos. 72 and 73 is to try, at this late stage, to put right the considerable damage that is being done.

Last night, in a token effort to acknowledge the arts industry, the Prime Minister held a seminar at No. 10 Downing street in which many of the new Labour peers and others were invited to take part. The Secretary of State for Culture, Media and Sport told us today about the significance of the "arts summit", as it has been called. He told the *Evening Standard* that culture would be

"written into the core script".

I am sorry, but, unless the hon. Lady shows willing and accepts the amendments and new clauses, it will expose the Prime Minister's meeting last night as mere rhetoric.

Referring to the Prime Minister, the Secretary of State told the *Evening Standard*:

"I think he really does care. The idea that he is uninterested in the arts is very wide of the mark."

The proof of that statement lies in the Bill's clauses and in whether the hon. Lady will accept the amendments. The magazine *Country Life* recently said:

"Hidden in the Finance Bill, a Disaster for Heritage."

*[Interruption.]* I am sorry that Government Back Benchers are unable to acknowledge with any sense of decorum a magazine such as *Country Life*. That shows rather ably and fitly what callous contempt they have for rural life, for country life, for heritage and for tourism. It demonstrates also how ineffective the Secretary of State has been in making a case on behalf of the arts.

The Government intend to treat the private owner in a callous manner that runs completely counter to what the Secretary of State said last year when he addressed a meeting of the Historic Houses Association and praised the role of the individual owner. The Government will resort to type by taxing those private owners whom, in their rhetoric, they value, but, in their practice, they wish to tax. The consequences will be a forced sale of houses and unemployment for the several thousand people who are directly engaged in running those houses and for the many tens of thousands of people who are in associated tourism sectors such as hotels, shops and cafes.

It is conspicuous that Labour Members did not speak up once in Committee on behalf of their constituents and others who work in sectors related to historic houses. Not once have Labour Members spoken on behalf of the tourism industry that is related to those houses. Labour Members have failed totally to stand up and protect the interests of their constituents. It is significant also that, despite these amendments, not one member of the Heritage team is present in the Chamber. If they had been told about it, those Ministers might have liked to attend. However, I am sure that they were not told, because the Treasury team simply does not care about tourism or culture in our country.

There is no coherent policy: the left hand is taking taxes while the right hand pretends that it cares. One solution in such cases is to conduct a review. However, I am afraid that the Secretary of State for Culture, Media and Sport will be rather disappointed by his latest review, the Eyre report. He will find that he will have to go to the Chancellor to ask for an extra £15 million subsidy for the Royal Opera house. From where will the money come? If that money is found, it will probably come from our heritage of historic houses and from arts sales. The Treasury is in charge of the Department for Culture, Media and Sport. The Treasury is vandalising our heritage, pilfering here and pilfering there; it is squandering a thousand years of history. Access will be lost.

The plundering extends not just to our houses. The purpose of new clause 9, which would result in an important change to the Bill, is to put right a bad and mean-spirited clause which will have far-reaching effects—far-reaching because 20,000 objects on the Victoria and Albert list, otherwise known as the register of conditionally exempt objects, will be affected by the clause.

9.15 pm

Every major auction house in Britain reckons that the consequence of the clause will be a dramatic number of sales of some of the most important architectural, historic,

*[Mr. Woodward]*

prized national assets, simply because the Treasury lighted on a report from the National Audit Office in 1993 which said that £1 billion had been lost in revenue during the previous 10 years because of the effects of the then current legislation. Labour in opposition regarded the area as a loophole for the rich, and it has moved in to grab the money.

Sadly, it is the public and those who work in the related industries who will suffer. It is a great shame that a Government who wish to kick into touch, by a review, everything that is a problem do not wish to take notice of those who have themselves conducted a review of the clause and those who are behind the thinking of the new clause—bodies such as the Museums and Galleries Commission, the National Trust and the Historic Houses Association, all of which feel that the new rules will severely damage Britain's arts, culture and heritage.

The Government are changing the rules. They are changing the rules so that, for example, the 70-year-old pensioner who has, until now, enjoyed the benefits of conditional exemption, will suddenly be told that she must open up her flat, or wherever else she may live, and give public access—that appointments will not do. It is ludicrous to expect a 70-year-old to open up what might be a small two-bedroomed flat to anyone who wishes to come by. Doubtless, if she did, the Home Secretary would be here in a few weeks telling us what a scandal it was. But the Treasury does not speak to any other Department. The Treasury here is on a smash-and-grab raid to hurt people and to rob them of their heritage, and to rob Britain of its heritage by this mean-spirited clause.

The purpose of new clause 9 is to recognise the damage, strain and stress that the retrospective nature of the breach of rules will cause. We are suggesting that the valuation should not be a current valuation but that, if the rules are to be changed underneath people's feet, the valuation should be based on the value of the item when it was inherited. During the past few years, the value of art objects has increased enormously. It is interesting that, again, the Treasury spots an opportunity, goes in, takes the highest value possible and extracts as much taxation on the back of that as possible.

It is interesting that auction houses such as Sotheby's and Christie's, which might benefit from the sales that will undoubtedly follow as a result of the legislation, say that we should not do this, that it is unfair. They say that their business is not only the sale of works of art but their management. A great deal of their time is devoted to caring for and preserving collections.

Unless the Government accept the new clause, the Bill will ruthlessly damage Britain's art and historic heritage. It is not by chance that the Museums and Galleries Commission made a last-minute plea to the Government to recognise the importance of flexibility. I am sorry that, unlike on amendments Nos. 72 and 73, it has not been possible to meet Ministers on the new clause.

I pay tribute to the Paymaster General because at least he—despite, I think, pressure from some of his colleagues not to have a meeting with regard to one estate election—was prepared to meet the Historic Houses Association and listen to its arguments, and I believe that he was persuaded that there was a real problem. Contrary to what we have heard from the Financial Secretary, I think that he believes that there is a real prospect that damage will be done. I have to give him credit for listening, at the last minute.

Although the Financial Secretary will, sadly, not tell us that there will be significant changes to the Bill, she will have to acknowledge that, as a consequence of the debates in Committee and on the Floor of the House, the Inland Revenue should be asked to consider sympathetically the plight of the most affected houses. This is a sad day for the tourism business and for our country's heritage industry. I can only hope that, instead of showing brazen cheek and being unprepared to consider strong arguments from heritage bodies, she will have the grace at least to recognise the damage that the Bill will do if it is not amended.

**Sir Patrick Cormack** (South Staffordshire): I shall speak briefly and, although I applaud what he said, in a slightly more conciliatory spirit than my hon. Friend the Member for Witney (Mr. Woodward). I declare two interests: first, I am chairman of the all-party arts and heritage group, which is the largest all-party group, and, secondly, I am a member of the Royal Commission on historical manuscripts.

When we last had a Labour Government, there was a proposal for a wealth tax. A number of hon. Members, from both sides of the House, were worried about the impact that that might have on heritage, so we formed the all-party arts and heritage group. We met Ministers, and the most helpful was the right hon. Member for Ashton-under-Lyne (Mr. Sheldon), who was then a Treasury Minister and is now the deputy chairman of the all-party group. He has been one of its most steadfast supporters, and has spoken to the Financial Secretary about these matters. Although he is not in the Chamber, I know that I speak for both of us when I say that I hope that the Government will respond positively, as did the previous Labour Government.

I also hope that the Government will realise that the Bill will do great damage to heritage properties if it is enacted unamended. With great force in a robust speech, my hon. Friend the Member for Witney suggested some of that damage, but I know from 28 years' experience in the House that hon. Members on both sides of the House share my love of and concern for our enduring heritage. I hope that the Financial Secretary's response will prove that she is of our number.

Enough of that—I want to say a few words about objects. My hon. Friend the Member for Witney discussed objects being seen without an appointment being necessary, which is the most important aspect of the changes. If heritage objects, which are often in small and vulnerable properties, could be seen without appointment by people who turned up and demanded to see them, and if they were listed in such a way that anyone would know where they were, a thieves charter would be created.

**The Financial Secretary to the Treasury (Dawn Primarolo):** The hon. Gentleman is making an important point. I want to be sure, therefore, that he understands what the Government are trying to do. We are not saying that appointments to view objects should be abolished; we are saying that there should be a review of a system where there is appointment-only access to a certain category of object, even though some objects in that category should

not be viewed by appointment only. There will still be cases, however, where an appointment will be necessary for the very reasons that the hon. Gentleman has outlined: security, sensitivity and an object's fragility. That was made clear in Committee.

**Sir Patrick Cormack:** I am glad that the hon. Lady has sought to emphasise that on the Floor of the House.

The Historic Houses Association, which has been cited in evidence and with which I have had many conversations, as I know the hon. Lady has, is anxious to work with the Government as it worked with the previous Government. It knows that there are grounds for changing the current rules, but it is extremely concerned about the "by appointment" aspect. The Royal Commission on historical manuscripts is primarily concerned with historical manuscripts, which are among the most fragile of all objects, and I know that the commission and the Museums and Galleries Commission share the same concerns.

Although I am grateful for the assurance given at the Dispatch Box, which will, to a degree, reassure many people, the hon. Lady must recognise that the Bill is not entirely in line with what she said. I therefore ask her to look at the matter carefully. Next week, the right hon. Member for Ashton-under-Lyne and I will see the Minister for Arts and we shall discuss some of the heritage implications. The matter is crucial because, whatever else the Government do, they must not damage an all-party accord that has served our heritage well over the past quarter of a century or more.

My final plea to the hon. Lady is that she build on what has been achieved over the past quarter of a century, and does not damage or jeopardise it.

**Mr. St. Aubyn:** I wish to speak to new clauses Nos. 10 and 11. We have heard how the Government's deafness to my hon. Friends' pleas may lead to the sale of a great deal of art. I wish to outline proposals to deal with the problem for the London art market. The sales may be a last hurrah, unless we deal with a fundamental threat facing that market today.

More than 20,000 people are directly employed in the art market in this country, and its turnover is about £2 billion a year. Half that trade comprises works of art that enter the country and then leave it. More than £1 billion of art is imported and nearly £1 billion is exported. By far the largest sources for those imports are Switzerland and the United States, and those countries are also by far the largest markets for exports. Unless the problems that I am about to describe are addressed, at least half the art market, in London in particular—a world art market and undoubtedly the leading art market in Europe—will go not just outside this country but outside the European Union, back to Switzerland and the United States.

Christie's, one of the world's leading auction houses, recently acquired the Rockefeller Centre in New York. It is preparing for the fact that the London art market, where it has been since its foundation, may be about to leave its historic shores. The problem that faces Christie's is that of VAT harmonisation, and the purpose of the new clauses—I would welcome any suggestion that the Financial Secretary has to improve them—is to mitigate the effect of that threat on art houses and the art market in the UK.

Until five years ago, there was no VAT on imports of works of art. The change was introduced by the previous Government, after a great deal of pressure from our EU partners. A concessionary rate of 2.5 per cent. on the cost of those imports was agreed, but after five years it was agreed that that rate of VAT would rise to 5 per cent. In Switzerland and the United States, there is no import duty on such works of art.

9.30 pm

We have evidence that, as a result of the imposition of a 2.5 per cent. rate of VAT, the amount of art coming into this country has reduced, and there is every indication from the art world that, if the duty goes up to 5 per cent., the market in the UK will be destroyed.

I am grateful to the British Art Market Federation, of which my right hon. Friend the Member for Cities of London and Westminster (Mr. Brooke) is president, for the information that it has supplied on this serious issue. If the Government take no action, 10,000 jobs are at risk. In its report, the BAMF says:

"Markets take years to develop but can be lost very quickly."

It is in no doubt that, if action is not taken, the Government will share responsibility for that.

It is highly fitting that we are debating this issue on 30 June, at the end of the UK presidency of the European Union. How much time did the Minister or any of her colleagues spend during the past six months addressing the problem of the real threat to the 10,000 jobs directly affected?

**Mr. Love:** The trend in the international art market in recent years has resulted in a major shift of focus from Europe to the United States. A number of the major companies that the hon. Gentleman mentioned are now under American ownership. How can he persuade us that it is that trend at work, and not a spurious problem in Europe?

**Mr. St. Aubyn:** The hon. Gentleman gives me an opportunity to declare an interest. It so happens that my brother-in-law is chairman of the fifth largest auction house in this country, Brooks auctioneers, which specialises in classic cars. It was the first London auction house to be started for 200 years, and it has established itself as a world leader in the field of classic cars. That company would undoubtedly like to retain London at the heart of its business, but it is being forced to open up in Switzerland and in the United States precisely because of the threat that affects not only classic works of art, but classic cars.

I am grateful to my brother-in-law for pointing out the example of Australia, which introduced a system of duty on imports that led to the complete collapse of its market. He tells me that non-EU buyers account for about 30 per cent. of sales in classic cars. That trade will move out of this country if the Government do not confront and deal with the issue of harmonisation.

What would be the effect of our new clause? We cannot change VAT rates in a Finance Bill debate. Without the will of the Government, we cannot change what has been agreed by other member states, although when the harmonisation deal was struck five years ago, it was agreed that the European Union would undertake an

*[Mr. St. Aubyn]*

investigation into the effects of harmonisation. We are now six months from the end of 1998, by which time, at the very latest, that study should have been carried out, and there is still no evidence that the EU is putting its mind to this issue. How much time and effort did the Minister and her colleagues give during our presidency to getting this study under way, so that the matter can be addressed by the EU?

We have had to react to the current situation. The Government's total inaction has put 10,000 jobs at risk. We must come up with a local solution to the problem. The local solution is to provide a form of tax rebate on corporation tax. No doubt the Minister will tell us that that would cost a great deal of money: in a full year, it may cost more than £10 million. I draw her attention to the study by the eminent economist Peter Oppenheimer, "VAT in the UK Art Trade", which pointed out the tremendous fiscal advantages to the UK Exchequer of increasing the market through the encouragement of imports. Since he undertook that study 11 years ago, we have seen the London market develop, strengthen and grow.

We are not talking about a case in which it may cost the Government £10 million in lost revenue to mitigate the effects on imports; we are talking about the loss of the entire market, the loss of all the VAT receipts and the loss of all the corporation tax. Furthermore, there are the indirect losses—the losses to London's tourist trade, its hotels and its major shops. When people visit an art market auction in London, they do so to enjoy themselves. They spend money, and fructify London's economy at the same time. If the Minister and her colleagues fail to accept and meet the challenge, they will not only damage the art market, but fail London—and far more than 10,000 jobs will be lost.

I do not pretend that the new clauses and amendments are perfect. As I have said, they constitute an attempt to raise an issue and ask Ministers key questions, and it is in that spirit that I seek answers.

**Mr. Swayne:** I shall be brief, but I wish to speak in favour of amendments Nos. 72 and 73. In doing so, I shall quote from a letter from my constituent Sir Edward Hulse, who farms at Breamore house near Fordingbridge and who opens the house to the public.

In the interests of brevity, I shall not read out the entire letter, but it begins with the heading "One Estate Election", and continues:

"The removal of this concession is particularly dangerous for the small house, (houses who have less than 50,000 visitors a year). In 1954 we had c. 40,000 visitors but now have c. 14,000. The competition has increased out of all proportion to the number of people requiring leisure . . .

I estimate maintenance at £15,000 pa. There are of course times when this is exceeded. If One Estate Election is withdrawn maintenance would have to be reduced as less cash would be available. In my case at least £2,500 pa."

I think that the House will agree that that is a staggering reduction in the amount of maintenance.

Sir Edward's letter continues:

"but if farm profits rose these would be partially used to catch up with the backlog of maintenance."

It is, I think, a pious hope that farm profits would increase in this climate. That alone should be an argument for the Government to show some sympathy.

The letter goes on:

"I do find maintenance a major problem but it must be in the national interest"—

in the national interest, that is, for Sir Edward to receive help. He writes:

"I admit this concession is helpful."

He continues:

"There is a lot of talk about public access and we open on average five days a week (three in April and everyday in August). The point is this costs money particularly in April. Consideration would have to be given to reducing the season if we are to have less money available for maintenance. My first priority must be to the House".

Sir Edward's second priority, he writes, must be his visitors.

In this age of fascination with the millennium, the 21st century and the age of "cool", we are perhaps less mindful of our heritage; but I am sure that we all agree on the importance of our link with the past. The most vital element in the maintenance of that link is the private owner. Indeed, the Secretary of State for Culture, Media and Sport said only recently:

"The private owner remains the most effective economic guardian of this sector."

I believe that the private owner is undermined by clause 39, and that amendments Nos. 72 and 73 go some way towards remedying the situation.

The simple fact is that, if we treat listed buildings and country houses as ordinary businesses, they will become uneconomic. The ability to set maintenance costs against income is vital. It is nonsense to pretend that the money for maintenance could be found out of tax income.

As Sir Edward Hulse points out, opening the house to the public only barely covers the costs. What will be the consequences of the clause if it is unamended? Repairs will be put off, public access will be curtailed and restricted, contents will be sold, collections will be broken up and valuable works of art will be lost to the nation. Eventually, houses will be sold and the doors will be closed to the public. Far from removing one estate election, the Government need to extend it to all existing owners. That would be the proper way in which to end this anomaly.

**Mr. Peter Brooke** (Cities of London and Westminster): The Whips kindly released me for this evening. I have returned from the engagement that I had with my constituents elsewhere because of the importance of the issues that my hon. Friends the Members for Witney (Mr. Woodward) and for Guildford (Mr. St. Aubyn) have relevantly and admirably raised in the debate.

I declare an interest, to which my hon. Friend the Member for Guildford has referred. I am president of the British Antique Dealers Association. As I record in the Register of Members' Interests, I receive an uncovenanted case of wine at Christmas, which is not in any sense part of any contract that I have with it. As my hon. Friend also said, I am president of the British Art Market Federation, which was created in the last year of the previous Government because they said that it would be much easier if they could deal with the art market as a whole, and not deal with 15 or 16 different parts. My hon. Friend the Member for South–West Hertfordshire (Mr. Page) was the Minister who engaged in that dialogue, and I am delighted to see him in the Chamber.

To deal with the matters relating to the British Art Market Federation, my hon. Friend the Member for Guildford has dealt with the state of the market cogently. I shall not rehearse those issues again, even though it is only early in the night, except to congratulate him warmly on the comprehensiveness with which he has set out the problems, of which I am certain the two Treasury Ministers who are present are vividly aware.

I acknowledge that the problems are created for us from elsewhere in the European Union—they are not totally under the control of this Government—but it is extremely important that Treasury Ministers fight strenuously and robustly on our behalf, otherwise the sad consequences to which my hon. Friend the Member for Guildford referred, are likely to come to pass.

As my hon. Friend the Member for Witney has said, the Government have got themselves into some difficulty with the arts in general, which the Prime Minister, who has been substantially responsible for that development, is seeking to repair. It has already, I fear, been commonplace in relevant circles that the Government do not care much for the heritage. I find that a disappointment, given my recollection—I was in the House at the time of the previous Government; indeed I have served on a Committee that considered the Finance Bill in the time of that Government.

I am sorry about the Government's policy, as it contradicts the tradition that had been observed by previous Labour Governments. The Treasury, particularly during the passage of Finance Bills, worked constructively with the heritage lobby in terms of its preservation. I am genuinely surprised that it should be through the Finance Bill that the Government should have launched the assault on the heritage, and there is no question but that there is an element of assault about it, although the Financial Secretary may be able to reassure us at a later date.

There was a major move of British works of art out of this country at the time of the Reformation because of what happened to the churches during that era. Happily, as the almighty is even-handed, in the earliest part of the 19th century, with the reign of Pugin and neo-Gothicism, much art came back into this country's churches, but the changes to taxes in the 1880s, particularly in relation to aspects of entail and inheritance tax, were responsible for major sales by British families in historic houses, and many works of art crossed the Atlantic during that period, which we can now admire in American museums. It is sad that the collections that were sold were not replenished with contemporary art in the late 19th century, or, indeed, in the 20th century. The collections of British historic houses are nothing like as impressive in terms of the art of the last 100 years as they are in terms of art from the five previous centuries.

9.45 pm

I am not laying the blame for that at the Government's door, but they are threatening us with the deluge onto the art market to which my hon. Friend the Member for Witney referred. Like my hon. Friend the Member for South Staffordshire (Sir P. Cormack), he alluded to the potential threat of burglary. There have been relatively recent convictions of organised gangs which simply used "Who's Who?" as a way to identify houses around the country where there might be rich pickings. Some exceptionally disagreeable violence was involved in the burglaries. That causes great anxiety to the owners of historic houses who fear that, under the Government's regulations, they may be under similar threat of burglary and violence because their details will be readily available.

**Mr. Love** *rose—*

**Mr. Brooke:** I will give way to the hon. Gentleman, not least because that will enable me to respond to something that he said earlier in an intervention.

**Mr. Love:** I have listened carefully to the right hon. Gentleman's reasonable remarks, as I did to those of the hon. Member for South Staffordshire (Sir P. Cormack), but I have not yet heard any criticism from the Opposition about conditional access agreements, or any recognition that things had to change.

**Mr. Brooke:** The hon. Gentleman intervened earlier on my hon. Friend the Member for Guildford who was explaining why tax changes in the European Union are threatening to move the art market out of Europe. I shall come back to the hon. Gentleman's most recent intervention in a moment. The hon. Gentleman said previously that a number of powerful houses had passed into American hands, but they did so because American investors could see the virtue and value of those houses. The present chief executive of Sotheby's learned her trade in these activities sitting in the offices in New Bond street, which was to the great good of Anglo-American trade.

**Mr. Woodward:** I am sure that my right hon. Friend agrees that it is terribly important that the record shows that no one is saying that there should not be some change. All the relevant bodies recognise the great importance of bringing regulations up to date, but the phrase that is consistently used is "a sledgehammer to crack a walnut".

**Mr. Brooke:** I am grateful to my hon. Friend. He has helped me to respond to the latest intervention by the hon. Member for Edmonton (Mr. Love).

Over the past five or 10 years, we have of course been aware of comments and, it is fair to say, criticisms about the existing arrangements. It is not for me to speak for the Opposition. Indeed, my name is not even attached to the new clause, and it is for my Front-Bench colleagues to respond. However, I have no difficulty in recognising the need for the intelligent interaction that there has been in the past.

The Financial Secretary said that these matters had been fully discussed in Committee. I must confess that I was disappointed and distressed to find how unavailable Ministers had been to talk to the Historic Houses Association.

**Dawn Primarolo** *rose—*

**Mr. Brooke:** I shall gladly give way to the hon. Lady, but she has to stand by what is on the record from Committee.

**Dawn Primarolo:** What the right hon. Gentleman says is not true. The Historic Houses Association met

*[Dawn Primarolo]*

representatives from the Treasury, and it is as a result of that meeting that the abolition of the one estate election was delayed for three years. There was a meeting on 24 June, and the HHA said in its newsletter that it has no complaints about access to the Treasury or its Ministers. I shall return to that point when I reply to the debate.

**Mr. Brooke:** I am grateful to the hon. Lady for saying that, although there seemed to have been some difficulty in Committee for a Minister even to be available, except on a telephone. However, if she assures me on the matter, I shall of course take her words in good faith.

The whole purpose of my speaking in this debate was to say that I hope that the Government will do more than they have so far been able to do, to reassure not only the Historic Houses Association but those who have such properties across the country that the situation will not deteriorate sharply. As my hon. Friend the Member for Witney said, the Department for Culture, Media and Sport—which once upon a time was called the Department of National Heritage—has passed effectively into the hands of the Treasury. If the situation does deteriorate sharply and many notable works of art are put on the market, it will be very unfortunate if that flood reaches the market at precisely the moment that the Treasury has decided that the amount of money available to the national heritage memorial fund is to be reduced.

**Mr. Heathcoat-Amory:** My right hon. Friend the Member for Cities of London and Westminster (Mr. Brooke) has spoken with great authority on the subjects dealt with by the new clauses and amendments. I hope that the Financial Secretary will deal very seriously with the points that have been made.

I should like to support my hon. Friends on conditionally exempt heritage assets, and to endorse particularly the speeches by my hon. Friends the Members for Witney (Mr. Woodward) and for South Staffordshire (Sir P. Cormack). Although they differed in their tone, their message was the same: the current system works very well. Exemption from inheritance tax for those assets keeps them in private hands and relieves the state of a great deal of expenditure. If the assets were taken into public collections, they would have to be looked after, insured and secured at public expense.

The current system therefore saves the Exchequer a good deal of money, while allowing perfectly reasonable public access. I am not aware of any tide of discontent among connoisseurs or those interested in the arts and heritage who feel that the current system denies them the chance of looking at and studying those objects. I hope that the Government will at the very least implement the legislation with great sensitivity.

I congratulate my hon. Friend the Member for Guildford (Mr. St. Aubyn) on his extreme ingenuity not only in tabling a new clause on the second issue—VAT on art imports—but on the new clause being in order, as VAT is not usually debated during consideration of a Finance Bill. He and other hon. Members have drawn attention to the acute threat that will be faced by the British art market if, as planned, VAT on art imports is doubled next year. The industry employs more than 50,000 people. Although we are not supposing that the industry will disappear—there will always be a domestic market for the exchange of works of art—the international market, on which London, but also very many provincial dealers, depend, will be gravely weakened if the VAT rate on imports is doubled.

Quite simply, art sent to London for sale will be diverted to other centres outside the European Union. Therefore, not only will the United Kingdom suffer, but the European Union as an institution will witness a decline in art sales. Such an action is also particularly stupid when we are trying to encourage repatriation to Europe and to the United Kingdom of works of art that were dispersed during previous waves of art exports, wars and revolutions.

When my noble friend Lord Cope was a Treasury Minister, he secured a review of such a tax threat before it took effect. I should like to ask the Minister what action the Government have taken to express the British Government's point of view to the Commission during the review period. Specifically, what discussions with other member states have been held during the British presidency?

We are supposed to have unparalleled influence in the European Union—that is what the Prime Minister tells us. We should like some evidence of that. What steps has he taken to defend a precious, almost unique national asset—the highly successful international market based in the United Kingdom which is threatened at best by erosion and at worst by a wholesale decampment to other non-EU centres such as Geneva and New York? Perhaps the Financial Secretary will bring us up to date on what the British Government are doing to protect our national interests in relation to the art market.

**Dawn Primarolo:** This has been an important debate, although some speeches have exaggerated somewhat the Government's attempts to secure public access to certain items of national heritage. Let me start by responding directly to the sentiments expressed by the hon. Member for South Staffordshire (Sir P. Cormack) as chairman of the all-party arts and heritage group, and the right hon. Member for Cities of London and Westminster (Mr. Brooke) in respect of balancing the need to secure public access to items of value and importance to our heritage with other interests. They acknowledged that the previous regime is not immune to criticism in respect of access by members of the public to particular items.

The Government propose that access by appointment only should be abolished and that access by appointment coupled with a measure of open access should remain. The maintenance and preservation needs of assets will remain key factors in deciding the level and type of access. That was made clear in Committee, and I make it clear again now.

The principle is that, with the conditional exemption, taxpayers' money will be provided to secure reasonable access to the items in question. That is what we are seeking to achieve. We are not talking about forcing anyone to do anything. The outrageous propositions that were made in Committee, and again this evening, about the likely outcome of our proposals are wrong, and amount to scaremongering. We would all wish to send a clear message from the House to that effect.

**Mr. Woodward:** Will the Minister give way?

**Dawn Primarolo:** Let me finish responding to the point that the hon. Gentleman raised in his speech.

Some owners will be worried about what open or extended access might mean. Let me emphasise again to the hon. Gentleman before I take his intervention that our primary objective is certainly not to force people out of the exemption scheme or jeopardise security of assets. It is to ensure that the public have proper access to tax-exempt assets. The new arrangements do not affect the basic requirement that access has to be reasonable.

**Mr. Woodward:** Will the Financial Secretary clarify an issue on that point? Let us consider the case of a 70-year-old lady who lives on her own in her flat and has enjoyed conditional exemption for a particular antique. Currently, individuals may come to see that, object by appointment. Under the changes, viewing by appointment only will not suffice. The onus will now be put on the 70-year-old lady to ensure that the object can be made available to the public. If she is unable to find a library, museum or gallery that will take it, will the current by-appointment arrangements still stand, ensuring that the 70-year-old lady will not be required to open her house to the public?

10 pm

**Dawn Primarolo:** I made it clear to the hon. Gentleman in Committee and shall make it clear again that access has to be reasonable. How it is decided will be the subject of the agreement reached between the Inland Revenue and the individual. If there is a dispute, the special commissioners will have the final say on whether access arrangements are reasonable. The hon. Gentleman knows that we have chosen our words to secure a balance between public access to an asset for which we are paying and the continued preservation of the item.

An owner will not be able to say that it is inconvenient for them ever to allow access to the item while requiring the conditional exemption. If taxpayers' money is taken for a conditional exemption, there must be a clear understanding that reasonable access to the item will be provided for the public. The fears about there being a flood of goods on to the market and a mass exodus of items will not materialise. We are not removing or applying any new tests to the assets that currently have the conditional exemption. We are ensuring that the access to which owners committed themselves when they accepted the arrangements for conditional exemption is reasonable and works.

**Mr. Brooke:** Will the Financial Secretary say a word about how she will monitor what happens? She says that my hon. Friend the Member for South Staffordshire (Sir P. Cormack) and I are exaggerating the potential. If we turn out to be right, how will she measure what is happening, and what will she do about it?

**Dawn Primarolo:** I did not include the right hon. Gentleman in my remarks about exaggeration. He and the Member for South Staffordshire made reasonable and measured contributions to this important debate. The Government have allowed a six-month period for negotiations with owners on access to assets. We have acknowledged that there are security issues and that there could be problems with the fragility of items such as manuscripts that would determine what might be considered reasonable access. We have agreed all the issues of access to an asset, but we have made it clear—as, I think, the right hon. Member agrees—that if taxpayers' money is provided for conditional exemption to protect heritage and to give access to members of the public to enjoy that heritage, reasonable access must be available. Frankly, it is not in all cases at present.

There have been Adjournment debates and early-day motions on the matter, and repeated questions have been raised with me as the Minister. To my knowledge, at least two television programmes have been heavily critical of the scheme and have given specific examples where the current reasonable access arrangements are not in operation. As both the right hon. Member for Cities of London and Westminster and the hon. Member for South Staffordshire acknowledged, the scheme needs to be updated and improved.

That is all we are seeking to achieve with the measures. We are being understanding and sensitive to the issues. Therefore, amendments Nos. 72 and 73 are unnecessary. In fact, it is unacceptable that we should give a further tax reduction to those who may now decide that they perhaps never wanted to provide reasonable access, and were never forced to do so. Now, faced with reasonable access, they no longer want the conditional exemption, and they say that they want a tax deduction as well. That is what the amendments would do. That is not acceptable to the Government, and I ask the House to reject the amendments.

I would say in addition to the right hon. Member for Cities of London and Westminster that, in moving to the new reasonable public access arrangements by agreement, there is no requirement for an asset to have a test or to be requalified. Therefore, there is no reason why people should be forced out of the conditional exemption scheme. If they choose to leave it, that is up to them, but they will not get additional tax help from the Government on the basis of the value of that asset, and therefore the taxes liable to be paid on it.

I wish to refer to the one estate election. I have a letter from the Historic Houses Association, dated 26 June 1998, which shows the positive relationship that exists between the HHA and the Government. The letter states:

"I read that further amendments . . . have been tabled by the Opposition, I imagine to be taken at Report stage of the Finance Bill. The Association would wish it to be on the record that these amendments have not been promoted by the HHA."

The letter continues:

"On One Estate Election, whilst the Association's concerns also remain, they have been recorded both in writing to Ministers and at a meeting with the Paymaster General, for which the HHA was grateful."

The HHA met officials after it was announced that we were to abolish the one estate election. As a result of its representations, the abolition was delayed for three years, to 2001.

My hon. Friend the Paymaster General met the association on 24 June. It was clear that, although about 700 farms and various other pieces of estate were covered by the one estate election, there was a question whether 60 or 70 houses could be in some difficulty. It was agreed that the HHA would go away, work on the proposals, discuss them with the Government and come back to the Government to see how we could make progress on the matter. The association entirely accepts that one estate election should be abolished, that the relief is not suitable and that it was never intended to be a heritage relief.

*[Dawn Primarolo]*

Therefore, we need to continue the discussions with the association. Given that the abolition of one estate election takes place in 2001, we have time to work with the association on that.

I turn now to new clauses 10 and 11 and the possible increase in VAT on the art market from 2.5 per cent. to 5 per cent. I share hon. Members' concerns about the possible impact of that change, particularly on the London art market. All hon. Members will want to ensure that we do all that we can to protect that valuable and important market.

I know that the right hon. Member for Wells (Mr. Heathcoat-Amory) is particularly knowledgeable on this subject because of his personal interest. He has recently written a number of articles about the importance of the art market. He reminded the House that, in 1994, his predecessor as Paymaster General negotiated with the European Union a derogation on the imposition of VAT on the art market. The rate is 2.5 per cent. and is due to rise to 5 per cent. by 1999.

The right hon. Gentleman also referred to the review process. The officials at Customs and Excise have been actively involved in meetings and correspondence with the Commission about the terms and scope of the review that is to take place. The Department has been working closely with representatives of the art market. As I am sure the House expects, the Government are determined to ensure that we properly represent and defend the interests of the London art market. We are actively pursuing this matter. The right hon. Gentleman will know that we have been arguing about the review's terms of reference, and I am sure that he accepts that it is crucial to get those right before we allow the review to commence. That has been the focus of our work, and we shall continue with that work.

I congratulate the hon. Member for Guildford (Mr. St. Aubyn) on his new clause, but it will not work. It is drafted very narrowly, and I am sure that he would not want to damage the art market that he says he wants to protect. In tabling the new clause, he has enabled the House to have an important debate and the Government to put on record the value that we continue to place on the art market. In the negotiations on the review, we shall pursue the best interests of the Government, the country and the London art market. If the hon. Gentleman will not withdraw his new clause, I must recommend that the House votes against it and new clause 11.

**Mr. Woodward:** I am grateful to the Financial Secretary for those comments and the spirit in which they were made. None the less, as the hon. Lady put on record a letter from the Historic Houses Association, it is important that the record also records the sequence of events.

The committee met on Tuesday 19 May. One month later, it wrote to the Chairman of the Culture, Media and Sport Committee, saying;

"Against the background of what we see as a clear case and compelling arguments, we are dismayed that to date the Paymaster General has not agreed to see us, that Chris Smith and his Ministers are not inclined to support our arguments, nor have our letters either been answered or acknowledged."

The hon. Lady stands before the House and says how reasonable her Department and officials have been, and I make no criticism whatever of her officials, but it is important that she does not let other people take the blame for a matter that is effectively her responsibility.

We should give credit to the Paymaster General, who allowed a meeting—albeit only last week. As a result of the meeting, the Inland Revenue has agreed to discuss the problem of open houses over the coming months. It is crucial, however, that the Financial Secretary is not allowed to suggest that all this was always going to happen. That was certainly not the case when HHA representatives telephoned the Paymaster General's office and were told, despite what was said in Committee in May, that the office was too busy and that the matter should be dealt with on the telephone. It is only thanks to the Paymaster General's efforts that the meeting took place at all.

This evening several changes and clarifications of how access to the V and A list will operate have been offered. We are grateful to the Financial Secretary for having listened to our proposals, and for the fact that they are now being implemented. It is significant, though, that the Government are still unable to produce the guidelines necessary for all the heritage bodies concerned. We look forward to seeing them in due course. In the meantime, I beg to ask leave to withdraw the motion.

*Motion and clause, by leave, withdrawn.*

### New clause 16

TAX CREDIT COMPENSATION FOR CHARITIES WITH INVESTMENTS IN MIXED FUNDS

'.—For section 29 (2)(b) of the Finance (No. 2) Act 1997 there shall be substituted—

"(b) to any part of the qualifying distribution which, were it not for section 469 (2) of the Taxes Act 1988, falls to be regarded as income of section 505 bodies.".'.—*[Mr. Fallon.]*

*Brought up, and read the First time.*

10.15 pm

**Mr. Fallon:** I beg to move, That the clause be read a Second time.

**Mr. Deputy Speaker:** With this, it will be convenient to discuss the following: Amendment No. 53, in clause 47, page 26, line 22, leave out '31st December 2000' and insert '31st March 2001'.

Government amendments Nos. 1 to 3.

Amendment No. 54, in page 27, line 44, leave out '31st December 2000' and insert '31st March 2001'.

**Mr. Fallon:** I begin, perversely, with the Government amendments, which we welcome. I acknowledge, on behalf of my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) who raised the point in Committee, how far the Government have gone to extend the definition of what can be supplied in kind as medical equipment. My hon. Friend has another engagement, but he wanted me to convey his thanks to the Minister for meeting us on that point.

As for amendments Nos. 53 and 54, the Economic Secretary will recall our discussion in Committee on these points. Incidentally, I declare an interest, in that I am an

unremunerated director of a charity that may benefit from the amendments. The issue here was simple: the date at which this new and welcome extension of charitable relief was to begin was intended to allow for a two-and-three-quarter year period. It was proposed initially to bring it into operation on 1 April this year; its implementation has now been delayed until some time after Royal Assent. As the exemption is designed to end on 31 December 2000, charities have been given less than two and a half years. That also means that the exemption ends, rather uncomfortably, three quarters of the way through the tax year.

I suggested to the Minister in Committee that it might be helpful to let the exemption run on for the final three months—January, February and March of 2001. She kindly agreed to consider the matter, which is why we have tabled these amendments.

The purpose of new clause 16 is to help a different group of charities, such as the Thalidomide Trust, which are still disadvantaged by the withdrawal of tax credit relief for UK equity dividends. The withdrawal was in two stages: for pension funds and the like it was put into effect immediately, on the day of last July's Budget; but foreseeing the impact on charities, the Government allowed a breathing space until April 1999. A compensation scheme with a tapered relief for five years was also introduced.

The problem comes for those charities that invested in mixed funds. The Thalidomide Trust was one of the charities that invested in the Aquila funds. These were unit trusts specially created to facilitate efficient investment pooling for pension funds and their charity clients. That worked well because both types of client were entitled to the same tax exemption.

Before investing in those funds, the Thalidomide Trust checked very carefully with the Inland Revenue. On 16 December 1996, it was told that

"the proposed investment in Aquila Funds would be accepted as 'qualifying' for"

the exemption. However, as a result of the subsequent July Budget, the pension fund lost relief; charities whose investment was pooled with it lost the relief at the same time—a relief to which they would otherwise have been fully entitled.

You may wonder, Mr. Deputy Speaker, why we raise the matter almost a year after the deed was done. We do so because, on 22 June 1998, the Thalidomide Trust wrote to us, having had little joy from the Government. On 21 January 1998, the charity wrote to the Revenue; it wrote again on 30 March, and then it wrote to the Chancellor. Receiving no satisfaction, it wrote to us.

We took up the matter immediately. I raised it with the Financial Secretary to the Treasury at Question Time last Thursday, 25 June. My hon. Friends will now understand why the Financial Secretary has left the Chamber; they will recall that, when I raised the matter, she advised us not to make "cheap points". To be fair, perhaps she said that on the rebound. It certainly is not a cheap point to the Thalidomide Trust, which stands to lose some £75,000 because of the inadvertent drafting of a clause—or so it was led to believe.

The Thalidomide Trust wrote to the Chancellor earlier this month because, in the final correspondence that the charity had with the chairman of the Board of the Inland Revenue, he made it clear that the compensation scheme to which I referred—the relief scheme—was not wholly drawn up by the Revenue, but had been expressly decided on by Ministers. In Mr. Montagu's letter to the Thalidomide Trust—he is the chairman of the Board of the Inland Revenue—he revealed that Ministers were aware of the position of charities that had invested in mixed funds. Apparently, the legislation had to be narrowly drawn in order to avoid complexity—not something that the Government were successful in avoiding elsewhere in the Finance (No. 2) Act 1997. However, I put that to one side.

The consequences were clear. The Thalidomide Trust—other charities may well be in such a position—has lost about £70,000. That is a serious loss because, in a few years' time, the trust will receive no further capital payments. The House needs no reminding that more than 400 people were disabled by the thalidomide drug. They have continuing and very expensive needs.

The previous Government recognised the special difficulty of charities such as the Thalidomide Trust. When, in 1996, it was apparent that the trust had insufficient capital to maintain the distributions to beneficiaries at existing levels, the previous Conservative Government chipped in some £7 million. Tonight, we are talking about £70,000 being taken from it. That is not a huge sum. I should have thought that it was perfectly possible, with all the technical expertise that is available to the Inland Revenue, for the compensation scheme to be adjusted. I very much hope, therefore, that the Minister will reconsider.

**Mr. Gibb:** As events unfold since the July Budget last year, more and more injustices are becoming apparent from the decision taken last July to end the repayment of dividend tax credits. We are already aware that, as a result of that one decision, pension funds—the funds that will give rise to the incomes of elderly people in their retirement—have been robbed to the tune of £5 billion a year. That means that, unless people increase their contributions to their pension funds, they will lose substantial sums on retirement.

There is considerable evidence that people are not aware of what the Government did to their pension funds last year, and they will have a nasty shock in 20 years if they have not increased their pension contributions, or their employers have not increased their contributions by about 11 per cent. on average. Those pension funds will be inadequately funded, and people's pensions in retirement will be less than they would otherwise have been, and less than people expected.

We have also heard of the injustice arising from the decision taken last July about non-taxpaying pensioners—300,000 of them—who, on average, will be £75 a year worse off as a result of that measure. Earlier today, we heard from constituents throughout the land who will suffer real hardship next April when the measure comes into force, and people will no longer be able to reclaim £100, £200, £300 or £400 a year from their dividend income.

We know already of the injustice being faced by charities generally as a result of the measure taken last July to end the repayment of dividend tax credits. Charities will lose £400 million a year, despite the taper, because tapers eventually taper to an end. At that time,

*[Mr. Gibb]*

charities will lose significant income. Some will suffer very badly indeed, especially those that rely on their investment income from endowments established over the years.

As a result of a letter from the Thalidomide Trust, a further injustice has become apparent, which arises for charities that have invested in mixed funds. One wonders how many further injustices will arise from that one measure. We have seen the wholesale restructuring of the corporation tax regime as a result of a measure taken in the Finance Act last year.

The Thalidomide Trust is a worthwhile organisation which helps to deal with the children affected by the thalidomide drug 30 years ago. As a person of 37 years of age, born at the time that the drug was about, but for the grace of God, I could easily have been one of those children. Contemporaries of my mother took the drug, and people of my age are acutely aware of the damage that it did to so many people in this country. As a result of a measure taken in July 1997, the Thalidomide Trust will lose £70,000 a year.

The matter has been handled callously; there seems to be no sensitivity on the Government's part. It seems that they are so determined to fulfil their pledge of winning two election terms that they intend to fulfil their spending pledges by stealthily taxing pension funds and charitable organisations. They do not care about the consequences for non-taxpaying individuals—the 300,000 pensioners. They do not care what effect their measures will have on the real value of pension funds. Judging from correspondence from the Revenue, the Government clearly do not care about the effect on the Thalidomide Trust.

I quote from another letter from the chairman of the Inland Revenue to the Thalidomide Trust. He states:

"I am afraid that there is nothing I can helpfully add. Ministers took their policy decision in full knowledge of the implications and it is for us to give effect to it."

Ministers knew what they were doing; it was not an error or oversight. Their action has caused enormous damage to the Thalidomide Trust, and I hope very much that the Minister will tell the House tonight that she intends to reverse the decision and accept the amendments, or propose another measure that will alleviate the £70,000 loss endured by that important charitable trust.

**The Economic Secretary to the Treasury (Mrs. Helen Liddell):** I shall begin with the three Government amendments. I am grateful for the acknowledgement by the hon. Member for Sevenoaks (Mr. Fallon) of the line that the Government took in Committee. We chose to introduce three new amendments this evening in order to make incontrovertibly clear what I said in Committee about extending the scope of the benefit that marks the millennium. In Committee, I explicitly read the Government's view on to the record. However, in order to give those who are so generous as to support charity in this way the added reassurance that medical provision would be included, we thought that it would be wise to introduce the three new amendments. I am grateful for the support of Opposition Members.

In relation to amendments Nos. 53 and 54, we had a lengthy discussion in Committee about the date of the millennium. I must admit that we had some fun in Committee discussing the millennium date definition advanced by the hon. Member for Kingston and Surbiton (Mr. Davey). He seemed to think that the millennium was a movable feast and that perhaps, like the synod of Whitby, we could convene and discuss a date that would be the millennium. As a consequence, both the Government and the official Opposition reached rare agreement about the date of the millennium.

10.30 pm

I said that I would reconsider the case made by the hon. Member for Sevenoaks (Mr. Fallon) for extending the provision for three months beyond the date of the millennium. However, I do not think that the case has been made for that extension. The measure is designed to focus giving for a specific purpose on one specific date: it allows people to mark the millennium by assisting those who are in poverty in less advantaged parts of the world. The scheme must have a cut-off date, and that date coincides logically with the millennium.

I remind the hon. Gentleman, as I did earlier in Committee, about the continuing investigation into the future of charities taxation. Anything we do in relation to this millennium giving does not prejudge in any way what could happen under the review of charities taxation. There is no reason to believe that there will be a less advantageous system for giving after the millennium because of the ending of this millennium project about which the Chancellor feels so strongly. For those reasons, I hope that the hon. Gentleman will not press the amendments. That would be unfortunate, given our commonality of purpose in relation to this scheme, which would allow the generous people of this country to mark the millennium in a way that gives the greatest benefit to the poorest in our world.

I turn to proposed new clause 16. The Opposition have introduced an exceptionally narrow point on Report which, as the hon. Gentleman pointed out, is concerned with investments by charities through mixed unauthorised unit trusts. The new clause is not very robust technically, but I will not concentrate on its technical aspects. I turn to the substantive argument to answer the hon. Gentleman's points.

The wider point is that charities have a range of options when investing their money. We made quite sure that the advisers to charities had a year to digest the implications of our proposals last year for tax credits on dividends. What is more, we have given them almost as long again to prepare for next April when the proposals come fully into force. Therefore, charities have the opportunity to put their funds into investments in such a way as to maximise tax benefits while maximising their returns.

The hon. Gentleman referred to the Thalidomide Trust and, surprisingly, introduced some rather unfortunate inaccuracies in relation to that trust. I have in front of me the first letter received by Ministers in relation to that matter dated 22 June 1998, eight days ago—a letter to my right hon. Friend the Chancellor of the Exchequer. That correspondence relates to the contact that there has been between the Thalidomide Trust and the Revenue.

The point at issue about the advice that the Revenue gave to the Thalidomide Trust relates to events in December 1996, when the Thalidomide Trust contacted the Revenue to ensure that its investments were in no way part of a tax avoidance scheme. The Revenue's response

was the kind of confirmation that it required. But there is no way in which the Revenue could give any guarantees about future tax treatment, particularly as this happened under the previous Government. There was a general election, and the present Government decided to correct the anomaly that had existed in relation to tax credits.

I have specifically asked Revenue officials whether they have evidence of any other charities that have encountered the same difficulty, and we know of none. The Revenue cannot be responsible for the nature of the decisions that charities make about how to invest their funds. We have deliberately gone to considerable lengths to allow charities the opportunity to arrange their portfolios in such a way that they maximise the benefits to themselves.

**Mr. Peter Bottomley** (Worthing, West): The hon. Lady rightly confirms what my hon. Friend the Member for Sevenoaks (Mr. Fallon) said about 1996, when the Revenue confirmed that the tax would not be levied on the charity's investment, and she rightly confirms that this month, Ministers received a letter. Will she give the House her view on what my hon. Friend said about the chairman of the Revenue, Mr. Montagu, informing the charity that six months ago, Ministers knew the effects of what they were doing on the charity's investment?

**Mrs. Liddell:** The hon. Gentleman may not have been present during debates on the previous Finance Bill when these matters were extensively debated. The hon. Member for Bognor Regis and Littlehampton (Mr. Gibb), with his technical expertise, has long waxed eloquent on these matters. We recognised at that time that there would be an impact on charities, which is why preferential treatments for charities were built into that legislation to give them an opportunity to rearrange their portfolios in such a way that they could maximise the benefits to themselves.

That was a rational and clear-cut way in which to behave, given that an anomaly in the taxation system had to be corrected. It was the Conservative Government who began the process of the correction of tax credits. Therefore, one regrets that the decisions that the Thalidomide Trust took in relation to its investments have meant that it was liable for more tax than it thought. At the end of the day, however, the advice given to the Thalidomide Trust by the Revenue related to a specific inquiry, before the election of this Government, about whether the trust was becoming involved in a tax avoidance measure.

The Conservative case is not well made in relation to this matter. The Government, in giving charities the opportunity to seek independent advice on how they should place their investments, gave charities as much opportunity as possible to take the right kind of advice so that they could configure their portfolios in the most appropriate way. Therefore, I cannot accept the new clause, because it would mean making a one-off provision merely to take into account a single sort of investment. Charities will be able to find a range of secure and productive homes for their money. I urge the hon. Gentleman to withdraw new clause 16 so that we can continue with the consensus that we have enjoyed in respect of this important part of the Bill.

**Mr. Fallon:** With the leave of the House, Mr. Deputy Speaker. In respect of amendments Nos. 53 and 54, may I tell the Economic Secretary that she is, as we know, a hard lady? We have tried to put our point three times, and each time she has resisted, so I shall happily withdraw it.

In respect of new clause 16 and the problems that the Thalidomide Trust faces, her response was not at all satisfactory. First, she suggested that there were inaccuracies in what I said. I made it clear that the advice from the Revenue was given in December 1996. There is no dispute about that: I have the words, and I quoted them, so I hope that she will withdraw any suggestion that I was implying that the advice was given in a different December.

**Mrs. Liddell:** I am glad that the hon. Gentleman has clarified the situation, and I am happy to accept his point. If I have misunderstood him, I am happy to withdraw my remarks, but I hope that he will withdraw his remarks about the Government not being concerned about the matter, and about Ministers failing to respond, given that we received the letter only on 22 June.

**Mr. Fallon:** I shall deal with that point in a moment, but let me make it clear that I said at the start of my remarks that the date was December 1996, and it was. I am glad that the Economic Secretary has withdrawn the suggestion that that was inaccurate.

Ministers may have been informed about the issue only on 22 June; so were we, but we have been doing something about it. We raised the issue at Question Time last week, and have had a new clause drafted and debated within seven days of receiving the Thalidomide Trust's letter. The hon. Lady, with all her officials in the Treasury, could have tabled a new clause, so it is nonsense to suggest that she has not had time to consider the matter.

**Mrs. Liddell:** I am sorry, but I am afraid that the hon. Gentleman is still obscuring the main point. I am not saying that the Government have not had time to consider the point. My general point is that we received correspondence from the Thalidomide Trust on 22 June; my substantive point relates to the fact that the new clause would introduce a narrow change for a specific sort of investment. That is the substance of my remarks and, for that reason, I ask hon. Members to oppose the new clause, if the hon. Gentleman will not withdraw it.

**Mr. Fallon:** The Economic Secretary is now playing for time and flannelling. The plain fact is that she is not prepared to do anything in respect of the Thalidomide Trust. She has confessed that this is the only case of which the Treasury is aware; if it is the only case, it is a good one. For the sake of £70,000 for one of the most deserving charities, which has been taken away by the Government, I ask my hon. Friends to support the new clause.

*Question put,* That the clause be read a Second time:—

*The House divided:* Ayes 171, Noes 279.

**Division No. 320]** **[10.42 pm**

**AYES**

| | |
|---|---|
| Ainsworth, Peter *(E Surrey)* | Baker, Norman |
| Allan, Richard | Ballard, Jackie |
| Amess, David | Beggs, Roy |
| Ancram, Rt Hon Michael | Bercow, John |
| Arbuthnot, James | Beresford, Sir Paul |
| Atkinson, David *(Bour'mth E)* | Body, Sir Richard |
| Atkinson, Peter *(Hexham)* | Boswell, Tim |

Bottomley, Peter *(Worthing W)*
Brady, Graham
Brake, Tom
Brand, Dr Peter
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burnett, John
Burns, Simon
Campbell, Menzies *(NE Fife)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Curry, Rt Hon David
Davey, Edward *(Kingston)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Ewing, Mrs Margaret
Faber, David
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fox, Dr Liam
Fraser, Christopher
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Hayes, John
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Jones, Nigel *(Cheltenham)*
Key, Robert
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Maples, John
Maude, Rt Hon Francis
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Sayeed, Jonathan
Simpson, Keith *(Mid-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Soames, Nicholas
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swinney, John
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Wallace, James
Wardle, Charles
Waterson, Nigel
Webb, Steve
Wells, Bowen
Welsh, Andrew
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Willis, Phil
Wilshire, David
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

**Tellers for the Ayes:**
**Sir David Madel and**
**Mrs. Caroline Spelman.**

**NOES**

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Ballard, Jackie
Banks, Tony
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byers, Stephen
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Caplin, Ivor
Casale, Roger
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Flint, Caroline
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Galbraith, Sam
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Grant, Bernie
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Henderson, Ivan *(Harwich)*
Heppell, John
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hoon, Geoffrey
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hutton, John
Iddon, Dr Brian
Illsley, Eric

Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Jones, Mrs Fiona *(Newark)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lepper, David
Leslie, Christopher
Lewis, Terry *(Worsley)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
McDonnell, John
McFall, John
McGuire, Mrs Anne
McKenna, Mrs Rosemary
McLeish, Henry
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
Mahon, Mrs Alice
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Roche, Mrs Barbara
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Temple-Morris, Peter
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Twigg, Derek *(Halton)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Alan W *(E Carmarthen)*
Winnick, David
Wood, Mike
Woolas, Phil
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

**Tellers for the Noes:**
**Jane Kennedy and**
**Mr. Jon Owen Jones.**

*Question accordingly negatived.*

## New clause 18

CAPITAL ALLOWANCES FOR SEA GOING VESSELS

'After subsection (6) of section 38B of the Capital Allowances Act 1990 (which provides for expenditure excluded from the application of the Chapter), there shall be inserted the following subsection:—

"(7) For the purposes of subsection (3)(a) above, a ship shall not be an offshore installation if it is a floating production storage and offtake unit or drillship being a mobile vessel engaged in the exploration, exploitation, storage or transportation of mineral resources".'.—*[Mr. Burnett.]*

*Brought up, and read the First time.*

**Mr. Burnett:** On this melancholy evening, I beg to move, That the clause be read a Second time.

The object of the new clause is to remove the uncertainty and discrimination that have impacted on the British shipping industry and our shipyards since the Finance Act 1997—the last Conservative Finance Act. That Act reduced from 25 to 6 per cent. the rate of writing-down allowances on what are defined as long-life assets.

I am delighted to declare a constituency interest. My constituency is fortunate enough to contain Appledore Shipbuilders. The company has a skilled and dedicated management and work force; it is a company of not just regional but national and, indeed, international importance. The House will be surprised to learn that it is one of only two medium-sized shipyards left in the country, the other being Ferguson in Port Glasgow. I am happy to see that the hon. Member for Greenock and Inverclyde (Dr. Godman) is present: he has a great interest in, and much knowledge of, the shipbuilding industry, and many of his constituents work at Ferguson.

British shipyards need orders, and they need them now. In February 1997, when he was shadow Minister for energy and industry, the current Minister for Science, Energy and Industry—the hon. Member for Leeds, West (Mr. Battle)—spoke of the Labour party's positive vision for the United Kingdom sector of the continental shelf, and of the vital industries and jobs that support that sector. One of those crucial industries is shipbuilding, which is heavily dependent on the construction of floating production storage and offtake facilities—FPSOs—and other assets such as drill ships.

The capital allowance rules in the Finance Act 1997, which reduced capital allowances for long-life assets to 6 per cent., are on machinery and plant which, when new, are expected to have a useful economic life of at least 25 years. Sea-going ships continue to qualify for the 25 percent. writing-down allowances. Unfortunately, for these purposes "sea-going ship" excludes any ship that is or would be an offshore installation under the Mineral Workings (Offshore Installations) Act 1971.

According to the previous Financial Secretary, the right hon. Member for Fylde (Mr. Jack), ships and railway assets were to be excluded from the long-life assets rule to promote investments in shipping and the rail industry.

*[Mr. Burnett]*

Before the Finance Act 1997, British shipyards were becoming increasingly dependent on the offshore oil and gas industry for work. Last year, Harland and Wolff was constructing one FPSO, two drill ships and two rig conversions. Appledore was constructing two offshore vessels, Ferguson four offshore vessels and Kvaerner in Govan six offshore vessels. A total of 17 offshore vessels were under construction last year in British shipyards.

That is important work, but it is in jeopardy as a result of the restricted capital allowances for offshore sea-going vessels. Under the new rules, capital allowances on long-life assets are extremely meagre—6 per cent. on a reducing-balance basis. Therefore, for every £100 invested, 6 per cent., or £6, is claimable in year one. In year two, it is not the £6 again; it is 6 per cent. of what is left over—£94. It takes an age to write off the cost of the asset for tax purposes. It is not done even on a straight-line basis—that is, 6 per cent. of the total sum in each year.

Therefore, although bringing the allowances for the offshore vessels back to the old basis would be far better, it would still be only 25 per cent. on a reducing-balance basis—in year one, for every £100 invested, £25 would qualify; in year two, 25 per cent. of the residual sum, which is £75, would qualify, and so on. With my new clause, it is still going to take at least eight years or so to write off the asset for tax purposes.

**Mr. John Wilkinson** (Ruislip–Northwood): The hon. Gentleman is making an important point and a significant speech because the long-life asset provisions of the Finance Act 1997 are damaging the offshore rig industry, and so on, and also doing considerable damage to the air transport industry. He will be aware that I introduced an Adjournment debate on that subject. I hoped that the Liberal Democrat party might have pursued that area of interest, which is crucial not just for air transport, but for the air manufacturing industry.

11 pm

**Mr. Burnett:** I am grateful to the hon. Gentleman for making that point. He is correct, and I am delighted to associate myself and my party with his concerns about further problems in relation to the aircraft industry; but the new clause relates to sea-going industries. If he wishes to table an amendment—I am afraid that it is probably too late now, but it might be possible for next year's Finance Bill—I am sure that we will see fit to support it.

The Institute for Fiscal Studies has cast doubt on whether the projected yields from the introduction of long-life assets would ever be achieved. In any event, the new clause will account only for a small fraction of the anticipated revenue. I hope that the House will support it.

**Dr. Norman A. Godman** (Greenock and Inverclyde): I offer my compliments to the hon. Member for Torridge and West Devon (Mr. Burnett). Speaking as an ex-shipyard worker, a shipwright by trade, I confirm that the yard in his constituency, Appledore, is first class. Unfortunately, from time to time, it has won orders at the expense of shipyards in my neck of the woods—the lower and upper Clyde—but it is an important new clause.

My hon. Friend the Economic Secretary knows well the two yards on the Clyde that the hon. Member mentioned—Ferguson on the lower Clyde and Kvaerner in Govan, Glasgow; some of her constituents work in both yards. I reckon that some several hundred of my constituents, highly skilled workers, are employed at Ferguson and Kvaerner. For that constituency reason, I am keen to offer my sympathy to the new clause.

It is important that owners of offshore supply vessels such as those that the hon. Member for Torridge and West Devon mentioned, are given support because, in fairness to them, they almost always place their orders in UK shipyards, unlike many other UK vessel owners, who go overseas, where there are often hidden subsidies that enable those yards to secure orders against our yards. Those offshore support vessel owners have a fine record in placing their orders in our constituencies. I wish that they would place more orders in mine than in the hon. Gentleman's, but we defend our own corners.

The hon. Gentleman mentioned 17 such vessels. Kvaerner, which is notable for its specialist skills in the building of liquefied petroleum gas tankers, is now building these vessels. If I had had the opportunity, I would have tabled an amendment to the new clause to the effect that no support should be given to shipowners who place their orders overseas. The House will have to forgive me for being ethnocentric about this, but I think that we should look after our own shipyards. Whenever I have met shipowners, I have told them that, if they are seeking our assistance to argue the case in the House for the kind of financial help that they receive in other countries—especially the Scandinavian countries—they have to give us an assurance in return that they will make every attempt to place their orders in our yards.

The new clause refers to

"a floating production storage and offtake unit".

The hon. Gentleman mentioned Harland and Wolff in Belfast, which is an important employer in that bedevilled Province. It employs about 1,800 men and women, I think. In my constituency, UIE of Clydebank is converting such a vessel—and it is a vessel. The hon. Gentleman is right to say that it is more than a production platform. I hope that my hon. Friend the Minister will take that on board—I should not have said that, but I hope that the House will forgive the pun—because these contracts are superb contracts to win. Let me give an example. The vessel being built now in Greenock is employing upwards of 1,000 highly skilled men. I hope that UIE of Clydebank will secure more of those orders.

I can see that the Government Whip is getting a bit anxious. Perhaps he is gloomy because his team went down tonight. I cannot do anything about that, being a Scots Member of Parliament, but he has my commiserations.

Surely some sympathy must be shown to shipowners who place their orders in UK shipyards. We all benefit if they do. It should be emphasised that it is not only maritime communities that benefit from these orders but communities miles away from the coastline—for example, the communities that provide the electronic equipment that goes into making these vessels. I simply plead for sympathy from the Minister, and I hope that my brief speech pleases the grumpy Whip.

**Mrs. Liddell:** This has been a brief but very interesting debate. I commend the hon. Member for Torridge and West Devon (Mr. Burnett) for raising this issue. I especially commend my hon. Friend the Member for Greenock and Inverclyde (Dr. Godman) for his contribution. As he knows, I live but two miles from the Ferguson yard in Port Glasgow and about six miles from the Kvaerner yard in Govan. My constituents do indeed work in both yards.

The first few years of my working life were connected with trying to secure the long-term future of shipbuilding on the Clyde. As a young economist, and with my right hon. Friend the Secretary of State for Defence, I spent probably two to three years dealing with the problems being experienced on the Clyde as a consequence of the rundown of shipbuilding and with the problems of Upper Clyde Shipbuilders. I therefore approach the issue with some sympathy, but I am not able to accept the new clause. *[Interruption.]* I hope that hon. Gentlemen will allow me to finish this serious point. I am not able to accept the new clause, but I hope that I may be able to provide some information that is of comfort to the hon. Member for Torridge and West Devon and to my hon. Friend the Member for Greenock and Inverclyde.

The aim of the long-life asset measure was to improve the neutrality of the tax system by bringing the tax treatment of such assets more closely into line with the actual rate of depreciation. Ships and railways were both exempted until 2010 because of the special circumstances in each of those sectors. Long-life assets qualify for capital allowances at a rate of 6 per cent. a year, whereas, as the hon. Gentleman said, other plant and machinery qualify for allowances at a rate of 25 per cent. a year.

The exclusion was aimed at the merchant shipping sector, and it would be very difficult to extend it to cover floating production storage and off-take units or drilling rigs. Annual capital allowances at 25 per cent. would write off nearly half the cost of an asset in the first two years, and three quarters of the cost in the first five years—which clearly is not neutral treatment for assets that have a working life of more than 25 years. The capital allowances would outstrip by far the actual depreciation rate.

If a floating production storage and off-take unit or a drilling rig has an expected economic life of more than 25 years, it is clearly right that it should not qualify for the 25 per cent. capital allowances. Conversely, if the asset has an expected economic life of less than 25 years, it will already be outside the scope of the long-life asset rules.

This may be where I can give the hon. Member for Torridge and West Devon some comfort. We have not seen any current evidence that the provisions are discouraging investment in the North sea. However, the Inland Revenue has made it clear to the oil industry that it is prepared to agree in advance the economic life of assets that are used in the industry, and that each asset will be considered individually, to arrive at a reasonable estimate of expected economic life. Given the overall aim of the long-life asset rules, that is an appropriate way of dealing with the units that he mentioned—floating production storage and off-take units and drilling rigs.

I hope that, with that comfort, the hon. Gentleman might choose to withdraw his new clause. If not, I regret to say that I shall have to ask the House to resist it.

**Mr. Burnett:** Liberal Democrat Members are grateful for the Minister's comments. The problem is that, even using my amended capital allowance system, it would take a considerable time—eight years—to ride out for tax purposes the cost of an asset. That is a long time. Even with my amendment, the allowances available in the United Kingdom compared with those available abroad put us right at the back of queue. We do not sufficiently encourage our shipbuilding and shipping industries. It is with regret that we have to force the matter to a vote.

*Question put,* That the clause be read a Second time:—

*The House divided:* Ayes 37, Noes 272.

**Division No. 321]** **[11.12 pm**

**AYES**

Allan, Richard
Baker, Norman
Ballard, Jackie
Brake, Tom
Brand, Dr Peter
Bruce, Malcolm *(Gordon)*
Burnett, John
Campbell, Menzies *(NE Fife)*
Chidgey, David
Cotter, Brian
Davey, Edward *(Kingston)*
Ewing, Mrs Margaret
Fallon, Michael
Foster, Don *(Bath)*
George, Andrew *(St Ives)*
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Heath, David *(Somerton & Frome)*
Hughes, Simon *(Southwark N)*
Jones, Nigel *(Cheltenham)*
Kirkwood, Archy
Livsey, Richard
Llwyd, Elfyn
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Öpik, Lembit
Rendel, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Smith, Sir Robert *(W Ab'd'hs)*
Swinney, John
Tyler, Paul
Wallace, James
Webb, Steve
Welsh, Andrew

**Tellers for the Ayes:**
**Mr. Andrew Stunell and Mr. Donald Gorrie.**

**NOES**

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Banks, Tony
Beard, Nigel
Begg, Miss Anne
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byers, Stephen
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Caplin, Ivor
Casale, Roger
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain

Connarty, Michael
Cook, Frank *(Stockton N)*
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Flint, Caroline
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael J *(Worcester)*
Foulkes, George
Galbraith, Sam
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Grant, Bernie
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Henderson, Ivan *(Harwich)*
Heppell, John
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hoon, Geoffrey
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Jones, Mrs Fiona *(Newark)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lepper, David
Leslie, Christopher
Lewis, Terry *(Worsley)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
McDonnell, John
McFall, John
McGuire, Mrs Anne
McKenna, Mrs Rosemary
McLeish, Henry
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
Mahon, Mrs Alice
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Roche, Mrs Barbara
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Temple-Morris, Peter
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Twigg, Derek *(Halton)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Alan W *(E Carmarthen)*
Winnick, David
Wood, Mike
Woolas, Phil
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

**Tellers for the Noes:**
**Jane Kennedy and**
**Mr. Jon Owen Jones.**

*Question accordingly negatived.*

Further consideration adjourned.—*[Mr. Robert Ainsworth.]*

*Bill to be further considered tomorrow.*

# RAF Northolt

*Motion made, and Question proposed,* That this House do now adjourn.—*[Mr. Robert Ainsworth.]*

11.23 pm

**Mr. John Wilkinson** (Ruislip–Northwood): I am grateful for the opportunity to raise the future of RAF Northolt. To many, not least to my constituents, it is incredible that the future of such an historic air force station—which fulfils its current role so well, and which is so warmly appreciated by those who work there, live nearby or benefit from its services—should be called into question.

It is little wonder that RAF Northolt is appreciated. Founded as a Royal Flying Corps station in 1915, it was in the thick of the battle of Britain, No. 303 Polish Squadron achieving more kills than any squadron in Air Chief Marshal Dowding's order of battle. Today, its proud traditions are maintained and heightened by the presence of No. 32 (The Royal) Squadron, which has assumed the duties of the Queen's Flight and provides invaluable communications flying for Ministers, service chiefs, senior civil servants and diplomats—as well as, of course, for the royal family.

Nearby national and North Atlantic Treaty Organisation headquarters, like those at Northwood, High Wycombe and Bentley Priory, benefit from having such an Air Force-controlled facility on the doorstep, as do those in the royal palaces, Whitehall, Westminster, allied embassies and military staffs who need a secure specialist unit and a transport facility of their own on which they can totally rely, not only in peacetime but in time of national emergency or war—a unit that will always give priority to their requirements. It should be remembered that RAF Northolt houses other distinguished units, including No. 1 Maritime headquarters unit of the Royal Auxiliary Air Force and the air information development unit.

There has been a tendency for RAF Northolt to acquire additional units as small military establishments in London are closed, which makes good economic and military sense. It is the happy partnership between the station and the local community that makes RAF Northolt so special. People remember well the late 1940s and early 1950s when Northolt was an airport for London, and the home of British European Airways. However, the jet era is very different from the age of piston-engined DC3 Pionairs and Vikings, and local people definitely do not want RAF Northolt to become a civil airport again—ever.

The physical constraints to the aerodrome are far too great. I have seen an old photograph of a twin piston-engined aircraft that crashed on to a Ruislip rooftop. The driver of a van on the A40 last August—whose vehicle was struck by a Spanish Lear jet which overran the 5,400 ft runway—will not forget the experience. I expect that he was glad that it was not a big airliner.

The present co-existence of military flights with a strictly limited number of civil movements is tolerated by the local community. Any relaxation in the limitations for civil aircraft will be unacceptable to local people, and they and their elected representatives, at local and national level, have repeatedly said so to the Government with complete consistency and unanimity, regardless of party affiliation.

The limits on civil flights at Northolt are from 0800 to 2000 local time; by prior permission only, with a maximum of 28 movements a day, Monday to Friday; no noisy aircraft; no aircraft with more than 30 seats; and, above all, no scheduled services. Those sensible restrictions have been upheld by successive Defence and Transport Ministers. The only change was a six-month trial, from 1 October 1996 to 31 March 1997, of an 0700 hours opening for civil flights, after which trial the old regime was wisely restored.

There have been periodic scares over the years. The Transport Committee, in its report on UK airport capacity in the 1995-96 Session, said:

"RAF Northolt might be employed as a satellite of Heathrow which, because of its small size, would provide capacity which could only be used by small aircraft of the sort that, particularly on UK regional flights, are being crowded out of Heathrow. We realise that ATC problems make intensive use of Northolt's existing runways difficult as it is near Heathrow and its runways are not fully parallel to those at Heathrow; flight paths of aircraft therefore cross those of aircraft using Heathrow.

However it was suggested that it would be possible to build a new runway at Northolt, parallel to those at Heathrow, which as far as ATC was concerned could be treated as a third Heathrow runway. We support the use of Northolt as a 'feeder reliever' airport for Heathrow. The Government should make funds available to NATS to study how the ATC difficulties of using Northolt could be overcome. Redhill aerodrome might also have a useful role as a 'feeder-reliever' for Gatwick."

The Committee's wholly unrealistic recommendations were lifted uncritically from a memorandum to the Committee from SH and E Air Transport Consultants, which amazingly proposed in paragraph 5.11 of its submission:

"Taken together the development of Redhill for Gatwick and Northolt for Heathrow would increase the capacity of the premier London airports by 30 million passengers per annum or more."

I wonder which commercial interest inspired SH and E's wild hyperbole. It proposed in paragraph 5.6:

"The eventual aim would be for both Northolt and Redhill to be marketed as an integral part of Heathrow and Gatwick . . . By way of illustration the distance between the two would be approximately five miles or eight minutes by road."

In fact, the journey through the rush-hour traffic between Heathrow and Northolt can easily be half an hour or more.

No wonder the Government's official observations in House of Commons paper 644, on the Select Committee's report, were dismissive of the Committee's proposals. They said:

"The Government does not consider that Northolt is a suitable site for the development of a civil airport on the scale that would be necessary to provide significant relief to Heathrow. It does not therefore consider it worthwhile to invite NATS to undertake a study of ATC constraints. The Government considers that Northolt does have the potential to provide useful if limited facilities for business aviation, and in parallel with this response it will set out its plans to increase the attractiveness of the facilities for business aviation, taking account of local interests. An earlier consultation on the possibility of a civil enclave for business aviation suggested that privatisation is not likely to be a realistic proposition for such a small-scale and limited civil operation."

Those were the observations of a Conservative Administration.

There matters should have rested. Luton airport, now with commercial management, will expand its already growing traffic for airline and business traffic alike, while in a few days' time, a public inquiry will begin into opening Farnborough, supported by Rushmoor council, to

*[Mr. John Wilkinson]*

21,000 air transport movements a year from Farnborough's long runway. That is three times the current annual limit of movements for RAF Northolt, with its very short runway.

I took a delegation of Labour councillors from Northolt's local authority—Hillingdon—to meet the Minister for Transport in London on 9 February this year. In a briefing note on the civil use of RAF Northolt, Hillingdon council stated:

"Hillingdon is opposed to any further increase in civil use at Northolt including a permanent increase in operating hours from 7 am, any civil use at weekends, an increase above the 7,000 annual civil transport movements, an increase in the size of civil aircraft using Northolt over 30 seats."

One might expect a Labour Government to accede to representations from a Labour council, but it was merely told to await the outcome of the strategic defence review. We heard later, not then, that the Department of the Environment, Transport and the Regions had sponsored consultants to do a study of business aviation in the south-east of England.

Then Stagecoach, which owns Prestwick airport, rolled on to the scene this summer with proposals put to the Transport Committee which, if the press is to be believed, resurrected the proposals for Northolt previously submitted to, and regurgitated by, the Transport Committee two years ago—proposals that were rightly rejected by the Government for sound technical and environmental reasons.

Interestingly, following my oral defence question to the Minister for the Armed Forces, whom I see on the Front Bench—a question about RAF Northolt put on 22 June—I received an unsolicited letter dated 26 June from the chairman of the European Business Aviation Association, Mr. Brian Humphries:

"Like you, we do not want Northolt to be developed and expanded to take larger aircraft and scheduled services. As such, we are totally opposed to the kind of plans which Stagecoach are allegedly putting forward to turn Northolt into a satellite of Heathrow."

The future of RAF Northolt is a test case. The USA has a military air force base, Andrews, beside the capital, Washington DC. France has Villacoublay beside Paris. RAF Northolt should similarly be retained with no change to its status or role.

**Mr. Stephen Pound** (Ealing, North): I have received a similar letter from Brian Humphries, whom the hon. Gentleman quotes correctly. What is your opinion—

**Mr. Deputy Speaker (Sir Alan Haselhurst):** Order. The hon. Gentleman must realise that he is now addressing the Chair.

**Mr. Pound:** I do beg your pardon, Mr. Deputy Speaker. Would the hon. Gentleman care to comment on the other question posed in the letter? It asks: if military use is declining, what would be the possibility of an increase of executive jet usage of the airport?

**Mr. Wilkinson:** The letter did not put it in those terms; it mentioned spare capacity, and I took that to mean that the 7,000 permitted civil movements a year were not fully taken up.

The environment of west London is under constant threat, with seemingly endless traffic jams, much excessive ambient noise, and insidious urbanisation of the few open spaces that remain. RAF Northolt and the small patches of green belt alongside are about the last remaining semi-rural areas left between Marble Arch and the M25.

Unemployment in my constituency is the lowest in Greater London—jobs are not, at least for the time being, a problem. Preserving an acceptable residential environment is, however, a constant challenge. RAF Northolt has seen off the dangerous challenge of the Luftwaffe in the past. The threat is more insidious today: the ambitions of those who want to impose on the site a three-runway London airport. It would take in a significant chunk of west London, regardless of the wishes of local people, and regardless of the irreparable damage to a swathe of residential Middlesex which would ensue.

I beg to suggest to the Minister that he keep RAF Northolt as it is. That would best suit the interests of the Ministry that he represents, and the interests of my constituents and those who live around the airfield.

10.38 pm

**The Minister for the Armed Forces (Dr. John Reid):** I always listen with interest to the remarks of the hon. Member for Ruislip–Northwood (Mr. Wilkinson) on matters relating to the Royal Air Force, but I listened with particular interest this evening, and at Defence questions on Monday 22 June, when he drew attention to the subject of the future of Royal Air Force Northolt. Obviously, Northolt and its future are matters of great interest to him: he is a staunch defender of and doughty fighter for his constituency interests, and he has wider concerns about the operational effectiveness of the Royal Air Force—in which he has a deep interest—and the contribution that Northolt makes to it.

The views of the hon. Member for Ruislip–Northwood on the subject are by no means confined to one hon. Member or to one party. My hon. Friend the Member for Brent, North (Mr. Gardiner), whose constituents are on the flight path, has expressed similar concerns to me, and obviously my hon. Friends the Members for Ealing, North (Mr. Pound) and for Harrow, West (Mr. Thomas) and a number of other hon. Members have similar feelings.

**Mr. John McDonnell** (Hayes and Harlington): As my hon. Friend said, this is not an isolated concern of the hon. Member for Ruislip–Northwood (Mr. Wilkinson); it is a concern of all the Hillingdon Members of Parliament. My hon. Friend needs to confer with his colleagues in the Department of the Environment, Transport and the Regions because, in my constituency, we are facing the environmental blight of the potential development of Northolt, sandwiched with the environmental threat of terminal 5, and even a third runway, obliterating the villages in the south of my constituency. All those factors need to be taken into account in any decision on the future of Northolt airport. We need to take into account the environmental degradation of our constituencies by the airport industry.

**Dr. Reid:** I shall mention the wider consideration of those matters that is being undertaken by the Department that my hon. Friend mentioned.

Hon. Members on both sides of the House know that, as was said, the principal task of Royal Air Force Northolt is to support the requirement for operational communications flying and VIP flying. As the hon. Member for Ruislip–Northwood said, that requirement is met by No. 32 (The Royal) Squadron. As he also said, several other units are based at RAF Northolt, including a bomb disposal unit, the headquarters of the south-east region of the air cadets, the aeronautical information documents unit and one or two units which the hon. Gentleman mentioned. That is not all that takes place. In line with my Department's policy of public access to the defence estate, RAF Northolt allows civil use of its irreducible spare capacity—the capacity which it is necessary to keep on the books and in the ambit of the defence budget, but which is not fully used at all times.

I am pleased to report that the civil use of RAF Northolt also generates significant receipts for the defence budget and, obviously, for the taxpayer. Indeed, for the financial year 1997-98, receipts amounting to about £948,000 were generated by civil use at Northolt—a more than 20 per cent. increase on the previous year.

I hope that the hon. Member for Ruislip–Northwood will be assured that my Department is well aware of concerns about the impact of flying—especially civil aviation—on the local environment at RAF Northolt, in light of responses which I gave him when he raised the matter previously. Indeed, in view of those concerns, the Ministry of Defence, as he said, has restricted civil use of RAF Northolt to the hours between 8 am and 8 pm, mainly on weekdays. Civil use at weekends is allowed only when the station is open for operational reasons.

We have also set a limit of 7,000 civil movements in the year. That figure includes business aviation and other civil operations, but excludes movements on Ministry of Defence or other Government business. The latest figures that we have show that, during 1997, there were 6,958 such civil movements—slightly fewer than the number of military movements in and out of Northolt last year. The care that the Department has taken in those restrictions is testimony to our awareness of the impact on the local community and the feelings of local people.

In addition to restrictions on the times at which civilian aircraft may operate and the number of movements allowed, we allow only quieter civil aircraft to use Northolt. Only civil aircraft that can carry a maximum of 30 passengers are normally allowed use of the airfield.

On the main question about the future of RAF Northolt, it is true that, as part of the Government's strategic defence review, we have been considering the future of Northolt as an RAF station and the wider implications. That should not be taken as a unique study, as the strategic defence review, the results of which we shall hear in the near future, was a scrutiny of all defence assets. There is no sense in which RAF Northolt was chosen again for consideration. It was part of a wide-ranging scrutiny by Ministers and officials.

Although it would be premature to comment in detail on the outcome of the defence review, no options have been discounted as regards RAF Northolt. Much work remains to be done in considering them, and no imminent decisions on RAF Northolt are likely to be sprung on the House.

**Mr. John Randall** (Uxbridge): The Minister can gauge the strength of feeling from the number of hon. Members present who represent surrounding areas. Can he give us an assurance that, if a decision was taken to change the status of RAF Northolt, there would be wide public consultation? That would show the strength of feeling against any change in the current status of RAF Northolt.

**Dr. Reid:** I know that the hon. Gentleman has an interest in the subject, and we have discussed these matters before. I shall come to such an assurance shortly.

As my hon. Friend the Member for Hayes and Harlington (Mr. McDonnell) pointed out in his intervention, there are many factors to be taken into account before proposals can be considered. For my Department there is the work, not only of the strategic defence review, but of the strategic development plan for the defence estate in the Greater London area, which will include RAF Northolt. There is also the work that my right hon. Friend the Secretary of State for the Environment, Transport and the Regions has set in hand on business aviation in the south-east, and the forthcoming integrated transport White Paper that will provide a framework for subsequent work on airports policy.

Those various factors mean that early proposals on the future of RAF Northolt are highly unlikely. I can assure hon. Members that the concerns of the local community will be an important consideration in all this on-going work. It could not be otherwise.

The hon. Member for Ruislip–Northwood mentioned the trials held between 1 October 1996 and 31 March 1997, in the last year of the previous Conservative Government. A trial was conducted into extending RAF Northolt's opening hours. The Ministry of Defence and the Department of Transport had jointly identified possible changes to working arrangements at RAF Northolt that might improve services offered to users, in view of pressures on existing runway capacity.

The hon. Gentleman identified the changes that were made during that period. The opening of the airport at 7 am on weekday mornings, instead of the usual time of 8 am, attracted 153 additional civil movements over the six-month trial period. Eighty of those movements were new business, and the remaining 73 were movements that would otherwise have taken place within standard opening hours.

Consideration of much wider aspects is now taking place. I know that it will raise concerns, and I am trying to assuage the fears of local Members and their constituents that anything will be done without maximum consultation, or that anything is likely to be done imminently. The consideration may take several months, perhaps until the beginning of next year, and possible effects over a long time scale are being examined.

**Mr. Barry Gardiner** (Brent, North) *rose—*

**Dr. Reid:** Before I give way, I stress that any emerging proposals will be subject to full consultation not only with local individuals and Members of Parliament but with those local authorities and local communities that could potentially be affected. In the meantime—I hope that this assures hon. Members—I am prepared to guarantee tonight that, while the work is going on, there will be no increase in the current ceiling of 7,000 civil movements a year. I am also prepared to guarantee that the airfield's

*[Dr. Reid]*

opening hours will remain as they are now and will not be extended. Any change countenanced at any stage would involve the fullest consultation.

**Mr. Gardiner:** I am grateful to the Minister for giving way on that point and for delaying my intervention. That guarantee is extremely welcome to my constituents from Roe Green, Kingsbury, Kenton and Sudbury who are affected by aircraft movements and who have made representations to me. The Minister will be aware of the question that I tabled about the reduction of the defence estate in London. I know that he is aware also of the response that his Department provided to me earlier today. Will he give an assurance that the existing studies—particularly those relating to RAF Northolt—will be taken into account in the strategic defence review and in the reduction of the defence estates review in London?

**Dr. Reid:** I assure my hon. Friend that, if those studies were not taken into account, they would be the only studies in the past 10 years that were not involved in the strategic defence review scrutiny. I assure my hon. Friend that we have spent many days, weeks and indeed months—up until, literally, the past few hours—compiling the finest details of the strategic defence review. Other matters, such as this one, will emanate from it and will require further study. I know that my hon. Friend received a response this morning from the Under-Secretary of State for Defence, my hon. Friend the Member for Warley (Mr. Spellar), and I hope that that has gone some way towards allaying his fears.

We are well aware of the opposition of local authorities and local communities to extended opening, and we have taken careful note of the representations that they have made about the matter. I repeat that no decision has been taken to extend the arrangements under the trial to a more permanent footing.

As I told the House at Defence questions last Monday, my Department has received a number of unsolicited approaches about the use of spare capacity at RAF Northolt. Most of those approaches were very tentative. I have answered written questions about the specific approach that was raised, but I reassure all hon. Members that no one from the Ministry of Defence—or any other Department, to my knowledge—has been going around soliciting offers for the extension or the transformation of RAF Northolt.

I hope that my few remarks and the guarantees that I have given tonight have assuaged people's fears and assured the hon. Member for Ruislip–Northwood, and others who are deeply interested in the issue, that the fullest consideration will be given to their views if any change were countenanced. No decision is likely in the near future—we are thinking perhaps about the end of this year or the beginning of next year—and, even after that, there will be maximum consultation.

In the interim, there will be no change to the hours in the morning as per the last trial, and no extension to the number of civil movements. I hope that the fact that I have given those guarantees and assurances and the spirit in which my Department has acted is testimony to how seriously we take the hon. Gentleman's points.

*The motion having been made after Ten o'clock, and the debate having continued for half an hour,* MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

*Adjourned at seven minutes to Twelve midnight.*

# House of Commons

*Wednesday 1 July 1998*

*The House met at half-past Nine o'clock*

PRAYERS

[MADAM SPEAKER *in the Chair*]

## Gap Year Students

*Motion made, and Question proposed,* That this House do now adjourn.—*[Mr. Dowd.]*

9.34 am

**Mr. Nick St. Aubyn** (Guildford): I am grateful for the opportunity to debate gap year students. One of the great advantages of being a Member of Parliament is that one can occasionally highlight an issue that is not always in the public mind, and this is certainly one such issue. I congratulate those hon. Members who have survived the tribulations of last night on making it here this morning in one piece. I hope that we can score a few goals on behalf of students, but that is in the hands of the Minister.

**The Parliamentary Under-Secretary of State for Education and Employment (Dr. Kim Howells):** I am a rugby player.

**Mr. St. Aubyn:** That sounds ominous. Perhaps the hand of Government will be as effective as the hand of God was on another occasion.

First, I shall define gap year students. This month, if their A-level results are good enough, many students will make plans to go on to the university of their choice in the autumn. Every year, some school leavers decide to take a year out from their education programme to widen their experience and find out more about the world. Those are predominantly gap year students.

I have tried hard to get exact figures on the number of such students, but there are little data in this area. Most estimates show that 20,000 to 30,000 school leavers who intend to go to university take a gap year. However, as I shall show, a greater number may fall into that category. We should also consider students who enter university and meet students who took a gap year. They may put a gap year in their plans between leaving university and starting a full-time career.

I should declare an interest because I was a gap year student a few years ago. It was a tremendous experience, thanks to the organisation Project Trust. It was first in the field, following the decision by Voluntary Service Overseas to concentrate only on graduates. The trust started 30 years ago, and has developed programmes throughout the world specifically to enable school leavers to spend nine months to a year on structured projects that they had identified. In those 30 years, the trust has sent more than 4,000 school leavers abroad, and it has had great success. Those who go abroad for a year take on a big commitment, and the success rate says a great deal for the assessment, back-up, training and knowledge that the trust has developed.

One way in which gap year students gain experience is by self-selection. Perhaps that is why relatively few examples of poor experiences by gap year students come to light in the media. For students, it is a self-selecting experience, because the Project Trust base is on the island of Coll: applicants have to go from Glasgow to Oban to catch the island ferry early in the morning. If my memory is correct, it leaves before 7 o'clock. Anyone who faces those rigours must be willing to spend a year abroad.

The image of gap year students has perhaps limited the number who come forward. When I was applying for a project, I had in mind working on a sheep farm in Australia, on a ranch in South America with racehorses, or some such idea that one has at that stage. It was only when I was on the training and induction programme that I became interested in doing volunteer work, and I ended up as a care worker in a children's home.

In many ways, that was a life-determining opportunity for me. The striking fact—as the evidence of the Project Trust and other organisations suggests—is that that experience, if it is well structured and successful, does make a difference to the rest of volunteers' lives. Therefore, although we may be talking about only a small proportion of school leavers—the Universities and Colleges Admission Service estimates that only 6 per cent. of university applicants currently decide to take a gap year—the ones who do stand to benefit tremendously if the experience is right.

The other factor to bear in mind is that the nature of students taking gap year opportunities has changed. Seventy per cent. of the Project Trust's volunteers come from the state sector, and only 30 per cent. from the independent sector. The idea of the year off as the rich kid's luxury has gone. It is an opportunity that is and should remain open to all school leavers. However, there are problems.

The grandfather of overseas volunteering is Voluntary Service Overseas. Earlier this year, it reported that the number of its projects has had to be reduced by 10 per cent. because of a fall in applications. It sends about 2,000 people abroad on projects. That is at a time when, in the United States, with a $50 million grant from the United States Government, the number of Peace Corps volunteers—Peace Corps is a programme that was directly inspired by the example of VSO—has doubled to 10,000 a year.

There is other evidence that there has been a change in attitudes in our country, which we must do something to address. There is evidence that the number of people aged between 18 and 24 who are involved in any volunteering activity in this country has fallen in recent years. In 1991, 55 per cent. of those in that age group were involved in volunteering. Last year, that fell to 43 per cent., a drop of 1.4 million volunteers.

The new Government came to power promising the giving age, but for that age group it has become the taking age. One of the most worrying aspects of the current situation is the great increase in the burden on 18 to 24-year-olds implied by the Government's new proposals for tuition fees and for taking away the maintenance grant. I have seen correspondence between the Minister and some of the organisations in this sector making the case that those from less well-off backgrounds will not have to pay tuition fees, but, as we all know, that is only part of the package. The other part is that the maintenance grant

*[Mr. St. Aubyn]*

will be abolished, so, when they leave university, those from less well-off backgrounds will find that the debt on their shoulders will be higher than the debt of those from well-off backgrounds.

Therefore, across the board, members of that important, in many ways idealistic, age group who may want to take part in community activities, will find that the burden imposed by the Government deters them. Instead of spending a year doing voluntary activity, whether in this country or abroad, they feel that they must spend that time building their savings to help them to pay for their tuition at university.

That has clear consequences. One is that, if school leavers want to enjoy the benefits of a gap year, it is now more important than ever that they do so in a structured way, through an organisation that provides a well-founded experience. Not only will that be their best chance of ensuring that they gain the most from that experience, but, when they come on to the job market, it will be a plus with their prospective employers.

A recent survey showed that more than 50 per cent. of employers are more likely to choose a candidate who has had gap year experience; I am grateful to *The Guardian* of 12 August for that survey. Community Service Volunteers—the domestic equivalent of VSO—which in any year has 1,200 volunteers on its programmes, has done its own survey, which found that more than 50 per cent. of human resource directors in companies it questioned would prefer to take on an employee who had been involved in voluntary work, compared with one who had just been on a backpacking holiday of their own design.

Therefore, it is important that those programmes have a structure. There are five key issues that students and potential students should be looking for when they go on a programme. First, they should be on a programme that provides for assessment of the school leaver. That assessment will guide the school leaver into the right sort of project to suit them.

Secondly, a well-grounded programme will ensure that the projects to which the school leavers go have a correct and well-prepared specification. Thirdly, the organisation will provide sufficient training for school leavers, so that, when they go on their project, they genuinely deliver benefits to their host country and to the charity or school where they may be working, rather than becoming involved in an experience that may, for want of a better word, be nothing more than aid tourism.

Fourthly, when school leavers are on a project, that will be their first experience of being away from home for an extended period. It is important that pastoral care is available to school leavers in the country where they work. Again, the organisation should not only be able to show that it provides pastoral care, but, if the political situation becomes threatening—in many of these countries, there is often political instability—it should be aware of that and able to take school leavers out of a country as a last resort, in good time and with minimum fuss.

Lastly—in many ways, this is almost as important as all the rest—there should be proper debriefing for school leavers when they return home. There is an element of culture shock in going abroad. There is more than an element of reverse culture shock when school leavers come back to this country, particularly if they have been on a posting lasting between six months and a year.

That is why the cost of the best programmes is not cheap. Project Trust charges its volunteers £3,500 for their year's experience abroad. Gap Activity, which has been going for 25 years, is another well-established provider in the sector; it sends around 1,200 school leavers abroad a year and charges, all told, about £1,500 typically for a six-month experience abroad. Those figures sound high, but, in the case of those organisations and the other better organisations in the sector, that money is raised through sponsorship.

The organisations not only help school leavers to find sponsors, but give them some training in how to win sponsorship. The training is a part of the programmes' development of the individual, from which school leavers benefit. School leavers are successful, and achieve their sponsorship. Moreover, major British companies greatly value the results produced by the programmes, which provide volunteers with a leadership development programme as they are maturing as individuals. The required money is therefore forthcoming.

As the numbers of those going into higher education increases, and as awareness of the gap year experience and opportunity have grown, so organisations offering programmes have proliferated. It is estimated that more than 70 organisations now offer some gap year experience. However, the programmes are entirely unregulated. I shall deal with that point in more detail later.

I came across one company, for example, that employs in the United Kingdom only eight staff, who are responsible each year for almost 800 postings, lasting less than three months, for which they charge a total of about £2,000. Such programmes clearly do not provide the same value for money as those provided by the other, good organisations that I have mentioned.

The worst organisations do not provide training, or even an assessment of the school leaver and his or her suitability for a post. The image of the United Kingdom in countries where gap year students are sent will be tarnished if they show up for a few months, do not know why they are there, and perhaps return to the United Kingdom confused in their own minds, whereas people in the country involved simply think, "That's just another aid tourist who has been through our patch." That is not the image we want to project abroad.

**Dr. Howells:** Will the hon. Gentleman do the House and the country a favour by naming that company?

**Mr. St. Aubyn:** There are several such organisations, and I shall give the Minister their details later.

Such organisations pose a problem and have to be checked out. The question is whether we should regulate or offer guidance. The case against regulation is that volunteers are, as I said, a group of school leavers who are self-selecting. They have a self-awareness, and a "get up and go" that will stand them in good stead. Moreover, if they are to go abroad, they will have to have their wits about them. The problem with regulation is that it would create an extra cost for the best organisations, without providing any better value in the experience they offer.

The United Kingdom regulates similar organisations.

**Mr. Phil Willis** (Harrogate and Knaresborough): Regulation is one of the most important aspects of the

hon. Gentleman's speech and of the point that he is trying to make. Does he accept that the appalling situation that developed after Louise Woodward went to the United States to take up a post without supervision, regulation or training shows that we have to include within guidelines not only traditional, university gap year students, but all young people who participate in a gap year experience?

**Mr. St. Aubyn:** The hon. Gentleman makes a very good point, and I shall certainly deal later with the Louise Woodward case.

The decision whether to regulate should be based on our experience in the United Kingdom. Until quite recently, expeditions in the UK were not regulated. Only the previous Government introduced the requirement that expeditions be regulated and use qualified staff. When those regulations were introduced, after a canoeing accident in Lulworth cove, there was a sharp drop in the number of applicants to all organisations, however well established and reputable, which put their futures at risk.

Senior and responsible organisations offering overseas gap year projects have serious concerns that, if regulations were to be introduced, a hiatus would be created during which they would suffer serious effects. Developing a specific project can take a very long time, and, once the project is up and running, it is important that the flow of able and committed volunteers continues. If the Government were to interrupt and jeopardise that flow by announcing the need for regulation, many organisations would have a difficult time keeping their show on the road.

Most of the most reputable and longest-standing organisations are charitable, and are consequently run on a very tight budget.

**Mrs. Teresa Gorman** (Billericay): The points that my hon. Friend is making are extremely important, very serious and valid. However, I am sure that he will agree that parents who are releasing their children into organisations that will send them to foreign lands have a very big responsibility to check out those organisations to which their children will be consigned.

**Mr. St. Aubyn:** My hon. Friend makes a very good point, which leads on to the main point of the debate.

If parents are to investigate programmes with due vigilance, and if schools are to allow organisations into their career evenings and access to children—often the point of contact is the school's careers officer—they must have guidelines on what to expect and consider. Issuing such guidelines is the role that I think should be played by the Minister and the Department for Education and Employment—not only to ensure that the best organisations thrive, and that those that do not offer a fair deal fall by the wayside, but to endorse the idea, if the Minister is prepared to do so, of the gap year experience.

Organisations such as Project Trust and Gap Action tell me that they often visit a school to find that the school's head and teachers have no concept of a gap year. Issuing guidelines to schools would raise consciousness of gap years, and broaden the group who think that the gap year experience might be for them.

**Mr. Gerald Howarth** (Aldershot): Issuing guidelines is an interesting idea. However, further to the point raised by my hon. Friend the Member for Billericay (Mrs. Gorman), I should like to tell my hon. Friend of my own experience when my son wanted to go to Vietnam for his gap year. As a responsible parent, I sought to discover as much about the programme as I could, and found the Foreign Office extremely helpful. I suggest to my hon. Friend that he might include as one of his proposals to the Minister that the Foreign Office should itself investigate some of the organisations, and make its knowledge available to parents before their children go abroad.

**Mr. St. Aubyn:** My hon. Friend also makes a very good point. Perhaps I should say how much the organisations involved in sending school leavers abroad appreciate the back-up they receive from Government—not only from Foreign Office officials in the countries involved, in helping them to identify people living locally who are prepared to help; but, in extreme situations, from the Foreign Office in performing its general role of protecting all United Kingdom citizens in political hot spots. The Foreign Office has a role to play in all those circumstances.

The Department for International Development also is very much aware of the positive aspects of the organisations, and should have an input to the Minister's Department in drawing up helpful and constructive guidelines.

The hon. Member for Harrogate and Knaresborough (Mr. Willis) mentioned the case of Louise Woodward. I am told that, when the phrase "gap year students" is mentioned to the Prime Minister, he immediately thinks of Louise Woodward. I have deferred mentioning her case until now, because I wanted to emphasise to the House that a much wider group of people is involved in the gap year experience. However, an unknown number of school leavers, who may not be going on to university, nevertheless want the gap year experience. They are being sent overseas without appropriate assessment, training or back-up, and thus run the risks which tragically led to the case involving Louise Woodward in the United States.

I am grateful to the House of Commons Library for the following figures. Although the official estimate is that about 20,000 to 30,000 school leavers take a gap year, in the current year 137,000 18-year-olds, 55,000 19-year-olds and 20,000 20-year-olds entered a university course. Clearly, a much larger group is entering university education later, perhaps having changed their minds after leaving school. They would benefit from guidelines about where they are going and with which organisation.

**Mr. Roy Beggs** (East Antrim): Most of the hon. Gentleman's remarks have focused on the gap year experience overseas. Does he agree that, before entering university or teacher training college, most students would benefit from a gap year even within the United Kingdom, and that steps should be taken to encourage that, because of the confidence that students gain from experience of the real world?

**Mr. St. Aubyn:** I am grateful to the hon. Gentleman. I have deliberately focused on the experience of school leavers going overseas, because it is with them that all the factors I have outlined come into play. School leavers doing voluntary work in this country will probably stay at home and do something in their own locality. However, I agree with the thrust of the hon. Gentleman's question.

*[Mr. St. Aubyn]*

The Government plan a programme involving millennium volunteers, and I believe that they hope for 100,000. Over the past six months, the Government have been asked many times—most recently in the House of Lords by Baroness Hooper—whether they will include overseas volunteers in the category of millennium volunteers. Millennium volunteers are contributing to their community, and overseas volunteers are contributing to the wider international community. I believe, as do the organisations involved, that overseas volunteers should also be allowed to wear the badge of the millennium volunteers, thus highlighting a very special opportunity for those involved.

I would not want to conclude without stressing the support that students receive for the gap year, not only from employers but from universities. I have here one of the many letters that I have received on the subject. The vice-chancellor of Loughborough university today wrote:

"we regard gap year experiences as very valuable not least in taking forward students' key skills in terms of informal learning from work, travel etc. This fits in very well with the Dearing recommendations on key skill development for all HE students."

I represent a university town—it contains the university of Surrey—and I know that my vice-chancellor supports the idea of well-structured gap year experiences.

A year ago, the Department for Education and Employment was barely aware of gap year students. We know that, because of the hiatus caused for gap year students when the Government's plans for tuition fees were first announced. On that occasion, the Government performed a U-turn which might have done credit to a certain football team last night. They certainly performed a valuable service in recognising that there needed to be an exception for those students, but several thousands were still caught by the change in policy. I think that the Department is now much more aware of the nature of the gap year experience, the wide range of school leavers who take part, and of the importance of answering this call for them to be given guidelines.

10.4 am

**Mr. Phil Willis** (Harrogate and Knaresborough): I thank the hon. Member for Guildford (Mr. St. Aubyn) for raising this topic. I apologise to the House for the state of my voice, but a great deal of cheering and shouting went on last night. Having then to go into the radio studios at 11.15 pm to do a late-night phone-in was not the best of experiences, but no doubt the Minister is familiar with that, having had to respond to the drubbing that Wales took in the southern hemisphere recently, on which the whole world commiserates with him.

The gap year experience is a very important subject. The one thing we learned from last summer's fiasco involving Government policy, or the lack of Government policy, on gap year students—the hon. Member for Guildford was generous in not spending too much time on it—is that there is a need to tighten the regulations, and to put the gap year on a much more secure footing.

I shall be brief, as I do not want to relive the nightmares of 1997; nor do I want to re-run in any detail the arguments about the introduction of tuition fees. At about midnight tonight, we shall have yet another vote, after a long debate on Scottish fees, and hon. Members will be able to make their feelings known. However, the Minister must still expect to respond to last summer's fiasco concerning the gap year, particularly the way in which it was handled.

It is now a matter of record that the Secretary of State's statement on 25 July gave the clear impression that there would be no leeway for gap year students going off in 1997, and deferring their higher education places until 1998. The Government then performed a number of U-turns, which we welcome, as did the hon. Member for Guildford. However, it was clear from what the Government did that they did not understand the nature of the gap year, and were not familiar with the reasons why students took a gap year, or what an integral part it is of the higher education system.

On 14 August, Baroness Blackstone issued the famous press release which made the Government's position clear. However, it was not until about 24 September that universities were given hard information on what the Government's policy was. By that time, students who had not got offers of a place and had not taken up gap placements by 1 August were left out in the cold.

The Government failed to recognise that many students do not make their gap year arrangements as early or precisely as some would like, but wait until their A-level results come out. Only then do they make their decisions. It is important that they have that leeway, and can make their decisions as late as possible. The higher education system should be flexible enough to enable them to do so.

When they made their decision last year, the Government gave no hint to potential gap year students that there would be any change in the regulations. Students who expected to wait until their A-level results came out before making a decision had no indication that there was to be a change. The Government made a retrospective decision, which was applied arbitrarily to the 1997 student cohort. That was wrong. The way in which it was communicated to students was absolutely deplorable. At every stage, it was revealed in the press—through a leak to *The Times* on 11 August and a press release by Baroness Blackstone on 14 August. Individuals or institutions were obliged to monitor the press in order to find out what was happening in respect of Government policy. In his response to the debate, will the Minister assure us that future policy changes will not be announced only in press releases, but that the data will be sent to the relevant organisations and institutions involved, so that the information is available to everyone at the same time?

My purpose in making that point is to draw attention to the fact that many students who had not decided to take a gap year by 1 August have been disadvantaged. That is an inequity that could be redressed, even at this late stage, if the Government extended to students who took a gap year but had not applied by 1 August the same facilities as were available to those who had applied earlier.

Many hon. Members will have received correspondence from parents, and from individuals who decided to take a gap year, who feel disadvantaged by the fact that they will go to university this year on different terms and conditions from those affecting students who had applied by 1 August. I know that the Minister, who is an honourable and decent man, will accept that the deadline of 1 August was an arbitrary decision. I should like to think that, even at this late stage, the Government will acknowledge that it was an arbitrary decision, and change their mind.

We are concerned about the future of the gap year, and the hon. Member for Guildford made some extremely interesting and detailed points about its extent and nature. However, he did not refer to the statement by Baroness Blackstone on 14 August:

> "The Government recognises the numerous advantages that taking a year out can bring. The Government is particularly keen to encourage volunteering and we will be examining ways of how we can encourage it in the future."

I may have missed something, but yesterday I searched the web pages of the Department for Education and Employment, and found absolutely no reference to any Government plans regarding gap years. The Minister may be able to give us a detailed résumé of the Government's plans. We would certainly like to see the noble Baroness's words put into action.

No doubt others will extol the virtues of students working as volunteers or travelling. Many are obliged to take a gap year in order to earn the money to enable them to go to university, either to pay their tuition fees or to help defray the costs. I am sure that the Minister and hon. Members accept that most students who take a gap year will not be going off to East Timor or Borneo, but working on building sites or doing manual work to earn enough money to pay their way through university; and that is honourable, too. I do not believe that there are two categories of gap year—one that is good for a certain type of student and one that should be regarded as less worthy.

The Government should recognise all students who take a gap year, irrespective of whether they work as volunteers or to raise the money to pay their way through university. One small concession that they could make is to allow students who take a gap year to have their fees paid at the level at which they would have entered higher education in the first place. It would not cost a great deal, but it would represent the Government's recognition that a gap year is important for students.

**Mr. St. Aubyn:** Does the hon. Gentleman agree that it would be helpful if the Minister would mention the Government's plans for post-qualification entry, which will also affect the organisations involved, and explain how he proposes to involve the best of those organisations in his discussions on the introduction of post-qualification entry to universities?

**Mr. Willis:** I am grateful to the hon. Gentleman for that intervention, which relates to the answer that I am trying to get from the Government in respect of the noble Baroness's statement. She made a powerful statement, and the Secretary of State has made similar ones. It is only right that the Minister is given an opportunity this morning to explain to the House what plans the Government have, so we look forward to his reply to the debate.

Finally, I strongly support the point that the hon. Member for Guildford made about guidelines and registration of organisations offering facilities to gap year students or any students who are taking time out. There is no doubt that the Louise Woodward case has highlighted some of the problems faced by young people who go abroad without being properly prepared, and the fact that there is no proper regulation or the necessary support mechanisms to help them. A register and clear Government guidelines would be welcomed by the organisations involved, but regulations certainly would not.

**Mrs. Gorman:** The hon. Gentleman has twice mentioned the Louise Woodward case. Surely that is a different issue, as she obtained employment through an employment agency, which is a different animal from the voluntary organisations to which my hon. Friend the Member for Guildford (Mr. St. Aubyn) referred.

**Mr. Willis:** I am grateful to the hon. Lady for her intervention, but I think that the two issues overlap. Many gap year students find work abroad or at home through employment agencies. More and more young people, particularly those travelling to the United States, Australia or the Pacific rim countries, are being encouraged to find work through employment agencies. Although I accept the hon. Lady's point that there is a difference between the two, it is important that the Government do not turn a blind eye, but seek the same guidelines for all relevant organisations, irrespective of whether they deal with undergraduates or others seeking work experience abroad.

I am grateful to the hon. Member for Guildford for initiating this morning's debate, and look forward to the Minister's response.

10.17 am

**Mrs. Teresa Gorman** (Billericay): I have listened with great interest to my hon. Friend the Member for Guildford (Mr. St. Aubyn), and congratulate him on raising an important subject that obviously has ramifications outside the orthodox type of gap year. In my constituency, students have expressed the hope that they will be able to take a gap year, and employers have told me how much they value that experience for students.

We have been told that, whereas in the past increasing numbers of students have taken a gap year, this year there has been a fall in the numbers. I put it to the Minister that that is not unconnected with the fact that the Government have now decided to raise the cost of higher education for better-off students, who will have to pay their tuition fees, and for less well-off ones, who will face higher accommodation and maintenance costs. As a result, as the hon. Member for Harrogate and Knaresborough (Mr. Willis) pointed out, many more students will have to work in order to pay the expenses that the Government have increased for people in pursuit of higher education.

The Minister must accept that the Government's policies are having a detrimental effect on what we all agree has given a valuable dimension to many people's higher education experience. The majority of universities support the idea and go to great lengths to praise it, because the students who go to university after a gap year have more mature and focused views on why they are in higher education.

Many of us have had vast experience around the world as students and adults. We can all agree that there is no substitute for that contact with a variety of cultures and other people's way of life, as part of what would once have been called the university of life. That facility is undervalued. The Government's policies of increasing the cost of higher education are likely to deter many of our young people from gaining such experiences.

**Mr. St. Aubyn:** Does my hon. Friend agree that that highlights the Government's mistake in ignoring the

*[Mr. St. Aubyn]*

recommendation of the Dearing report not to abolish the maintenance grant? The fact that they flew in the face of that recommendation is at the heart of the problems we are discussing.

**Mrs. Gorman:** I agree with my hon. Friend. We are discussing a very important issue. The gap year is not a frivolous extra in the pattern of education that has evolved in this country, but an integral and very important way to help those entering higher education to broaden their knowledge and develop a sympathetic view of the life style of what we choose to call ordinary working people and those overseas who are so much less fortunate than people in this country.

We sometimes take for granted the tremendous advantages of being a British citizen and having the opportunities of higher education offered by the taxpayer, which the previous Government, like all Conservative Governments, sought to expand. The proportion of young people going into higher education has risen from, I think, one in eight to one in three. That is a massive increase. It is important that those young, and to some extent privileged, people go out into the world and learn how the other half lives.

I urge the Minister not to neglect the damage that his party is doing by making higher education more expensive. Those who decide when they leave school that they cannot afford to go to university may be lost to higher education for ever. They may go off into the world of work and find that the cost of severing that connection to go back into higher education is too great. We can take credit for the fact that so many mature students joined our universities under Conservative Governments. Such students have already achieved what might be called gap years by having worked. They now realise the value of education, and have gone back for it.

I left school at 16 and went for what would now be called a gap year, although I did a Louise Woodward and got a job abroad, which was quite poorly paid, but was a wonderful experience—and one that I would not have had if there had been a minimum wage and the employers had had to pay me more than they thought I was worth. That experience was worth a great deal more than money. We should emphasise that point.

The Minister should not just encourage such schemes, but should review again the Government's detrimental move that has made it more difficult and more expensive for people on lower incomes to take those opportunities. There is a fine balance for people coming from what we call a working-class background between choosing higher education and going into work, which they may never come out of to return to higher education. Pushing people in one direction—I think that it is the wrong direction—is one of the many downsides of the Government's policy.

I hope that the Minister will take that criticism on board. It is meant to be constructive, and is based on my experience. I am sure that many other hon. Members have a similar background. Many of those who have come up the hard way to sit on the Labour Benches would, if they were here—I understand that they are busy elsewhere—undoubtedly support the idea of not just keeping but extending the possibilities of the gap year, and making it financially possible.

For all the grandiose talk about the value of such schemes, we shall not achieve an increase in the university of life year unless we make it financially viable. I hope that the Minister will give us a constructive answer, not a lot of political propaganda trumpeting Labour's changes to education. He should admit that there are downsides to his policies, which he should ask the Secretary of State for Education and Employment to review carefully.

10.25 am

**Mr. Damian Green** (Ashford): I congratulate my hon. Friend the Member for Guildford (Mr. St. Aubyn) on securing this debate on such an important and topical subject. He should be given credit for the work he did in his gap year, which he described as having taken place a few years ago. As he and I were contemporaries at university, I have inside knowledge on how few those years are. It is probably better for both of us if I draw a veil over the number.

My hon. Friend made a powerful case based on his experience. Being a social worker in Soweto in those days would have been radically different from any experience that he had had before or has had since. It will have been important for his personal growth, and for those for whom he did useful work. It certainly sounds more useful than my gap year, which I spent as a journalist. I am not sure that that improved my social and moral growth, and it may not have been as useful for the community.

I also thank the other two hon. Members who have spoken. The hon. Member for Harrogate and Knaresborough (Mr. Willis) gave a learned and thoughtful dissection of the chaos that fell on the Government when they made their tuition fees announcement last summer. My hon. Friend the Member for Billericay (Mrs. Gorman) made a characteristically pungent and thoughtful contribution on the wider benefits of the gap year.

It is regrettable that more hon. Members did not feel impelled to join the debate. The last time that I looked, the parliamentary Labour party had five ex-presidents of the National Union of Students, and their specialist knowledge might have been useful. I can assume only that, like much of the rest of the country, they are spending the morning sticking pins into wax models of David Beckham. That will be my last reference to that national disaster.

We all agree on the importance of this subject. The gap year is important for students. It needs to become more important, but it is in danger of becoming less important for a variety of reasons relating to the attitude of young people and the Government's policies on student funding. It is widely agreed across political divides that promoting lifelong learning is one of the most important steps forward we can take to educate our people and provide a more competitive economy. However, we might be about to take a step backwards on this issue, in which the interaction of real life and academic life has been encouraged for many years. It seems perverse—just when, as a society, we are encouraging people beyond the traditional student age to go into education—to discourage people of the traditional student age from gaining experience in the real world.

The Minister will be aware that several extremely good organisations have for many years been trying to promote gap year activities. Indeed, one, which is neatly called GAP—the Gap Activities Project, an educational charity—

has the Government's specific endorsement. Its most recent brochure contained a message from the Foreign Secretary, celebrating the project's 25th anniversary.

The best quotation in that brochure is from the chief executive of the Universities and Colleges Admissions Service, who makes the point that gap year activities benefit not only students and society as a whole but universities:

"most universities and colleges are now very much in favour of a constructive gap year"—

one would emphasise "constructive"—

"some are even beginning to insist on it. GAP volunteers take on social responsibilities and learn the hard way to manage their lives. This means they bring a more mature and broader approach to their studies."

That is clearly true, as I am sure the Minister would agree. GAP is just one of the relevant organisations. My hon. Friend the Member for Guildford mentioned others, and I shall say a word about Voluntary Service Overseas in a minute.

The points made by GAP were emphasised by one of its trustees, Baroness Hooper, who told another place earlier this year that the organisation currently sends 1,300 young people overseas, and that, on her recent visit to the Falkland Islands, she found eight GAP students working in various ways on farms or in local museums. The organisation also brings volunteers from overseas to this country.

Baroness Hooper asked the Government for assurances on three points; I hope that the Minister will be able to assure us on them in this debate. She said that the Government need to encourage broader educational experience and young people should play a more active part in citizenship. All of us must have such an important general aim; we must not let young people drift away from their wider responsibilities.

Baroness Hooper's second point, which I hope the Minister will address, concerned post-qualification applications to university. That fits the wider theme of lifelong learning, about which I am sure the Minister will want to talk. Baroness Hooper suggested that the Government should move to a system of post-qualification applications that

"would provide those in the GAP organisation"—

and no doubt other organisations that promote such useful activity—

"with a clear means of communication to the Department for Education and Employment in terms of being able to provide information from their experience and being able to explain clearly their needs."—[*Official Report, House of Lords*, 4 March 1998; Vol. 586, c. 1264.]

Baroness Hooper's third issue—my hon. Friend the Member for Guildford also raised it—concerns the millennium volunteers initiative, which has been widely welcomed. It would be impossible to say that all millennium-related activities are uncontroversial. I am sure that the Minister is grateful that the one with which he has most contact—the millennium volunteers programme—is one of the least controversial ideas on the subject that the Government and others have come up with. I congratulate him on that. Nevertheless, I echo my hon. Friend's words, and hope that the Minister will clarify the status of overseas volunteers in the programme. That would clearly give the programme some imprimatur, some badge of approval, which would help to raise its profile and status.

That brings me to VSO, with which, I suppose, most people would associate gap year activities. VSO springs to mind most readily; everyone has heard of it, and everyone has some image of it, which might be wrong. As it is one of the pioneering organisations in its field, the news to which my hon. Friend the Member for Guildford alluded is rather disturbing. VSO has 2,000 volunteers working in 59 developing countries. This year, for the first time, it has seen a fall in the number of its recruits. I am sure that the Minister will have read, as I have, comment inspired by that fall and the possible reasons for it.

The first suggested reason is that many 15 to 25-year-olds simply have not heard of VSO. That is a problem for the organisation. The 10 per cent. drop in the number of volunteers that it will send abroad, which is reflected by a 22 per cent. fall in applications and a 50 per cent. fall in applications for teaching posts, deserves wider consideration. VSO identifies as a potential problem the fact that the word "volunteering" puts people off. As one representative of another voluntary organisation said,

"Volunteering doesn't have a cool image."

I am happy that, almost officially, the phrase "Cool Britannia" has been buried. It was always a terrible idea. By its very nature, something that is cool today is bound not to be cool tomorrow. Attempting to brand an entire country as cool was an extremely short-term and foolish idea. Behind the slightly flip phrase, however, lies a genuine problem. If it is not considered attractive to young people, the good work—concerning both the people involved and the projects—will suffer. This is one issue on which, for once, the Government's warm words would be useful. I hope that the Minister will consider that.

There appears to be a difference between the attitude of young people to volunteering overseas and to volunteering in this country. The number of volunteers who want to do community service in this country is still rising.

That gives the lie to the general point that has been made in much coverage of VSO's problems that we are entering a "me" generation, in which young people are much less altruistic. My experience is that that is simply untrue. I suspect that the level of altruism in young people does not shift very much from generation to generation. A certain number will be inclined to volunteer, and a certain number will not. The idea that the morality available in any cohort changes radically is slightly short-sighted.

**Mrs. Gorman:** My hon. Friend has raised an important point about altruism and participation in voluntary activity. Is not the Labour party's continual harping on the claim that unpaid or lowly paid work is invalid, and its insistence on minimum wages for people over the age of 19—an age at which we still expect people to volunteer—a factor in the changing attitude of young people? The issue is becoming political. Constant harping about slave wages and people being ground into the dust by wicked employers is undermining the spirit of altruism, which once encouraged young people voluntarily to give up their time.

**Mr. Green:** My hon. Friend tempts me on to the interesting subject of the interaction between voluntary work and the minimum wage, but, as time is short, I shall resist that temptation.

*[Mr. Green]*

The central question that the Minister must answer is whether the Government are taking action to encourage young people to take gap years and widen their experience. Considering objectively the Government's actions over the past 15 or 16 months since they came into office, they are not improving the situation; they are making it worse.

The hon. Member for Harrogate and Knaresborough pointed out last year's funding arrangements fiasco. We have to put that in the wider context of the Government having rejected the Dearing committee recommendations on the preservation of the maintenance grant, which has had a series of deleterious effects on student funding—one of which we shall debate this evening, with, I suspect, rather more hon. Members present on both sides. I shall not use this debate to rehearse my arguments on that subject.

The gap year problem is simply one of a range of problems into which the Government have stumbled because of their proposals for funding arrangements. I am sure that they regard it as a relatively minor problem, but they have sent an important signal about how they regard the gap year.

The lack of maintenance grants will, for many students, mean larger debts when they leave university. Those of us who are involved in the minutiae of that subject have argued about it at great length, and will continue to do so, but the one fact that students thinking about their time at university have grasped about the new funding arrangements is that many of them will leave with large debts. The net effect is that fewer will consider taking a gap year, and more of those who want to do so will feel impelled to take a paying job rather than do any low-paid or unpaid voluntary activity.

Far fewer students are likely to take gap years after they have finished their main university course, because they will have a large debt and the bank manager will be breathing down their neck. Perhaps most importantly, they will have noted the Government's attitude when it was discovered that the introduction of tuition fees would cause a specific problem for gap year students. As the hon. Member for Harrogate and Knaresborough has pointed out, weeks passed before the Government dealt with the problem, because, although it was a serious and immediate problem for those involved, the Government clearly did not regard it as such. They simply had not thought about guidance for gap year students in that case, or at all.

That sent gap year students the clear message: "Forget about the warm words, and the Foreign Secretary making nice comments in brochures for organisations that promote gap years. Look at our deeds. The Government do not care all that much about gap year students and the activities they promote." I hope that the Government have learnt from that lesson, and that the fiasco will not be repeated. I hope that the Minister can reassure us that the Government have changed their deeds, and words, on gap years.

Moving on to what I should like to hear from the Minister, the first action the Government could take is to change their message and take practical action, or gap years will become unfashionable. I am indebted to *The Guardian*—not a phrase one often bears at this Dispatch Box—for summing up many people's thoughts on gap years in an article last year. It said:

"The convention wisdom is that it's best to do something 'worthwhile', whether that's working in a shelter for homeless people or backpacking in the Punjab with nothing but a bottle of diarrhoea medicine and a Kula Shaker album for company."

That may well be the traditional, popular view of a gap year, but in this age, students who are thinking of taking a gap year will think that it is impractical, and will be put off. The first practical action the Government could take, for example, is to give us more information on the millennium volunteers.

Secondly, as my hon. Friend the Member for Guildford said, the Government could produce guidelines for gap courses that are available. I shall not ask for registration or detailed regulation—that would be inappropriate and wrong. However, the Government could issue guidelines so that students know that they are taking reliable, decent courses, and that they are not simply spending a year doing something life-enhancing while listening to Kula Shaker or anyone else. They would then know that they will benefit from their gap year activities, and so will other people.

Thirdly, the Government could collect some decent figures. My hon. Friend the Member for Guildford has pointed out that even the unparalleled resources of the House of Commons Library cannot find any accurate figures about the numbers of people taking gap year courses or what they are doing. I take it as read that, if the Library cannot find those figures, they do not exist. Clearly, policy would be better informed if there were decent figures. For example, do the Government have a target for numbers of students taking a gap year? If not, do they think that more students should take gap years? If so, what will they do about it?

The overall message is that the pressures on students are increasing, and it is possible that gap years will disappear altogether. That would be extremely damaging for the health of the education system, the personal growth of the students involved, and Britain's image around the world, where many gap year students have done much good over the past few decades. That would be a step back from the idea of lifelong learning, and I hope that the Minister will provide reassurance on all those points.

10.45 am

**The Parliamentary Under-Secretary of State for Education and Employment (Dr. Kim Howells):** I add my thanks to the hon. Member for Guildford (Mr. St. Aubyn) for bringing this important subject to the attention of the House, and for his thoughtful speech.

On statistics, the hon. Member for Ashford (Mr. Green) knows that I too am very concerned about how we collect statistics in this country. We are not very good at it; we spend a lot of money on it, but do not get very good value. We prepared some calculations for the debate, which show that currently just over 19,000 students have been offered a deferred place. The hon. Member for Guildford mentioned between 20,000 and 30,000 students, and I suspect that he is not far off the correct figure. They are students who said that they were interested in taking a gap year or a year off.

**Mr. St. Aubyn:** One has to distinguish between those who had a gap year lined up by the time they left school

and those who made a conscious decision to apply to university after they knew their A-level results. They are certainly in addition to the 19,000, and they are the several thousand students who, last year, sadly still suffered because of the way in which the Government dealt with the problem induced by their new rules on student funding.

**Dr. Howells:** I am sure that those statistics are not far wrong, and I would not argue with them. I hope that the hon. Gentleman appreciates my giving the figure of 19,000 so that he has a baseline from which to work, because I know that he is interested in pursuing the matter.

On volunteering, I was interested in what the hon. Member for Billericay (Mrs. Gorman) said—I am always interested in what she says, although she has lost her radical edge these days. I used to love listening to her old philosophical stance, but I fear that it has mellowed somewhat.

**Mr. Willis:** Sweet reason, but not on Europe.

**Dr. Howells:** Yes, sweet reason.

Volunteering is not exclusive to would-be students. I know many volunteers who are in their 50s, 60s and 70s. We are all sure of the virtues of volunteering, and know that we must encourage it in every way, but we must pay tribute to everyone who volunteers. It is not only the student cohort, but many other people who volunteer—indeed, society depends on volunteering in many different ways.

As the hon. Member for Ashford said, VSO has been of enormous importance to the image of this country. In addition, it has touched many families: my brother was a VSO volunteer in New Guinea, although he did not have a Kula Shaker album with him, and his anti-diarrhoea medicine did not do much good; after spending about four years abroad, he returned to this country with some awful bacterial disease.

As the hon. Member for Billericay says, guidelines and safety are key issues. The Government recognise the advantages to society and to individuals of young people undertaking enriching activities such as voluntary work, cultural exchanges, educational visits and work experience. We are keen to encourage volunteering by students, especially before they take up courses in higher education, if that is what they intend to do.

Our manifesto commitment to develop proposals for a national programme of citizen's service for young people is being fulfilled through the millennium volunteers programme. That programme's aim is to support young people between the ages of 16 and 25, and encourage them to make a sustained commitment to volunteering in a way that benefits the community; £15 million has been made available for the programme in this country. Decisions on the availability of future funding for millennium volunteers will be taken after this month's announcement of the outcome of the comprehensive spending review.

A consultation document was issued last October. We received 500 responses to the separate consultation exercises in England, Scotland, Wales and Northern Ireland. There was strong support for millennium volunteers, and widespread recognition of the fact that volunteering helps young people to develop as responsible citizens. We have made the criteria for the programme as flexible as possible, without losing the requirement of a sustained personal commitment from the young person, which is the key to making millennium volunteers distinctive.

We recognise that the investment of time alone is not a measure of quality—that point lay at the heart of the speech of the hon. Member for Guildford. We have developed the idea, proposed in our consultation exercise, of a volunteer plan, which sets out the voluntary activity and the learning opportunities for the young person. I was glad that the hon. Gentleman emphasised the importance of having such a plan, and of knowing that quality training will be offered and that the experience will be of value; and that the young person will not be exploited to enrich the sponsoring organisation, or, in a more barefaced way, used as cheap labour.

National delivery of the programme will not be carried out by the Government; instead, a new organisation will be set up in England to deliver millennium volunteers. We are currently advertising in the national and voluntary press for the chairperson of that organisation. On 24 June, voluntary sector partners hosted a national conference to discuss the implementation of the programme in England, and to publish the document "Setting the Framework". Several demonstration projects in England are being set up over the next few weeks, and the Department intends to publish a millennium volunteers guide, which invites organisations to apply for funding, after the summer.

The consultation document expressed explicitly an expectation that activities undertaken by participants should

"offer the prospect of value to the wider community".

We are not yet convinced that volunteering overseas can achieve that result on its own. We have to widen the consultation to take into account some of the arguments that have been advanced, not least by the hon. Member for Guildford today.

**Mr. St. Aubyn:** Will the Minister consider the suggestion that, if he is going to draw on 100,000 volunteers without endorsing the concept of overseas volunteering, he might draw into his programme those who would derive greater benefit from overseas projects and jeopardise the viability of some of the valuable projects that they would otherwise have undertaken?

**Dr. Howells:** I could not agree more, and I shall certainly take that important point into consideration. I am determined to ensure that we do not jeopardise organisations that plan properly and offer volunteers who go overseas real training, valuable experience and education.

We are fully aware of the valuable work done by volunteers working abroad. I agree entirely that voluntary work overseas offers young people opportunities for personal development. I can give the hon. Gentleman the undertaking that the Government are sympathetic to the idea of encouraging volunteering overseas, and that we are considering how that might be recognised within the millennium volunteers programme. My officials recently met key organisations involved in volunteering overseas, and agreed to consult them further. A final decision on

*[Dr. Howells]*

recognising volunteering overseas as part of the millennium volunteers initiative will be made when the consultation process is complete.

Voluntary work can be challenging for the individual concerned—that is part of the reward—but I accept that working overseas has its own particular challenges and difficulties. I have therefore listened carefully to the hon. Gentleman's comments about the activities of certain organisations, and I hope that, at some stage, he will see fit to name those organisations, either in the House or outside. I was shocked by some of the figures he quoted—everyone should be concerned about the examples he gave of eight staff arranging 800 placements a year, each costing £2,000, with inadequate guarantees about the conditions awaiting the volunteers; and of the 70 organisations offering gap year experience entirely unregulated.

The hon. Member for Ashford will be relieved to hear that we do not believe that the Government should act as big brother, and try to regulate every single activity. That would impose a straitjacket in an area in which organisations need to be flexible in providing volunteering opportunities. The way forward lies in a voluntary code of self-regulation for organisations involved in arranging gap year projects, but that has to be a genuine exercise in drawing up a code that has some teeth and that can be effective when organisations step out of line. I am conscious of the fact that, occasionally, gap year arrangements do not work smoothly, so organisations need to ensure that adequate controls are in place.

Most students who take a year off have a rewarding experience. As the hon. Member for Guildford made clear, Guildford and many other universities and institutions of higher education appreciate the beneficial effects of the gap year.

There is now a Central Bureau for Educational Visits and Exchanges, which receives a grant of £5 million. It facilitates gap year placements and produces an advice booklet that covers health and safety issues. I give an undertaking that the hon. Gentleman's suggestion that departmental guidelines should be issued will be given careful consideration, especially in relation to our deliberations on extending the millennium volunteers programme to overseas placements. I shall ask the appropriate officials from my Department to meet the main voluntary organisations to discuss the question of guidelines.

Therefore, I hope that the hon. Gentleman will accept that we have achieved some progress. I cannot give him a parallel or simile for last night's match, as he wanted. I am afraid that, as a rugby fan, I have not yet got over the 96:13 defeat of some of my constituents by South Africa. I hope that he will take that as an answer.

## National Health Service (50th Anniversary)

10.59 am

**Mr. Llew Smith** (Blaenau Gwent): Some anniversaries, like birthdays, are best forgotten, but others cry out for recognition because of their relevance to present-day society. Fifty years on, the national health service is one such example. As a Labour Member of Parliament and one who has the privilege of representing a constituency that in many ways gave birth to that service, I believe that that legislation was the finest piece of socialist legislation this century and created the jewel in our crown. We should never forget that the service was created when we had just gone through another world war and this country was just about bankrupt.

There is a certain irony here in that, 50 years on, we are still not only debating what form the national health service should take but, in the rich country that we are today, whether we can afford the sort of service that my predecessor Nye Bevan envisaged. When he spoke on Second Reading of the National Health Service Bill on 30 April 1946, he outlined his vision of a health service, saying:

"it will lift the shadow from millions of homes. It will keep very many people alive who might otherwise be dead. It will relieve suffering. It will produce higher standards for the medical profession. It will be a great contribution towards the wellbeing of the common people in Great Britain."—[*Official Report*, 30 April 1946; Vol. 422, c. 63.]

As we were reminded, it was to be a national health service in which the rich and the poor were to be treated alike, where poverty was not a disadvantage and wealth not an advantage.

I was reminded of that many years ago when Professor Richard Titmus recalled a visit to a London hospital for the treatment of cancer. He was being treated at the same time and the same place by the same doctor for the very same reason as a young West Indian lad. Titmus observed that what determined who would be treated first each day had everything to do with the vagaries of London's traffic and nothing to do with the amount of money that they had in their pockets.

How different that philosophy and that of the early pioneers of the NHS is from what happened during those awful 18 years of Tory government. We all remember the then Prime Minister, now Baroness Thatcher, proclaiming to the world that the national health service

"is safe in our hands",

when in reality she was transforming the service to one that someone described as geared to meet the young, the rich and the healthy, ignoring the poor, the old and the chronically sick.

Obviously, I am pleased that the Government are making considerable efforts to reverse that trend and rectify those wrongs. Additional investment in the service is one of the many ways in which they are doing so. However, Nye also recognised that good health did not depend merely on the health service. He was the first to draw comparisons and to state that, to have good health,

one also needed a good standard of living—therefore, if one wanted to tackle bad health, one had to tackle poverty. That was also recognised many years later with the publication of the Black report, which explained

"inequality in health can only be understood in relation to poverty and poor working conditions."

That is still obvious in my constituency, the birthplace of the national health service, which unfortunately is either at or near the top of the league tables for heart and respiratory diseases, cancers, mental health problems, long-term sickness, disabilities and rates of infant mortality, standardised mortality and low birth weight babies. No one will be surprised, if one accepts the link between poverty and bad health, that my constituency is in one of the poorest local authority areas in Wales. We have the highest unemployment in Wales and some of the lowest income levels in the United Kingdom. We also have inadequate housing. If all those and many other factors are brought together, one gets the sort of deprivation that we experience every day.

Neither this debate nor the 50th anniversary celebrations should be an exercise in nostalgia. I suspect that Nye would treat such an exercise with disdain and that he would want us to learn from those 50 years how we can build on his achievements and those of others. Nye would also be honest enough to see the need to point out where successive Governments have been going and are going wrong in their attempts to tackle bad health.

Once again, I shall give an example from my local authority, which is one of the smallest and poorest in Wales. In the past three years, successive Governments with their cuts have made the local authority make resulting cuts of approximately £14 million. One cannot have such cuts in a poor local authority area without adversely affecting the service provided and the health and standard of living of people in the community.

Local authorities like mine also lose out in other ways. For example, many of our health clinics have poor resources and many of the valley constituencies, including mine, also lose out because they find it difficult to attract doctors to set up practices. In my constituency, that situation has been exacerbated by the actions of the local area health authority. For example, a doctor retired in Cwm, Ebbw Vale, which has serious health problems, as do other parts of the constituency. Instead of the health authority replacing that doctor with another, it decided to transfer his work load to another local general practitioner. Obviously, that was not good enough and did not respond effectively to the problems of our community. Much to their credit, the local people raised their voices in protest and, as a result, the health authority was forced to reverse its plans. It then promised us another full-time permanent doctor, but we are still awaiting the replacement a number of years later and we still have only a part-time, temporary doctor.

The Government are not only aware of the link between bad health and deprivation, but are trying to do something about it and, for me, the most important legislation during this Parliament must be the introduction of a minimum wage. However, the effectiveness of such a wage in combating poverty will obviously depend on the level at which it is set. I accept the arguments put forward by many individuals and trade unions, including those representing health service workers, that, if the wage is to be effective, it should be set at £4.60 per hour.

My next question concerns the possible privatisation of the health service. Successive Governments have proposed or enacted legislation to privatise different public services. Indeed, they seemed to want to copy the United States of America, for example, and how it runs such services.

Many years ago, I read a book on health care in the United States, which mentioned that the chair of Kentucky Fried Chicken had decided to resign his position to head the new Hospital Corporation of America because, as he said:

"The growth potential in hospitals is unlimited. It's even better than Kentucky Fried Chicken."

I do not know how many hon. Members have tasted Kentucky Fried Chicken but, if they have, they will be justifiably concerned that the quality of the product will be what we could expect if the health service is privatised. To allow such an organisation to be involved in the health service would be as nonsensical as to allow McDonald's, for example, to be involved in the organisation of education zones.

I know that the usual response to those who warn about the privatisation of the health service is to say that it will never happen, but the reality is different—one has only to think of the private finance initiative, for example. It is good to see the Secretary of State for Wales here today. He was sponsored for many years by the National Union of Public Employees, and then by Unison, as it became. Unison described the PFI as creeping privatisation, and I agree with that sentiment. It referred to Labour's announcement of major acute hospital PFI schemes, and reminded us that

"PFI in the NHS is not simply about bricks and mortar. It is about the ownership and control of NHS assets, services and staff . . . Private consortia will finance, build, own and run new hospitals or services and lease them back to the NHS . . . PFI is also beginning to dominate other forms of investment and service delivery in the NHS. For example, the lack of public investor finance for sterile supplies or NHS catering facilities is resulting in PFI being used extensively in this area also."

Responsibility for running services is being handed to the private sector in return for private finance. That, as Unison argues, is creeping privatisation, which will, in the long term, be very expensive for the NHS.

If Government spokespersons are not willing to accept the opinions of so great a union as Unison, I am sure that they will want seriously to consider the words of my right hon. Friend the Secretary of State for Social Security, whom we all respect. In 1996, as a shadow health spokesperson, she said to a Unison conference:

"When the private sector is building, owning, managing and running a hospital, it has indeed been privatised."

I agree with what she said then, just as I agree with Unison now.

If Nye had wanted a health service to be provided by private companies, he would not have created the national health service. He inherited a patchwork of voluntary, local authority and private hospitals, from which he created a national health service free at the point of use—a service for people, not for profit. If he had wanted a national health insurance system, he would have created one. Nye believed that it was vital that the NHS should be provided by the public sector—the PFI undermines that vision.

As we celebrate the 50th anniversary of the foundation of the NHS, the Welsh Office has published a consultative document proposing a trust to cover the whole of Gwent.

*[Mr. Llew Smith]*

I believe that that will damage the service in the northern part of Gwent. I want Gwent to have two trusts, but that is not my opinion alone—it is also the opinion of the Blaenau Gwent borough council, Monmouthshire county council, the community councils in the area, the Nevill Hall trust, the community health councils in north Gwent, many voluntary organisations and thousands of people who have signed a petition.

If the Minister is unwilling to listen to those bodies, perhaps he will listen to the 166 general practitioners who have gone public in their opposition to the Welsh Office's one-trust proposal. When I raised the issue some months back, only 50 GPs opposed the proposal; now, 166 GPs oppose it, and that number is increasing every day. Those people should not be ignored. I know that the Welsh Office will say that Gwent health authority supports the scheme, but, in fact, the health authority expressed only a marginal preference for that option. All the main players—for want of better description—have come out in opposition to the Welsh Office proposal.

I am aware that one of the reasons why the Under-Secretary of State for Wales, my hon. Friend the Member for Bridgend (Mr. Griffiths), opposes the two-trust option for Gwent is that he does not want to break up local authority areas. However, in giving trust status to Cynon Valley and Merthyr as part of the North Glamorgan trust, he accepted the need to break up the Rhondda Cynon Taff local authority area. We in my constituency do not object to that proposal—indeed, we applaud the Minister's wisdom—but we argue that he should apply the same reasoning to our community. He may argue that Cynon Valley and Merthyr already had their own trust, but that does not detract from the fact that he is willing to break up local authority areas.

It is proposed that there will be 15 trusts in Wales to serve 2.9 million people—each trust will, on average, serve just under 200,000 people. However, a single trust for Gwent would cover some 550,000 people, although even that is a considerable underestimate, as it does not take into account the catchment areas in Powys and, indeed, parts of Herefordshire.

On 30 March, my hon. Friend the Member for Bridgend perceptively conceded that the trust, if approved, would be very large. In the consultation document, he said:

"With a project turnover of £240 million in 1999–2000 and fixed assets of £180 million, the trust would be one of the largest in the UK."

He could also have said that it would employ a massive bureaucracy of 10,000 people and that it would probably cover an area of some 300 square miles. He seemed to be of the opinion that, for Gwent, big is beautiful. However, for some reason, he decided to reject that philosophy for his constituency. Indeed, the trust that he has set up to cover his constituency and the two neighbouring constituencies will serve a population of only 270,000. I wonder why that is. If we accept the logic of the view that big is beautiful—that trusts to serve 550,000 people are acceptable—Swansea should be added to the trust that will cover those three constituencies, as such a trust would be similar in size to the one that is proposed for Gwent. We in my area and in the area of my hon. Friend the Member for Monmouth (Mr. Edwards) do not argue that the trust serving Bridgend, Port Talbot and Neath should be merged with the one serving Swansea. All we are saying is that that is the logic of the Minister's position.

We want a trust in north Gwent that can concentrate on the health problems that I have outlined. We do not want a single trust covering the whole of Gwent, under which we would be lost, as we have been lost in the past. The present health funding formula does not take into account the number of people who need long-term care, so areas such as Blaenau Gwent are discriminated against because of their poverty and serious health problems. That is hardly a socialist principle, but it is the reality.

To deal with the winter bed crisis, north Gwent received only 22.5p per patient, whereas the south of the county received £3.47. A year or two ago, it was decided that the provisions for mental health in Gwent should be reorganised. The person appointed to carry that out admitted at a public meeting that he knew nothing about the area. He did not bother to consult the patients, their families and friends, nurses, doctors, local authorities, community councils, trade unions, Members of Parliament or the community health council. That is how we in Gwent have been treated, and we do not want history to repeat itself.

The Minister says that there will be a phased replacement of existing technology and information systems. How long will that take and what will it cost? He says that the existing management responsibilities will be retained until April 1999 and that key responsibilities will be identified as soon as possible. Tell that to a demoralised staff, who are facing yet another major upheaval.

The Minister tells us that locally delivered services will continue to be provided in north Gwent, but he does not say whether they will be the existing services or whether they will be enhanced or reduced. Of course local services will be provided locally: they would not be local services otherwise. What guarantee do my constituents have that they will not have to travel 30 miles to a hospital for treatment or to visit friends or family?

I warn my colleagues in other parts of Gwent that, if high-quality clinical and surgical services are transferred to south Gwent, day-to-day routine operations could be transferred to the north. That would not only affect morale and recruitment in the north but would mean that patients and visitors from Newport would have to travel to Abergavenny.

There are no real health arguments for the one-trust option, and even the possible savings seem to have been watered down. The Government's penny-pinching attitude does them no credit in a country that is now so rich and that was so desperately poor when the national health service was created 50 years ago.

We are told that this is a consultation exercise. We hope that it is; if it is, the Minister will find out that virtually all the community is opposed to the proposals. If it is consultation, and not merely another public relations stunt, the Minister will have the courage to alter the proposals from one trust for Gwent to two. If he fails to do that, we shall all know that it was consultation in name only, and our communities will lose out once again.

We hope that the legacy of the Government will not be one of damaging the national health service that Nye and others had the imagination and courage to create. Future generations would not forgive us for that. Let us build on the positive aspects of the Government's work in the national health service and ensure that, this time at least, justice is done for the people in our communities.

11.23 am

**Sir Geoffrey Johnson Smith** (Wealden): It is a pleasure to follow the hon. Member for Blaenau Gwent (Mr. Smith), who represents a constituency that, as he said, was once represented by the right hon. Gentleman who is associated with the founding of the national health service, the 50th anniversary of which we are celebrating.

Let me say en passant that I understand the philosophy behind the primary care groups, but we do not contemplate anything in my part of England that would be as large as the hon. Gentleman suggested for his part of Wales. The group that has been proposed for my health authority would involve 50-odd general practitioners and cover a population of 80,000.

I know a little about the medical profession, and I find that GPs have their own way of doing things: they and other members of the medical profession rightly have an independence of attitude towards the way in which they carry out their duties and ply their skills. There are those in rural practices who have developed particular attitudes to fit the needs of their patients, and if we amalgamate all those people with their different priorities, combining urban and rural areas, I fancy that it will not always be easy to find the harmony that one would expect among professional people carrying out their duties on behalf of the public.

I do not want to go into great detail, because I want to cover a wider canvas on the question of the national health service, but I want to fire a warning shot across the Minister's bows—I welcome his presence, because I know that he takes a keen and practical interest in these matters—to show that I hope to get an assurance, at some future date, that my worst fears are not well founded.

It is an honour to speak in this debate and to pay tribute to the national health service and to all those who work or have worked in it, giving of their time, skill and dedication—bywords among many of us who have had the opportunity to meet at their work those who have given such excellent service to the public.

I was almost in at the birth of the national health service, as I am one of the few Members of Parliament who was alive and well at the time of its introduction. Little did I know that, some years later, I would represent the constituency now represented by the Secretary of State for Health—Holborn and St. Pancras, South, as it then was—which contains some of the finest teaching hospitals in the world. I got to know members of the medical profession, nursing staff and administrators extremely well. I pay a warm tribute to them, as they carry on the best traditions of medicine to be found anywhere on the globe.

I also compliment those who give service in my health authority area—they are dedicated, as one would expect, and try to observe the highest standards, although it is not always easy for them so to do—and especially those who give of their time and money to help out the smaller hospitals.

We are fortunate enough to have two community hospitals. It took two deputations to persuade the previous Government not to close the community hospital at Crowborough, which, like so many in the 19th century, was founded by voluntary contributions. Today, it is still charged with raising £2 million—it has raised £1 million—to ensure, with help from the health authority, that it can be modernised and fulfil the important function of allowing elderly people and women with babies not to have to travel to the district general hospital in a congested town far away. I pay an especially warm tribute to the voluntary side, which has spent so much time trying to raise money, with some success, although there is still a long way to go.

I also congratulate the previous Government, whom I have heard rubbished on more than one occasion, including at yesterday's Question Time. It is now part of the ritual to say, "No, we spent more than you did," "No, you didn't, you spent less," "You destroyed what we tried to build up," and so on. All new Governments say such things. The previous Government did the same after the cuts in the health service imposed by the previous Labour Government during the stormy economic days of 1976 to 1979.

I wish to goodness that we could get rid of some of the ridiculous party politics. One reason why the national health service is failing us—not in terms of health, but in terms of its structure—is that the concept of it leads to too much low-grade politicking. I try to avoid that, but I do not think that it was pointed out yesterday that, overall, we increased expenditure on the health service by 3 per cent. in real terms. Of course, the amount varied from one year to another; we would have liked a smoother financial passage.

When the last Conservative Government came to office in 1979, expenditure on the NHS in England, as opposed to the United Kingdom as a whole, was some £9 billion. When we left office, it was well over £35 billion—and that was not small beer. We spent more, standards improved, and so it went on. I do not think that that record should be rubbished.

Nor should our record be rubbished in respect of the birth of the national health service. It is true that Conservative Members of Parliament opposed it, but so did doctors. It should not be assumed that a politician who opposes the NHS does not care for the people, any more than doctors who opposed it should be accused of not caring for the people. What they did not like was state control over health matters, which they saw as socialism.

Even Lord Beveridge, the architect of the modern welfare state, was not keen on the creation of a national health service. He had certain things to say about it. They may sound rather old-fashioned now, but I think that they are worth repeating. He said:

"It is a logical corollary to the receipt of high benefits in disability that the individual should recognise the duty to be well and to co-operate in all steps which may lead to diagnosis of disease in early stages when it can be prevented. Disease and accidents must be paid for in any case . . . One of the reasons why it is preferable to pay for disease and accidents openly and directly in the form of insurance benefits, rather than indirectly, is that this emphasises the cost and should give a stimulus to prevention."

That is, perhaps, a rather Victorian concept.

Beveridge went on to say:

"British people are clearly ready and able to pay contributions for institutional treatment. Should a payment for this purpose be included in the compulsory insurance contribution and be passed on as a grant from the Social Insurance Fund to the health departments towards the maintenance of the institutions?"

He referred to

"the importance of securing that suitable hospital treatment is available for every citizen and that recourse to it, at the earliest moment when it becomes desirable, is not delayed by any financial considerations. From this point of view, previous contribution"—

*[Sir Geoffrey Johnson Smith]*

through the insurance system, I assume—

"is . . . better even than the free service supported by the tax-payer. People will take what they have already paid for without delay when they need it, and they pay for it more directly as contributors than as tax-payers."

It is possible that, because it is free at the point of demand, the NHS has weakened that link—weakened the citizen's feeling that he should take responsibility for his own health, and his awareness of the connection between his treatment and the cost to the nation, as well as to his family. That point is ripe for debate, because it cuts right across the concept of the service being free at the point of demand. I am merely quoting the views of someone who was not cruel or hard-hearted, and who recognised the importance of health treatment to the poorer members of the community, but who thought that there was another way—perhaps a more responsible way—of ensuring that there was a link between the insurance taken out by a citizen and the service that he received as a consequence.

The hon. Member for Blaenau Gwent spoke of Aneurin Bevan's dedication to the health service. Bevan, however, realised that he was opening the floodgates. He referred to the cascade of medicine that would flow down the throats of the British people. Even at that time, he was aware of the mounting costs of the health service. Although he did not want to, Bevan—and the House of Commons—had to accept that prescription charges would have to be introduced. Then came the question of paying for spectacles, and so on.

Bevan was clearly disappointed, because he resigned, but he understood what had happened. He is on record as saying that costs were increasing at an alarming rate—more than he had ever imagined.

**Mr. Llew Smith:** If the right hon. Gentleman reads Nye Bevan's resignation speech, he will see that Bevan resigned not just over prescription charges, but over such issues as defence spending. He thought that one area of spending was causing problems to another. It is interesting to read that speech.

**Sir Geoffrey Johnson Smith:** I am sure it is, but I do not think it can be denied that Bevan realised that the floodgates had been opened to heavy expenditure that he had not envisaged. I lived through it, and I know that, at the time, many people said that the health of the nation would improve and that costs would therefore fall. How wrong they were. I cannot criticise them, because that was the received wisdom at the time; but they did not realise that the health service was not the only vehicle for improving the health of the nation. Health can be improved by a better standard of living—by a better diet, better housing and better education. The health of the nation does not improve markedly more than that of any other nation because we have a national health service.

Although I admire what has been done and what is still being done, I think that we must face up to the reality of the NHS and what it has achieved. We should not just look back; we need to look forward, and ask ourselves how we can provide a better and more affordable health service. The present system is not good enough, for many reasons. It can be improved.

Since 1948, most countries have looked at their own health services. Germany, for instance, has continued with a system that was introduced years ago by Bismarck. Its system of compulsory insurance for health treatment must have influenced Beveridge; otherwise, he would not have made the comments that I quoted. New Zealand, Canada and Holland have looked at their health services in recent years, and have introduced reforms on the principle to which most of us adhere: that the door should not be closed to people who happen to be poor. Such people should not be deprived of decent medical care.

Interestingly, not one country that has examined our system has adopted it. That should make us, on this 50th anniversary, take stock of the present situation, and ask ourselves what we can do to improve our service in the face of rising costs—costs that I cannot see declining, for several reasons.

First, the health service is labour intensive. As the Minister knows, a fair proportion of low-paid people work for the NHS. One reason why they put up with low pay is their feeling that they are doing something for others: that voluntary spirit is very strong in the health service. Those workers are better paid than many others, but, given the range of skills that they possess, and the salaries that such skills would command in other walks of life, they are not overpaid, by a long chalk. If we want to improve recruitment and reduce the notorious wastage in the NHS—especially among nurses—we must consider that point.

Secondly, there is the problem of the aging population, but I shall not dwell on that. Then there are the sensational advances in medical care and diagnostic technology. We all know how expensive that technology is. Someone was telling me the other day—I do not know whether it is true—that a little drip feed that could once be bought for very little now costs £140. Why is it so expensive? It is computerised, so doctors do not need to attend to it. They know what is going into the patient, and whether the mixture is right. That is a great advance, but it is expensive.

Expectations are always rising. I will never forget being absolutely astonished to meet a woman who I thought had gone into hospital, but who was back and walking after her hip operation. It is not uncommon to meet people who have had two hip operations. Expectations are rising because people know that a wide range of surgical techniques hitherto undreamt of—and certainly unthought of by the medical profession at the foundation of the health service—are now available, and might improve the quality of their lives.

Dr. Chris Adams, a consultant to the department of neurosurgery at the Radcliffe infirmary, Oxford, is not regarded as a wild, radical doctor who runs ahead of the pack. In the November edition of *Parliamentary Review*, whose editorial judgment would, one assumes, lead it to employ only those whom it believes to be reasonably rational, Dr. Adams said:

"Financing medical care is a world problem."

However, we need not feel guilty about that,

"Because each year advances make medicine more expensive—and that trend will accelerate. This country cannot afford a comprehensive free health service, and it is not providing one."

He went on to say, as others do, that we should not put up with the present system of rationing. It is, of course, not always called "rationing", but there are long waiting lists for certain treatments for which there is great demand. If one believes that the health service should be free at the point of demand, one might argue that that is immoral.

I do not want to generate party political heat, so I recognise that the Government do not accept that gloomy prognosis. The White Paper takes a different view, saying that, at its best, the NHS is the envy of the world. I do not use the word "envy"; I have seen too often how other countries employ the best techniques. I do not envy them that; they are pretty good, and we are pretty good, too, and have institutions and practices that are as good as any. However, as the hon. Member for Blaenau Gwent said, we are a rich country, so that might be expected.

The White Paper also says that the Government reject arguments that the NHS cannot cope with the pressure of public expenditure without a huge increase in taxation or charges for services or radical restriction in patient care. It states:

"The health service is a strong and resilient organisation."

It also says that the NHS has met past challenges and will rise to future ones. It is not my purpose to say dogmatically that the Government are wrong, but hon. Members may have gathered that I have my doubts. They are not irrational doubts, and they are not motivated by emotion, but I have practical doubts about whether the Government's worthy aims can be met.

Funding the NHS by taxation always involves the menacing figure of the Chancellor. Chancellors are not cold-blooded men; even the present one has decent feelings, just as his predecessors did. However, Chancellors have a duty to the nation. They must consider defence, and there may be arguments about why defence should have more money. The hon. Member for Blaenau Gwent mentioned that Nye Bevan was concerned not only about the increasing costs of the health service and charges, but about the cost of defence. Chancellors are always concerned about rising costs. There are always battles between one Department and another.

Perhaps that is one reason why we are more politically conscious of the health service than virtually every country that I have visited. The politics of health in the United Kingdom stem largely from the fact that so much decision making lies here because we—rather, Chancellors—control the purse. The Chancellor has more control over decisions balancing how much should go to defence or other parts of public expenditure than any other Minister. Although the economy does not have to go from boom to bust, we all know that no economy can sail along year after year in the assumption that things will get better and better. There may be a world economic crisis from which we cannot be insulated, especially now that there is a global economy. That would have a profound effect on the Government's ability to deliver from taxation all the services that they want. That is one reason why people think it would be a good idea if the Government were to consider additional ways to finance health.

The Government should not underestimate the serious defects of the NHS. First, there is the money problem. In a few days, the Government will announce an extra injection of money, and I have read that it will be a greater real-terms per annum increase than has been accomplished before. I do not know if that is so, but there will be a substantial increase. All will look good for three years, but the Government cannot guarantee that there will not be some change in the economy that will leave the Chancellor having to tell a Secretary of State for Health that the belt has to be tightened. One of the service's problems is that it is wholly dependent on money from taxation.

There is an acute shortage of personnel—a particularly serious problem among nurses, doctors and specialists. One reason why there is a waiting list is that there are appallingly few consultants. According to 1994 figures, not very out of date, and still true, we have 9.5 consultants per 10,000 of the population. Sweden has 20 consultants, Germany 19, France 14, Finland 15 and the Czech Republic 20. We are not quite as badly off for general practitioners, but France has 14 per 10,000 of the population, while Great Britain has six. Germany has 11, and I could list other countries. The simple message is that the people on whom we rely for skilled advice and knowledge are in short supply. The NHS executive has also mentioned that we are short of modern equipment. We simply do not have enough of it. I visited the United States recently, and found that magnetic resonance imaging was everywhere. Here, we have made a start, but there is much to do.

I should like the Minister to pay attention to training—a difficult problem. The training of our medical profession is too unstructured and is inefficient. What happened at Bristol would not have happened if training and qualifications had been more specific. Junior doctors spend hours walking round wards looking after patients, but those hours are out of all proportion to the time when they should be provided with specific teaching. Our emphasis on teaching is not high enough. Of course, more teaching will not come cheap.

It is difficult to understand why the Government refuse to consider topping up revenues for the NHS, as happens in the European Union. Stephen Pollard, a former director of the Fabian Society, has said:

"Continental Socialists find little time for the politics of narrow-minded statism which has in recent decades characterised the British Labour movement's approach to healthcare. In countries such as France, Spain, Belgium and Greece, they really accept the complementary benefits that can be derived from actively involving their independent healthcare sectors and putting them to good use."

The socialist Government in France have no problem about topping up their taxpayers' contribution in that way. Other international comparisons also show the use of additional sums from, for example, non-profit mutual societies—an old Labour concept—and friendly societies. I cannot think why we do not make better use of them. For those reasons, the time has come for us, and especially the Government, to examine the matter and perhaps to go back to some of their old Labour roots to find how much we can better use our resources to ensure that the NHS is better funded and well funded.

**Mr. Deputy Speaker (Mr. Michael Lord):** Order. Before I call the next speaker, I remind the House that this is a brief debate. Many hon. Members wish to speak. If they are brief, many will get in; but if they are not, many will be disappointed.

11.50 am

**Mr. Paul Flynn** (Newport, West): I congratulate my hon. Friend the Member for Blaenau Gwent (Mr. Smith) on securing his sixth Adjournment debate in this Parliament. He almost holds the record, but two Members have had seven. I have several points which, unfortunately, cannot be made in a couple of minutes. I want to draw attention to what I believe are the NHS's major weaknesses.

*[Mr. Paul Flynn]*

Like the right hon. Member for Wealden (Sir G. Johnson Smith), I remember the start of the health service. As a 13-year-old schoolboy at a May day rally in Sophia gardens in Cardiff, I heard Aneurin Bevan speak about the NHS. I remember it more vividly than, say, the events of yesterday evening, which is probably just as well. He used as a measure of the success of the health service something that strikes us as astonishing today—the increase in the birth rate. He pointed out that he was not claiming any personal responsibility for the increase. How extraordinarily things have changed. He would have been surprised that we rate the NHS by the crude measures of waiting lists and the amount of money spent.

I am sometimes critical of the Government, but we are doing splendid work on the NHS. I congratulate Ministers on tackling the major weaknesses. People will look back in 50 years and say that this was a turning point in the reform of the health service. I refer to the Government challenging the omnipotence of clinicians, which led in part to the terrible Bristol tragedies. So much of medicine is based on mythology, on the first thing that comes into a doctor's head, not on science or evidence. A series of individuals make thousands of decisions in their domains. Hip operations—on which I had a debate many years ago—are an example on which research and evidence exist.

The main weakness of the health service is not private medicine but the commercialisation of all medicine, with so much being done not for the needs of the patients or to advance medical science but to serve the interests of commercial companies. It was true even five years ago that anyone having treatment for cancer would have had as good treatment in the health service as they would have had privately. That is no longer true. It is now a gamble. People's treatment depends on where they live and whether drug companies are conducting trials in the area. The drug companies are leading research into cancer treatment. The whole business is a sad gamble with people's lives, because it is commercially driven.

Enormous damage is done by the vast over-use of medicinal drugs. It is a great tragedy and lives are being lost. We make a great fuss about illegal drugs, but the figures for Wales over the past four years show that six people died from heroin and only 13 from all illegal drugs, while 108 died from paracetamol, 28 from co-proxamol and 55 from methadone, which is a legal drug. In the UK, 2,500 people die annually from the misuse of medicinal drugs.

To see zombies with damaged lives who exist in a perpetual trance, one should go not to some slum to find kids with needles sticking out of them but to the residential homes. There, people are drugged unnecessarily with neuroleptic drugs. There have been two major reports in Britain on the subject. One was in a northern town, but I cannot say where because the report has not been published. It discovered that 54 per cent. of residents of such homes who were on neuroleptic drugs did not need them; 20 per cent. of admissions to hospital for elderly people resulted from misuse of medicinal drugs. That involved not only neuroleptic drugs but the interactions between all drugs. An identical figure was found at Gloucester royal hospital: 20 per cent. of elderly admissions were for misuse of such drugs. A Glasgow study showed that the figure was 88 per cent. These terrible, powerful drugs mimic the symptoms of dementia and Alzheimer's disease.

Many people have stories of relatives entering homes frail but with alert minds. Within weeks, they are put on regular prescribed medication. It becomes routine and they are turned into zombies with a poor quality of life. The study that I mentioned visited hospitals with a pharmacist and a doctor and examined all the medication that the elderly took. They were able to reduce it by at least half. Each individual was taking an average of six drugs. Some had been taking them for years and did not realise why. It had all been forgotten. The interactions between drugs were doing great harm. Neuroleptic drug use was cut enormously. The result was a better quality of life. People returned to being sensible and taking an interest in what was happening around them and they lived longer.

That is going on now in this country. We must address it. I hope that there will be support for a Bill that will come up during the slaughter of the innocents this Friday when 60-odd Bills come before Parliament. I hope that no Conservative King Herod will kill them all. We must address the problem. The Bill chimes in with what the Government are doing by saying that we need transparency. The Government have a battery of measures to ensure that we can know what is happening. When we find a residential home where 100 per cent. of residents are on neuroleptic drugs, that cannot possibly be right. The savings which can be made by dealing with this issue can be applied to other areas of care in the homes which greatly benefit people.

Drugs are misused in many other parts of the health service. We know about antibiotics, with the creation of methicillin-resistant staphylococcus aureus. The philosophy of medicine is vast over-use of drugs because of the commercial interests and bodies that press, influence and lobby us and the health service to oversell drugs. We have become a society that does not want to accept the human condition. If we are sadder today than yesterday, we feel that we need a pill to take. For every discomfort, grief or pain, we think that there is an answer. Common sense tells us that someone suffering from a bereavement must suffer, weep and wail. We cannot smother it with drug-created euphoria, because the grief will recur in a more damaging form.

People going to hospital will routinely be told that they have to take daily pain-killers when they are not in pain, just in case, or anti-depressants when they feel happy. Huge amounts of drugs are then given to counteract the effects of other drugs. When the House meets in 50 years, our time will be seen as a period when people were obsessed and our lives full of drug use. That is the main heresy of our time.

The answer to many of our problems is not to be found in superficial measures. People are far better on a waiting list than having their babies attended at Bristol royal infirmary or having a dodgy hip replacement. We must examine the quality of the health service. That is the measure that will improve things. We must escape from the present situation, where so much of the health service is driven not by the needs of patients but by the greedy needs of commerce to make extra profits.

11.58 am

**Mr. Simon Hughes** (Southwark, North and Bermondsey): I am conscious that we have far too little time, so I shall be brief. I thank the hon. Member for Blaenau Gwent (Mr. Smith) for giving us the opportunity to say thank you to the national health service. On behalf of my Liberal Democrat colleagues, I pay tribute to that 50 years of history. We stake our claim to the genesis of the NHS. After the Webbs in the 1920s, Beveridge in the 1930s and 1940s—he was briefly a Liberal Member of Parliament and then a peer—wrote the report that said that a precondition of a welfare state was a national health service that dealt with all conditions. For those who have not read it yet, I recommend the book by Nick Timmins as a very good and timely read about the history of the welfare state in those great days.

Nye Bevan did the country proud and the Labour Government did the country right after the war. The rest of us have a duty to build on the basis of that. We could all eulogise the good things that the health service has done in all four countries of the United Kingdom, this great capital city and our constituencies. I add my words of thanks to those who work and have worked for the health service, not only at the sharp end—consultants doing difficult and acute operations every day, experts in paediatrics and intensive care—but people such as health visitors going out and about and those who work for environmental health improvement. As the right hon. Member for Wealden (Sir G. Johnson Smith) said, for every curative health service, we need a preventive health service to match. The two work hand in hand.

Like others, like the House as a whole and, thank goodness, like almost everyone in Parliament, we are committed to retaining in this country a health service free at the point of delivery. I have seen the recent figures. We spend £45 billion a year on the health service. Last year, 30 million people used it. That means that for every person who used it, it cost £1,500. For all of us, who might need it any day, it costs less than £1,000 a year. We pay 6.5p in the pound in tax for the NHS. It is very good value for money.

The debate, which I welcome, is about what the health service should do in the years to come. My colleagues and I believe that we have to connect—in Forster's words, "only connect"—the funders and the job. We have to agree as far as possible what the NHS should do, what is the core service, what is the provision. The Minister of State, Department of Health, the hon. Member for Darlington (Mr. Milburn), was honest enough yesterday to admit to the House that in some parts of the country services are available while in other parts they are not. He said that we should have parity of service. I share that view. The public want to be engaged. I read in the newspapers today that a survey by the Institute of Health Services Management for the conference down the road reveals that one of the things that matters most to people is what the health service does, and that they want much more involvement in the debate about what it does. I hope that, in future, the debate about the boundaries of the NHS will become a public, orderly and regular debate and one in which we can all take part. If things cannot be agreed nationally, our local councils and health authorities—we believe that they should be together—should be able to decide to add on services and to raise the money locally to do so.

I welcome the fact that the Government are soon to announce significant amounts of money for the health service. All the indications are good. I will not be churlish. I shall analyse the figures carefully and see how much the real increase is in percentage terms. I shall criticise it if it is not enough, but the recognition that we need a lot more money to catch up and then consistent increased growth to sustain the health service is welcome. The Minister knows the priorities. A health service cannot be run without staff. The right hon. Member for Wealden has made the point that we are desperately short of staff. We have to find incentives to people to train and stay with the health service.

We need capital to provide the buildings. I share the scepticism of the hon. Member for Blaenau Gwent about the private finance initiative, as do my colleagues. We need an information technology base to ensure that we make efficient use of our resources. I share the view of the hon. Member for Newport, West (Mr. Flynn) that far too many drugs are given to people, and that we depend on drugs far too much. If we can massively reduce the drugs bill and improve health in a drug-free way, we shall be doing the country a good service.

My pager—as well as warnings through the press—tells me that the Secretary of State has announced to the conference in Earls Court the Commission for Health Improvement. In our manifesto—the health section of which I drafted last year—we said that there should be an inspectorate of health and social care. I welcome the commission, on which I gather there will be consultation. I put it to the Minister that there should be—the consultation paper appears in the Minister's hands as if by magic—regular inspection similar to Office for Standards in Education inspections of schools. Any patient or health service professional should be able to telephone the commission and ask it to go in and inspect a GP, hospital or clinic if he does not think that they are doing the job properly. The stronger the commission is, the better. That is where we get a quality health service.

In the 50 years to come, the NHS will be coming home. In the next couple of years we shall, in effect, have four national health services in the four countries of the United Kingdom—one in Wales, one in Northern Ireland, one in Scotland and one in England. I welcome that. The respective services may take on a different style, but it will be no less a national health service. I hope that it will be the people's health service and not the professionals' health service, and that people will have a greater say.

The Secretary of State said yesterday that waiting lists were the supertanker that was turning round. We shall debate that later, but for today we need to say that the NHS is the flagship of the public service fleet. The higher the flag flies, the more contented and healthy the people are. We salute it and wish it a successful voyage in all the 50 years ahead.

12.5 pm

**Ms Julie Morgan** (Cardiff, North): I am pleased to speak in this historic debate on the national health service. I congratulate my hon. Friend the Member for Blaenau Gwent (Mr. Smith) on securing a debate this week on the anniversary of the NHS. I represent a Cardiff seat but, like my hon. Friend, I come from the south Wales valleys. I am proud of the fact that the NHS was born in Wales. I strongly support the principle behind it—that it should be free at the point of delivery—which has been covered in many of the speeches today.

*[Ms Julie Morgan]*

I want to focus briefly on some of the key issues that face the NHS today, all of which have arisen in my constituency. I represent a constituency in which there is an excessive number of hospitals. We have three major hospitals in Cardiff, North—Velindre, which is the major cancer hospital in Wales, the University Hospital of Wales, a major teaching hospital, and Whitchurch hospital, a psychiatric hospital. The nature of the first two hospitals means that many of the issues that are brought to me are of an acute nature, involving people who are very sick, their families, or their doctors. They are about treatment for very sick people. The Government's emphasis on public health, preventive care and the links with bad housing, poverty and the minimum wage—all those issues that have been raised today—is of tremendous importance, but we have to deal with, and debate in public, the provision of acute services. Some of those issues have been aired today.

Although some of the problems of the purchaser-provider split are being tackled, we probably still have to take further steps to reintegrate the NHS, especially in relation to acute services. Can the NHS operate properly with a split between commissioners and providers of very acute services when it is dealing with the advances in medical science that have been mentioned this morning? With advances in drug therapy for cancer, for example, is it reasonable to think that decisions about new drugs can be dealt with at a local commissioner-provider level? Will the health care commissioners have sufficient knowledge to decide which drugs to buy?

There has been much publicity lately about the improvement in cancer care in the United Kingdom, but also about how much it lags behind that in other countries. The figures are sometimes dramatic. Survival rates for different cancers vary enormously throughout the world. The publicity around cancer care raises public expectations. I believe that it is right that they are raised and that people should know about advances and treatments that might be available. However, that presents a dilemma about how to deal with that knowledge and deliver the service.

One problem, especially in relation to cancer treatment, is that much of the research is in the hands of the pharmaceutical companies, as my hon. Friend the Member for Newport, West (Mr. Flynn) said. It is a big issue—and a big debate, which we must have. We have to decide who is to have treatment and what treatment should be made available.

The other big issue that has come up in my constituency is acute heart surgery. The proposed heart transplant unit in Wales has been on then off, on then off, for the past three years. Before the Welsh Office and the University Hospital of Wales Healthcare NHS trust commit to it, the views of all the health areas in south Wales have to be taken.

In 1996, the right hon. Member for Wokingham (Mr. Redwood) changed the health authority boundaries and removed the central planning capacity of the NHS in Wales to take strategic decisions about the provision of services such as the heart transplant unit for Wales and the ability to top-slice health authorities. That meant that the planning mechanism for those acute services had gone. There have been about three years of discussion and waiting to see whether the heart transplant unit will be provided in Wales. Wales should have such a unit. There is much discussion about the rebranding of Wales, and a top heart transplant unit is one of the greatest services that could be provided: heart transplantation is becoming common and should be available locally.

In September, the paediatric heart surgeon at the University Hospital of Wales in my constituency, who has had tremendous success in treating children with severe heart problems and has built up the unit, is to return to Italy. He has an empty theatre in which to operate, but he does not have the nurses and the paediatric intensive care beds to do the amount of surgery that he wants to do. It is frustrating not to have the ability to develop that work at the hospital. At the same time as that surgeon is leaving for Italy, the cardiologist is leaving to go to Bristol. Bristol's gain is Wales's loss. The chair of cardiology in that same teaching hospital remains vacant while a decision is awaited on whether there will be transplant surgery in Wales. Everybody is waiting for everybody else, and the result is the loss of a first-class service in Wales. I appeal to the UHW and the Welsh Office to ensure that we can continue as before with paediatric cardiac work in Wales.

The same is true of other advanced treatments. The UHW has the capacity to develop advanced in vitro fertilisation treatments, but consultants have to visit health authorities to see whether people will buy their product. There must be a simpler way. The purchaser-provider split is not effective in such acute, expensive areas of medicine, but it is important to make them available.

There must be a debate on how to fund and decide health service priorities. Advanced developments must be examined strategically. The health service may face huge challenges, but this week we must celebrate 50 years of the NHS. I am proud that it was born in Wales. Health provision must continue to be free at the point of delivery, but we must find a way to make available to people the tremendous advances in health care.

12.13 pm

**Mr. Elfyn Llwyd** (Meirionnydd Nant Conwy): I congratulate the hon. Member for Blaenau Gwent (Mr. Smith) on securing time to debate the important issue of the 50th anniversary of the NHS. The service is under great pressure, especially in Wales, and I hope that the Welsh assembly will formulate a policy to serve the needs of Wales. There are many reasons for differences in Wales, where there are more heart complaints and more premature deaths, and where a host of other problems are endemic. Those problems need to be addressed, and I hope that the assembly will do just that.

I have been brief, because I know that other hon. Members wish to contribute to the debate. I have jettisoned most of my speech but I am pleased, none the less, to take part in the debate.

12.14 pm

**Mr. Philip Hammond** (Runnymede and Weybridge): We welcome the debate and I congratulate the hon. Member for Blaenau Gwent (Mr. Smith) on securing it. I join other hon. Members in paying tribute to those who have built the health service over the past 50 years and who continue to give dedicated service. The service's 50th anniversary is the time to celebrate past

achievements, to take stock of the present and to look forward to the future. The hon. Member for Blaenau Gwent ranged fairly widely in an attack on Government policy. He spoke about the minimum wage, the private finance initiative and education zones. We sympathise with what he said about the situation in Wales and I assure him that the Opposition will listen to what the people of Wales have to say over the next few months. Other hon. Members struck a more consensual tone. I was delighted to listen to my right hon. Friend the Member for Wealden (Sir G. Johnson Smith) and to the hon. Members for Newport, West (Mr. Flynn), for Southwark, North and Bermondsey (Mr. Hughes) and for Cardiff, North (Ms Morgan).

The national health service is a truly national institution. It enjoys universal public appeal and no party or faction can claim ownership of it. The Beveridge report was commissioned by the wartime coalition Government, and in the 1945 general election both main parties were committed to the introduction of a universal health service that was available to all. It fell to a Labour Government to introduce the NHS in 1948, and Labour is rightly proud of that achievement. We in the Conservative party had control of the NHS for 35 of the past 50 years and we are proud of our stewardship of the service.

The NHS has prospered and grown under Conservative Governments. In the period between 1979 and 1997, NHS spending grew by 3.1 per cent. in real terms on average. Treatments went up by 3 million and the number of nurses, doctors, dentists and midwives increased. Capital spending increased by 50 per cent. in real terms in that time. I hope that we shall not hear from Labour Members the old, tired mythology that the NHS is somehow a product of the Labour party and that only it holds the NHS dear.

There is broad, cross-party consensus on the objectives for the modern NHS. They are to provide cost-effective, state-of-the-art health care that is free at the point of delivery and based on clinical need. There is political debate on the NHS but it is not about the objectives of the service: it is about differences in view on how best to achieve those objectives. There is an urgent need for debate on innovative and imaginative ways of ensuring the provision of the extra resources that the NHS will need to flourish and prosper in future. As medical technology develops and demography changes, the demand for more resources will increase. New technologies will allow better prediction of genetic predisposition to diseases, and that will allow preventive medicine to be better targeted. That will lead to long-term savings but it will demand greater short-term investment.

It is important to begin that innovative debate about the means of ensuring the availability of resources that the service will need in future. If the debate is to be meaningful, it is important to determine the underlying core principles that are important to patients—the users of the service—and to distinguish them from the sacred cows. The principle of universal availability on the basis of clinical need, free at the point of delivery, should be inviolable. Beyond that, the resourcing of the service should be based not on political dogma but on the determination to deliver the best possible service to users within the constraints of prudent fiscal policy.

Hon. Members on both sides of the House are proud to join in the celebration of the 50th anniversary of the NHS. The best birthday present that we, as politicians, can give the NHS is to break out of the sterile debates of the past and launch a real debate on future resourcing of the service so that it can effectively deliver a modern national health service offering the level of service that the British people are entitled to expect in the new millennium. We need a debate that acknowledges the consensus on objectives that exists across the political divide, the commitment among hon. Members on both sides of the House to the future of the NHS and the real issues of escalating demand and finite tax-based resources; recognises the reality of rationing that exists now in the system; and does not shrink from hard questions in seeking to ensure the proper resourcing of our health service.

12.19 pm

**The Minister of State, Department of Health (Mr. Alan Milburn):** I am delighted to have the opportunity to respond to the debate, which has been initiated by my hon. Friend the Member for Blaenau Gwent (Mr. Smith). He has secured it at an appropriate time not just for his constituents, but for the whole nation. It is particularly appropriate that it should fall to my hon. Friend to open the debate on the 50th anniversary of the NHS as one of his predecessors, Aneurin Bevan, was the founding father of our NHS. I think all hon. Members would want to pay tribute to Nye Bevan for his work, in the 1940s and subsequently, in giving the nation the sort of NHS that we have now.

This has largely not been a party political occasion, but I must point out that the hon. Member for Runnymede and Weybridge (Mr. Hammond) seemed to be suffering from a slight case of selective amnesia. In 1946, when we debated this issue in the House, his party opposed the National Health Service Bill tooth and nail. It fought it throughout—on Second Reading, Third Reading, Report and subsequently.

**Mr. Nicholas Soames** (Mid–Sussex): I am sorry that I was not here for the whole debate. Will the Minister acknowledge that the doctors opposed the establishment of the NHS, too? It is not a matter of pride for anyone that they should have opposed the creation of the NHS. The fact is that it is a truly wonderful service. All parties in the House should acknowledge that, and try to minimise, not maximise, the amount of politics involved.

**Mr. Milburn:** As the hon. Gentleman knows, I am all for keeping politics out of this place. I remind him that 90 per cent. of doctors voted in favour of the NHS in their ballot. There are interesting parallels with the situation today because, at their conference last week, 85 to 90 per cent. of general practitioners voted in favour of this Government's policy on NHS modernisation.

The NHS was founded on a simple principle: the best health services should be available to all—quality and equality. That appealed to the fair-minded people of our country then and it still appeals to them now. No one dares challenge those principles. No one says that the best health services should not be available to all. Indeed, the NHS embodies the principles in which the Government and my party believe.

We achieve more together than we do alone, and we have a duty to look after the weak as well as the strong. The NHS not only binds the nation's wounds, but binds

*[Mr. Milburn]*

the nation together. Each and every family in the land has a stake in the NHS and in its future. This Government were elected on the principle that the best health services should be available to all on the basis of need—not according to ability to pay or, indeed, who one's GP happens to be.

My right hon. Friend the Secretary of State recently had the honour to meet one of the first patients to be treated in the NHS, a lady called Sylvia Diggory, who summed it up far more eloquently than perhaps any hon. Member—including me—has been able to do in this debate. She said:

"Britain is one of the few countries where they feel your pulse before they feel your wallet if you collapse in the street".

That is a lasting testimony to the sort of national health service that Nye Bevan wanted to create.

It is a privilege to be a Minister with responsibility for health in the 50th year of the health service. As hon. Members will know, this Sunday, we celebrate the 50th anniversary of the founding of the NHS. My hon. Friend the Member for Blaenau Gwent reminded the House that, during the passage of the Bill, Nye Bevan talked of how the new NHS would lift the shadow from millions of homes. He was right. It is now impossible to imagine life in Britain without the NHS. Its achievements in those 50 years have been immense.

The NHS has banished the fear of being ill and becoming ill for millions of our fellow citizens. It is our country's greatest institution and it is my party's proudest achievement in government. It is living proof that public services can be both efficient and popular. Quite simply, the NHS has delivered the goods, as Nye Bevan promised it would.

I pay tribute in particular to all the people who work in the health service and who have given so much day in, day out over the past 50 years in the service of others. Without them, the achievements of the NHS simply would not happen.

Some people said in 1946, 1947 and 1948, and some people still say, that we cannot afford the best—that the principles of the NHS are not practicable, that they cannot be delivered. The past 50 years have proved those prophets of doom and gloom wrong because our NHS has served this country well for the vast majority of the time. The vast majority of patients over the vast majority of the country have received top-quality treatment and care, and the NHS has proved to be the cheapest and most cost-effective health care system in the developed world.

That is not despite the principles on which the NHS was based; it is because of those principles. Fairness and cost-effectiveness have gone together. They are two sides of the same coin. The basic financial principle of the NHS is that it is paid for out of taxation and free to people when they use it. That is a fine principle and, contrary to what the right hon. Member for Wealden (Sir G. Johnson Smith) said, it is also phenomenally efficient because it avoids the horrendous costs of paperwork that are inevitable in any system where patients have to pay for treatment.

That is the main reason why our system is so cost-effective. It puts a bigger proportion of resources into patient care, and a lower proportion into paperwork, than any other system. That is true even now, when we still suffer from the after-effects of the competitive internal market. It is one of the reasons why the Government are sweeping away the internal market, but it is not the only reason. The internal market introduced a new competitive ethos into the NHS that was anathema to the basic principles of the NHS. It was also deeply inefficient.

Our NHS is based on the basic common-sense idea that we achieve more together in partnership than if we compete. It is that idea of partnership and co-operation—helping each other out—that is at the heart of the NHS. Indeed, it is one of the reasons why my right hon. Friend the Secretary of State for Wales has proposed a series of trust mergers to cover the Principality.

I know that my hon. Friend the Member for Blaenau Gwent has concerns about those issues. My right hon. Friend has been here to listen to those concerns. He has listened to them in the past. My understanding is that what is taking place is a genuine consultation, where the views that my hon. Friend and his constituents have expressed will be taken into account when final decisions are taken.

**Mr. Huw Edwards** (Monmouth): On the issue of the trust merger in Gwent, may I assure my hon. Friend that all the Government's priorities and policies will be fulfilled if we have a separate trust for north Gwent?

**Mr. Milburn:** I am sure that my right hon. Friend the Secretary of State for Wales was listening to that intervention, and that those considerations will be taken into account when final decisions are taken.

As hon. Members have said, this is a great time for looking back and celebrating what we have achieved, but it is important also that we look forward and that, in particular, we look to build the sort of modern and dependable health service that people want. That is what the Government are committed to doing. That is why we are intent on cutting waiting lists, and are now achieving that. That is why we are intent on enshrining quality at the heart of the NHS; my right hon. Friend the Secretary of State for Health has launched a consultation on how we better ensure quality and transparency for all patients in the NHS. That is why we want a much more integrated form of care than was ever possible under the internal market. We want to break down barriers between services—between health care, social care and housing care—so that patients receive the benefit of all those services. The patient should be at the heart of the national health service.

We also realise, as my hon. Friend the Member for Blaenau Gwent asked us to do, that—if we are to improve the health of the nation, and, more important, if we are to improve the health of the poorest at a faster rate than the health of the overall population—we will have to tackle the root causes of ill health, which means tackling poverty, creating jobs, building homes and greening the environment.

The Government have embarked on the biggest anti-poverty, pro-health crusade that the United Kingdom has seen in two decades. To underpin that crusade, we shall annually invest more in the national health service, as we promised to do. We have embarked on the biggest new hospital building programme that the national health service has ever seen.

On the private finance initiative, I remind my hon. Friend the Member for Blaenau Gwent that the Government were elected—

**Mr. Deputy Speaker (Sir Alan Haselhurst):** Order.

## Pedlars

12.30 pm

**Dr. Peter Brand** (Isle of Wight): I am grateful for the opportunity of raising the issue of pedlars. I have been supported on the issue in an early-day motion that has been signed by hon. Members on both sides of the House. We have also tabled questions on the issue to the Under-Secretary of State for the Home Department, the hon. Member for Knowsley, North and Sefton, East (Mr. Howarth). I am grateful that he will respond to this debate.

There are significant problems associated with people who trade on the streets, whether they are pedlars or street traders. I should like to concentrate particularly on the issue of pedlars. I believe that they create unfair competition, are poorly controlled, cause great problems for local police forces and are certainly a major headache for environmental health, trading standards and local government licensing officers.

I am sure that pedlars once served an extremely useful function in spreading goods round rural communities, such as my own. However, they used to work on foot within a local district, and the fact that they were licensed by a local police authority was entirely appropriate if they restricted their activity to within that authority. Unfortunately, now any pedlar can get a licence from his or her own local police force and operate anywhere within England and Wales. Although I am sure that the Pedlars Act 1871 was entirely relevant to its time, I am not quite sure whether it is entirely appropriate now, especially as we move towards the millennium.

I have received considerable representations on the issue. I am particularly grateful to my colleague, Alan Hersey, a local councillor on the Isle of Wight, who first brought it to my attention. Concern about the matter has been very strongly expressed by carnival committees, bonfire societies and other organisers of voluntary events.

**Mr. David Heath** (Somerton and Frome): My hon. Friend mentioned carnival committees. He may be aware that we have a thriving carnival tradition in Somerset. Many of the carnival committees and other clubs in my constituency are concerned that the effect of the 1871 Act has been to divert funds from collections at carnivals and from charitable purposes to private hands. Those organisations look forward to a revision of the law that will deal with the situation.

**Dr. Brand:** I am grateful for that intervention, and shall touch on that issue as I develop my speech. My hon. Friend also provided a demonstration of the fact that the matter is one not purely for the Isle of Wight—although we probably have more carnival committees per head of population than anywhere else in the country.

Pedlars are a particular problem for areas that are dependent on seasonal trade. Established traders, who have to be in such areas the year round, are undercut and damaged severely by—dare one say it—fly-by-night pedlars dropping in, creaming off the profits and then disappearing again.

It might be helpful if I reminded the House of a few facts. Pedlars are supposed to trade only on foot, although they are allowed to push barrows. They are not supposed to be in the same place for more than an hour, but are

*[Dr. Brand]*

supposed to move a bit each time that they make a sale. One can readily realise the impossibility of policing such regulations. I know that many local authority officers have spent many hours video-taping suspect traders in the hope of securing a prosecution, which is extremely hard to bring.

Pedlars are known only to their own local police authority. There is no obligation on their part to inform police in the place where they are operating. Although they have to show a pedlar's licence when apprehended, they are allowed to carry on the trade for which they have been licensed if they are on the public roads—which presents the problem for charity organisers who hold events on public land. It is not unusual for pedlars to move from one such event to the next, creaming off the take that really should be going to the societies organising the event.

Not only is it important for carnival committees or bonfire societies themselves to receive an income from the events that they organise—if they do not, they cannot continue operating, and it has been very difficult for some organisations to continue operating—but, when they are in surplus, they are big contributors to local charities. We should encourage such practices as a part of the great diversity and richness of the British tradition.

Pedlars pay only £12.50 annually for a licence. Street traders usually have to pay up to 100 times that amount to be licensed by a local authority. Again, it shows that there is an unfair competition.

Street traders, whose goods can be checked by local authorities, are often undercut by pedlars working in the same area. In my constituency, many street traders provide valuable employment by selling well-made, locally produced goods. Pedlars coming in undercut those street traders, very often with shoddy goods that are very difficult to return as the pedlars move off immediately once one discovers that a new watch has fallen to bits or that those new bright lights no longer shine.

Street traders are strictly controlled. Before they are given a licence, nuisance to local tenants and competition with other shops and cafes are carefully considered, and noise and smell nuisance are taken into account by local authorities, which find it extremely difficult to exercise the same types of control over the peddling fraternity.

There is some evidence that, because their goods are not controlled, pedlars can do harm to the general public. There have been cases of goods, especially toys, being sold that would not have been approved by local trading standards officers. However, in such cases—especially if there is no organisation sending pedlars out—it is extremely difficult to attribute blame if something happens. The idea of caveat emptor is a wonderful one. However, when in the middle of a charity event a child wants a specific teddy, it is very difficult to say no. Moreover, nowadays people expect goods on sale to be of a marketable quality. I am afraid that, because of the loophole in current legislation, we are failing in meeting such expectations.

As I said, it is difficult for police to take action if pedlars are not breaking a criminal law. It is also extraordinarily difficult and time consuming to have to establish that pedlars have not moved the appropriate number of times. Such exercises are extremely expensive for local authorities.

I should like to return very briefly to the harm that peddling does to charitable organisations. It is important that we continue to support and enable community organisations—which very much are community-based organisations—to continue with activities such as providing carnival floats and organising local bonfires, fetes and other village green activities. It is not unreasonable to allow organisers of such events to recoup some of their expense, by licensing agreements with the local authority, to pay for the associated costs of the carnival, fireworks or bonfire. Many societies are on the brink of failure because their finances are being severely damaged by people coming from far away whose only purpose is to cream off some money and then disappear. These people make no contribution to the local community, unlike local shopkeepers, local street traders and, of course, the organisers of charitable events.

It is not in order for me to ask for a change to the legislation. I know that the Home Office has had the issue of pedlars and their licensing under review since 1994, so I hope that it is in order for me to ask the Minister when that review will be published and what the Government's plans are to deal with an extraordinarily anomalous situation.

12.40 pm

**The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth):** I am grateful to the hon. Member for Isle of Wight (Dr. Brand) for initiating this debate. This is not a subject that often gets an airing in the House, but I know from my correspondence with him, to which he referred, that it is one which in some areas gives rise to considerable concern.

Pedlars have long been a feature of life in this country, but many people are unclear about precisely what the term means today. To some it is an anachronism with little relevance to modern life. A quick glance at the Pedlars Act 1871—and, indeed, the subsequent legislation of 1881—supports the view that the hon. Gentleman expressed. For example, references to "caster of metals", "mender of chairs" and a person who "travels and trades" without any horse or other beast "bearing or drawing burden" certainly prompt questions about the continued relevance of the legislation.

However, there is no doubt that peddling continues to be a distinctive method of trading, even though the nature of the business may have changed. For example, certain door-to-door salesmen are classified as pedlars, although that by no means covers the wide range of people who conduct their business by calling at people's homes.

It is the type of pedlar who plies his trade in busy streets in the centres of towns and cities who is of particular concern to the hon. Gentleman and to the hon. Member for Somerton and Frome (Mr. Heath). As the hon. Member for Isle of Wight says, in law pedlars are not street traders and are subject to different regulations. Councils can designate streets for street trading, and street traders must obtain from the local authority a licence, or at least a consent, to trade in those streets, usually from a specific pitch. They must also pay the requisite fees and charges and observe various conditions.

On the other hand, a pedlar obtains a certificate from the police for only a modest fee. This allows the pedlar to conduct his or her trade anywhere in the

United Kingdom. The hon. Gentleman referred to some of the difficulties to which that might give rise in that the certificate is issued in one area but can apply in other areas. I understand the hon. Gentleman's point very well.

The essential point is that pedlars are expected to move from place to place. Court judgments in recent years have tended to confirm this. The effect of those judgments is that a pedlar must keep on the move, apart from when conducting a sale. This gives a useful pointer to the type of trader we are talking about. We have all seen people wandering the streets with, typically, foil balloons, T-shirts or similar items for sale. Those traders are clearly pedlars.

The hon. Gentleman described the problems which he says are being caused by pedlars in his area. If he did not go so far as to say that the law favours pedlars, he suggested that it needed some adjustment and should be changed accordingly. I shall return to that issue shortly.

Perhaps I should comment on the rationale behind the present arrangements. Street trading is a more regulated and costly business than peddling because it is a more substantial operation. A street trader can establish a fixed pitch, which will inevitably involve the local authority in cleaning and other costs that we can fairly readily imagine.

**Dr. Brand:** In practice, it is often extremely difficult to spot the difference between a pedlar and a trader, other than the fact that the pedlar has to move on. Traders and pedlars leave the same amount of litter, but street traders are rather more responsible because they know that they risk losing their pitch.

**Mr. Howarth:** That is precisely the point that I was making. A street trader may leave a mess but the process is properly regulated. The difference is that he has the opportunity to sell a wide range of goods and to build up a regular turnover, customer recognition and, in some cases, customer loyalty. I say that, not in defence of pedlars, but merely to draw attention to the fact that there is a crucial distinction.

A pedlar who is genuinely operating as a pedlar has no fixed spot. He must keep on the move, which means that there are fewer associated costs. It also means that he is limited to selling only those goods he can carry. Pedlars are therefore offering a rather different service from that offered by street traders. That is reflected in the "lighter touch" regulation that they enjoy.

I understand how frustrating it must be for established traders to face competition from what are in effect opportunistic operators. It is clearly wrong that licensed street traders, who have responsibilities and expenses, lose business to fly-by-night, unlicensed competitors. It is not entirely clear how far the problems we have heard about today are caused, or exacerbated, by unlicensed street traders as opposed to genuine pedlars.

The fact is that anyone who simply sets up a pitch, or conducts business from a stationary position, in a designated street, is likely to be engaging in unlicensed trading. This attracts a maximum penalty of a £1,000 fine. This would be the case even if the person concerned produced a pedlar's certificate. The courts have made this clear. The question is whether a pedlar remained on one spot for any length of time, so effectively inviting customers to come to him. If so, he would be street trading without the necessary authority.

Unauthorised traders can pose significant problems, particularly in town centres at busy times. I accept that, as the hon. Gentleman said, they can cause a real headache for local authorities in terms of enforcing the law, which can become a difficult and burdensome process. In some cases, there could be problems in establishing the point at which a pedlar—with or without a certificate—is actually engaged in unlicensed street trading. The fact remains, however, that in these circumstances remedies are available. Anyone who acts as a pedlar without a valid certificate is also liable to prosecution. In addition, he may be causing an obstruction under the Highways Act 1980.

There have been suggestions that the sentences available to the courts are inadequate. The hon. Gentleman referred to that implicitly, if not explicitly.

**Dr. Brand:** I am grateful to the Minister for trying to read my mind, but that is not the case. The problem is in securing a conviction. It is extremely difficult to get the evidence on which to convict. I hear what the Minister says, but as his speech progresses I hope that he will comment on whether it is still appropriate for someone who is supposed to trade on foot to travel in a car, or by coach or lorry, from the area in which he has been given his licence and then to walk but use the vehicle as a base.

**Mr. Howarth:** That is an interesting point and I shall reflect on it. I do not want to give a precipitate answer that would not necessarily be helpful to the hon. Gentleman, so I shall write to him and attempt to provide some sensible guidance as to how an authority should operate in those circumstances.

**Mr. David Heath:** I am most grateful to the Minister. Will he also touch on the competition with charitable collections, particularly in the context of carnivals, which by definition move around? The current position is perverse, as the Charities Act 1992 makes it more difficult to obtain a licence to collect money for charitable purposes than to obtain a pedlar's licence and extract money from the same crowd under what I consider to be a false pretext.

**Mr. Howarth:** I am grateful to the hon. Gentleman, who raised that point in an earlier intervention. I shall comment on it later in my speech.

Our general policy on sentencing levels is to ensure that they are proportionate to the degree of mischief caused. Before we make any decision to increase the penalties available, we need to look carefully at a number of factors, including the sentencing practice of magistrates within the existing scale. The information available suggests that the sentences imposed for street trading and peddling offences generally fall well short of the maximum. There must therefore be real doubts as to whether increasing the level of fine, for example, would make any appreciable difference. As the hon. Member for Isle of Wight said, there may be other ways of facilitating prosecution and I promise to look into that.

It is sometimes said that pedlar's certificates are used as a cover for unlicensed street trading. I know that some pedlars attempt to exploit the certificate in that way, but the number of pedlar's certificates issued—around 2,000 a year—appears to be declining. On the other hand,

*[Mr. Howarth]*

reports of unlicensed street trading are on the increase. It is a persistent problem in many areas. It is arguable whether the presence of pedlars makes matters a great deal worse. Many of those involved in unlicensed street trading are not pedlars and, what is more, make no claim to be so. I know from my own experience on Merseyside where there is a particular problem. I have had direct experience of it in the centre of Liverpool so I do not want to underplay it.

I understand why street traders and other businesses may feel that even genuine pedlars present unfair competition. After all, they are exempt from street trading controls and, as the hon. Gentleman rightly pointed out, their costs are lower. However, a bona fide pedlar has to be able to carry his wares. Given the more limited range of goods that he can sell, I am not sure how far he can be said to damage the business of street traders. It could be argued that the competition offered by pedlars is no more unfair than that between street traders and small shops—it is a matter of different considerations—or between small shops and out-of-town stores. Pedlars often quickly move on. Many people will therefore choose to buy goods from more established traders whom they will inevitably regard as more reliable.

**Dr. Brand:** I am sorry to ask your indulgence again, but there is a significant difference between the various groups that you have mentioned and pedlars.

**Mr. Deputy Speaker (Sir Alan Haselhurst):** Order. I remind the hon. Gentleman that he should be using the third person.

**Dr. Brand:** Does the Minister agree that there is a substantial difference in that the list of activities that he mentioned are all either licensed by or governed by planning controls and are subject to the local authority and the anomaly is that there is absolutely no local control over pedlars?

**Mr. Howarth:** Of course, but planning controls invariably relate either to pitches in the case of street traders or fixed location properties and it would be difficult to apply them to somebody who, by definition, must keep moving. Of course I accept that additional controls apply to other traders.

As the hon. Gentleman has made clear, in the Isle of Wight there are particular worries about the practice and the standard of goods on offer. Unscrupulous operators are clearly a menace and the licensing of street traders and certification of pedlars is designed to reduce that risk. Consumer protection legislation applies just as much to goods bought from street traders or pedlars as to those purchased from other outlets. I recognise, of course, that such traders—particularly pedlars—may be rather more difficult to track down. However, a customer can, and should, ask to see a pedlar's certificate before buying from someone on that basis. Most people are fairly cautious about what they are prepared to hand over money for in the street, although particularly in places such as the Isle of Wight, and perhaps Somerset, many people are on holiday so their defences may be somewhat lowered.

The hon. Members for Isle of Wight and for Somerton and Frome mentioned charitable collections. I share their concern about the abuse of the pedlar's certificate for fraudulent charity collections. Where individuals collect money or sell goods on behalf of a named charity, the promoters are required to obtain a licence from the local authority. Part III of the Charities Act 1992, which has yet to be implemented, will simplify and strengthen the existing controls. However, the issues involved are indeed complex and the Government are considering when and how the measure might be implemented.

I accept that a pedlar's certificate may make life easier for those determined to mislead the public. Unfortunately, carnivals—to which both hon. Gentlemen referred—or similar large-scale events, will always attract such characters. I shall give further thought to the real and serious points that both hon. Gentlemen have raised and if there is anything that we can usefully do, I shall notify the House in a suitable manner.

As the hon. Member for Isle of Wight said, in 1994 the previous Government began reviews of pedlars and street trading legislation. I should make it clear that they did so in the context of their deregulation exercise. The aim of the reviews was to see whether the burdens imposed by the legislation could be reduced, but some complex issues were raised and the responses to both reviews were very mixed. In the case of the pedlars legislation they were fairly evenly divided, but a small majority favoured strengthening the controls.

The hon. Gentleman has argued for pedlars to be brought within street trading controls. That would require primary legislation and he realises the difficulty involved in that. We need to recognise that such an option is available, but be cautious about using it. Nevertheless, I shall certainly consider the points he has made about the problems posed by pedlars. Similar arguments were raised in some of the responses to the 1994 consultation paper and I accept that they are the subject of real concern.

At this stage I have reached no firm conclusions about the merits of further action in relation to either pedlars or street traders. Although I am not yet persuaded that increasing controls on pedlars would greatly alleviate the difficulties experienced by street traders and local authorities, I can assure the hon. Gentleman that I will look carefully at the issues in considering our future policy. In doing that, I shall reflect carefully on the points that he and the hon. Member for Somerton and Frome have raised during the debate.

## Reefs

12.58 pm

**Mr. Tam Dalyell** (Linlithgow): Only those who, like my hon. Friend the Minister and me, have had the good luck to swim in one can appreciate the full glory that is a coral reef. There are many reasons, medicinal and otherwise, why they are important as the cradle of fish. I thank the two young RAF officers who took me diving at an enforced stop at Gan in the Indian ocean while I was returning from an Inter-Parliamentary Union armed forces visit in 1965. I shall for ever be grateful for the opportunity to swim in the Indian ocean, which led to a lifelong interest.

The World Conservation Monitoring Centre in Cambridge, in particular Dr. Mark Spalding and the director Dr. Mark Collins, together with its associates in the United States and the Philippines, has produced an important report on the state of the world's coral reefs, called "Reefs at Risk". I should like to use my luck in securing this debate to bring the issue to the top of the Minister's in-tray. So many important reports get publicity and then gather dust.

"Reefs at Risk" highlights the crucial role of coral reefs in alleviating poverty—by supplying food and foreign tourist income—and as a natural coastal defence. Many of our fellow Commonwealth nations have coral reefs, including some of the poorest nations. Do the Government agree that the conservation of such natural resources is fundamental to their policies for poverty alleviation? I applaud my right hon. Friend the Secretary of State for International Development and my hon. Friend the Minister for putting poverty alleviation at the top of their agenda. What can the Government do to support integrated sustainable development and coastal conservation in such countries?

The UK is among the largest coral reef nations, with more than 6,000 sq km of coral reef located in our overseas territorial waters. "Reefs at Risk" says that many of those reefs, particularly in the Caribbean, are in areas of high risk from human damage. Praise is certainly due to territories that have set aside marine parks and the resources to manage those sites, but the majority of coral reefs in those territories remain without any form of legal protection. What further measures do the Government propose to protect and manage those precious resources?

Proposals exist for a massive development of condominiums and a deep water harbour in East Caicos, Turks and Caicos Islands, which will include building work and degradation in an existing national park. Similar destructive developments are planned on some of the small islets off Anguilla, including the development of a rocket launching station at Sombrero Cay. Will the Government give a complete assurance that they will not allow those developments to take place at the expense of coral reefs?

The Government's new British Indian ocean territory conservation policy, covering the UK's largest area of reefs, which includes some of the most pristine reefs in the Indian ocean, is an important step forward that deserves high praise. What progress is being made towards the designation of Ramsar sites and strict nature reserves in that area, as laid out in paragraph 19 of "Reefs at Risk"? Will the Government also give an assurance that they will continue to maintain a fisheries patrol to prevent further illegal fishing incursions into the region from neighbouring countries?

I am on delicate ground here. I believe—this is not a universal belief—that fisheries protection is essential. A naval presence is necessary to protect the reefs from the depredation of Taiwanese, South Korean and other massive fishing trawlers that hoover up the bottom of the sea. I point out to my hon. Friend the Minister with some shyness that there is a huge base at Diego Garcia, which is British territory, not American, albeit that the base there is the biggest outside the continental United States. It would not be impossible to have a naval presence. I am not asking for an answer on that delicate issue today, but at least the Department might reflect on it.

Noting the Government's continued support for biodiversity conservation through the Darwin initiative and this country's position in coral reef conservation and science, it is surprising that the Darwin initiative has selected few, if any, reef projects. Does the new report provide a useful basis on which to prioritise and support future projects?

Will the Government consider supporting similar analyses for other coastal ecosystems that are vital for the people who live there? I am thinking particularly of mangrove ecosystems and poorly known but equally important seagrass beds. Part of the problem is that the huge fish that are found in reefs are extremely valued in places such as Hong Kong. They are captured live and set out in stalls, fetching huge sums. There is also a great temptation to catch fish for aquariums. We human beings must make up our minds what we are going to do about the problem, because sooner rather than later the great glories that are the ecosystems of the coral reefs will be in danger.

It is my wont to be lucky in Adjournment debates. As many of those who will read the report of this debate are understandably more interested in what the Government have to say than in what I have to say, I shall give ample opportunity to my hon. Friend, who has taken a deep personal interest in the issue. I place on record my thanks to my right hon. Friend the Secretary of State and my hon. Friend the Minister and to their ever-helpful officials, who have also displayed a passionate interest.

1.5 pm

**The Parliamentary Under-Secretary of State for International Development (Mr. George Foulkes):** I congratulate my hon. Friend the Member for Linlithgow (Mr. Dalyell) on his success in securing yet another Adjournment debate. When I was an Opposition Back Bencher, I knew how difficult it was. My hon. Friend has a talent that all Back Benchers should try to emulate. I also congratulate him on his interest in science, particularly this important issue. I understand that he is the parliamentary correspondent of the *New Scientist* and that he takes an interest in a range of issues in that capacity.

The Government also welcome the recent publication, "Reefs at Risk". We are glad for this opportunity to outline our response to this important environmental and development challenge. My hon. Friend has given me plenty of time to do so. In passing, I should like to point out that it is a great tribute to the House of Commons—readers of *Hansard* and visitors should note this—that we

*[Mr. George Foulkes]*

can move seamlessly from the problems of pedlars in the Isle of Wight to issues relating to coral reefs in oceans around the world.

The Government consider the publication of the report a timely wake-up call to the global community. This is the year of the oceans. As my hon. Friend will know, the G8 Environment Ministers agreed in April to promote greater and more co-ordinated action on marine biodiversity. We are at one with my hon. Friend in his concerns.

The coral reefs of tropical oceans are renowned for their beauty, as my hon. Friend and I have experienced from swimming in the oceans. I saw for myself in Belize and more recently in Nassau the beauty of the coral reefs, so I can underline what my hon. Friend said about that. They are also important as centres of biodiversity and a source of livelihood for many poor people. Television and tourism mean that even in our northern location—my hon. Friend and I live in relatively far northern locations—we are increasingly aware of the intrinsic values of the coral reef. We are often less aware of the threats to reefs, which the report brings out well.

The principal causes of decline are clear: there are five. The first is unmanaged coastal development where there is an inadequate institutional and legislative framework to ensure proper resource management. The second is over-exploitation of particular goods and services by destructive fishing or intensive tourism and the marine curio trade. The third is land-based pollution from domestic, industrial and agricultural sources. As tourism grows, such pollution increases. The fourth is sea-based pollution from mineral exploitation and cruise ships. The fifth and final cause is climate change and tropical storms, which physically damage the coral reefs. The challenge for us all is effectively to address those causes while, at the same time, meeting the legitimate development needs of increasing numbers of people and reducing the number of people living in absolute poverty.

I was grateful to my hon. Friend not just for mentioning the White Paper and the Government's commitment to poverty elimination but for his endorsement of it. The key aim of the Government's international development programme is the elimination of poverty. If he does not mind, I shall correct him slightly. He used the old term "alleviation". We are making it clear that we want not alleviation but elimination and eradication of poverty in poorer countries through the promotion of sustainable development. Our specific objectives are: policies and actions that promote sustainable livelihoods, better education, health and opportunities for poor people, and protection and better management of the natural and physical environment, which is what this debate is about.

The Government strongly support—indeed, they have been a leading proponent of—the international development targets to reduce by one half the proportion of people living in extreme poverty by 2015, and to implement national strategies for sustainable development in all countries by 2005, so that we can ensure that trends in the loss of environmental resources are effectively reduced at both global and national levels by 2015.

Concern in the United Kingdom over declining coral reef resources is not new. The Government and their predecessors have been aware of the issue for some time and have funded studies by some of the British scientific institutions, which have well-deserved international reputations for excellence in coral reef research.

I should emphasise that the degradation of the coral reef systems and other tropical coastal ecosystems, such as mangrove forests, which my hon. Friend mentioned in particular, can have a devastating impact on the livelihoods of very poor people in developing countries. I know that he is especially concerned about that. Such people, who often lack access to land or alternative forms of employment, are highly dependent on the resources and services that the reefs can offer. We must understand that, for poor coastal communities, degradation of reefs leads to loss of food security, destabilisation of the community structure and, often, migration to the urban centres, which creates increasing problems. If we are to protect coral reefs, we need to focus on the interests of local people to whom, quite understandably, global values may mean little given the grinding burden of poverty that they face. I shall offer just a few examples.

Astonishingly, coastal communities in the Maldives and Sri Lanka depend on reef fisheries for about 80 to 90 per cent. of the animal protein in their diet. In comparison, only 10 per cent. of the animal protein in the average UK diet is fish. That shows just how dependent such communities are. Furthermore, in the Maldives—a country of more than 1,000 coral islands—a recent study showed that some 17 per cent. of households have no source of income other than reef fishing, and that average household income varies between $25 and $77 a month. More than 60 per cent. of households in the coastal communities of Fiji, for example, are dependent on coral reef fisheries as a source of nutrition and income. Such dependence on the coral reef fishery is common in island states. Degradation of reefs that support the fishery can create poverty.

Other households in coastal areas are equally dependent on coral mining, which destroys reefs to manufacture lime and other building materials. In some coastal communities of east Africa, 85 per cent. of households are dependent on income from coral mining. More than 5,000 people earn a livelihood from coral mining in Sri Lanka. The ability of some coastal communities to build affordable housing depends on coral mining, yet their livelihood also depends on a healthy reef ecosystem. Such spirals of environmental degradation and poverty can be resolved only by sustainable development.

My hon. Friend raised the question of the theft of fish. Since the 1960s, Governments of south-east Asia have been concerned by the use of sodium cyanide solution to stun and capture coral reef fishes, as my hon. Friend described, which are exported for the aquarium trade. There is also some evidence of collateral damage to corals and other organisms. Regrettably, the use of sodium cyanide has become widespread, even though it is illegal in many countries. I am glad to say that the Government of the Philippines have taken a leading role in the fight against the users of sodium cyanide. In partnership with local environmental organisations, they provide training for fishermen in alternative catching techniques and have established laboratories to test live fish exports for traces of sodium cyanide. As a consequence, cyanide fishing has been reduced in the Philippines. We applaud that example of environmental management in action.

Traditional community management systems have existed in some small island states for centuries and have controlled the sustainable use of resources of coral reefs. Pressures caused by increasing populations and inappropriate or badly planned development are breaking down the long-established systems, and community-based management alone may no longer be sufficient to contain the threats to reefs.

As "Reefs at Risk" makes clear, the causes of decline in coral reef health are in any case often beyond the traditional control of coastal communities. The origin of pollution and sedimentation is often far inland. For example, the recently documented decline of a coral reef system in the Philippines identified the cause as inland logging operations, which increased soil erosion and consequent sedimentation in coastal waters, killing corals and reducing fish populations. The main benefits of logging were obtained by commercial companies. The main costs to the environment, however, were felt by the poor in the coastal community. Analysis in the Philippines demonstrated that long-term revenue from tourism and fishing on a healthy reef system would have been $40 million greater than that generated by logging. Therefore, it would have been far better to go down the tourism and fishing route. We must encourage more of such analyses, as well as planning mechanisms that use the resulting information.

My hon. Friend put his finger on the key to the issue. An integrated approach to planning is essential if Governments are to protect the coral reefs and the livelihoods that depend on them. The Government are committed to such an approach in our development co-operation programme. There is a recognised planning framework to achieve it, which is known as integrated coastal management. That enables communities to participate with the Government in the identification and management of competition and conflict in the use of coastal resources. The Government have helped to introduce integrated coastal management, to address coastal resource use issues in coral reef and mangrove management on the island of Sumatra in Indonesia, and in South Africa. We are also funding research to resolve resource use conflicts in coastal areas of Sri Lanka and Vietnam. A great deal is being done by our Department in integrated coastal management.

**Mr. Dalyell:** I can confirm what the Minister has said. I attended the recent seminar at Canning house, which he will know well from the days before he was a Minister. When I asked about the reefs report, the Mexican ambassador, Mr. Ornate, confirmed the value of joint projects in the Caribbean, so it is not only the Government who say that such co-operation is good, but the Mexican ambassador speaking on behalf of the Latin American ambassadors.

**Mr. Foulkes:** I accept what my hon. Friend says. Other Governments are increasingly concerned about the matter. Canning house provides an excellent forum for such discussions.

My hon. Friend would agree that the basis of planning is knowledge, and the "Reefs at Risk" report makes it clear that it is based on indications of potential threat. My Department is engaged, with a number of international and national organisations, in developing a better understanding of the relationship, which we have been discussing, between protection of the coral reef and coastal environment and the eradication of poverty in coastal communities.

Assessment of change in reefs is the first step, and we have funded the development of cost-effective methods to assess the quality of coral reefs, and provided support to, for example, British Virgin Islands and Anguilla to map their coral reefs. We were able to help the Government of the Maldives to identify the effect on their reef fisheries of coral rock mining, and subsequently to develop a management system to accelerate the recovery rate of the ruined reef.

Our current programme of support to the Intergovernmental Oceanographic Commission of UNESCO includes funding and expertise to develop a regional component of the global coral reef monitoring network, which will implement a coral reef monitoring plan in south Asia. That has produced immediate benefits in defining the extent and impact of recent damage to coral in the Indian ocean because of high sea temperatures. We have also helped the Government of Anguilla to assess the impact of tropical storms on their coral reefs and supported research to assess the potential impact of global warming on coral reefs.

I hope that my hon. Friend will agree that the UK Government have been giving a great deal of help. He has been very effective in bringing the matter to the top of the ministerial agenda in the UK.

**Mr. Dalyell:** I agree that the Government have been effective, but the $64 million question is how one protects coral reefs against the depredation—that is not too strong a word—of trawlers from certain countries. That begs the question whether military force can be deployed in the form of fishery protection. I do not ask for an answer to that question in an Adjournment debate, but I hope at least that the Government will discuss with UNESCO and other international authorities how the policing is to take place. In particular, I hope that they will discuss with the Americans the critical issue of the British Indian ocean territories' coral reefs and whether there should be some coral reef fishery protection operating out of Diego Garcia.

**Mr. Foulkes:** I shall deal directly with that question. Until 1996, the territories' Administration chartered a fisheries patrol vessel during the tuna fishing season, and only from November 1996 to February 1998 was there continuous coverage. The local Administration considered that that was not a cost-effective solution to inshore fishery protection, and the vessel was withdrawn at the end of its charter, which is what my hon. Friend was alluding to. The territories' Administration now intend to have a patrol vessel in place for the start of the next tuna fishing season in November 1998, and in the longer term, they hope to be able to purchase a vessel to ensure all-year-round cover. The Administration are actively considering how best to take that forward.

I hesitate to venture on to the subject of naval protection, which my hon. Friend mentioned, but no doubt he will be able to raise it with some of my colleagues. I hope that he will be reassured by what I have already said about the fisheries protection vessel.

My hon. Friend mentioned the Darwin initiative, which is managed by my colleagues in the Department of the Environment, Transport and the Regions. The Darwin

*[Mr. Foulkes]*

initiative for the survival of species is a Government-funded initiative that supports the efforts of British institutions to safeguard the world's biodiversity. Since the initiative commenced, about 5 per cent. of its funds—a substantial proportion—have been invested in six projects focused on coral reefs in Belize, Egypt, Kenya, Sri Lanka, Mozambique and St. Lucia. A particularly welcome project has been helping schools in the Caribbean to implement coral reef protection policies. I know that my hon. Friend was once a teacher on a cruise ship, so he will be aware of the importance of education on that matter.

The Government also actively enforce the protection given by the Convention on International Trade in Endangered Species to more than 250 species of corals used in the ornament and jewellery trades. In 1995 and 1996, customs seized more than 2,500 pieces of coral that were being imported without the necessary permits.

My hon. Friend will also welcome the fact that when the Under-Secretary of State for Foreign and Commonwealth Affairs and I attended the CARICOM conference at Nassau in February, we announced a British Government-sponsored regional workshop to consider the protection of marine biodiversity in the Caribbean region. We shall co-host that with the Government of Jamaica. The meeting will be held at the end of October at Montego Bay, which the "Reefs at Risk" report identifies as having some seriously degraded reefs. That will, we hope, concentrate the minds of the delegates at the workshop.

**Mr. Dalyell:** I should like to register the appreciation for the work of customs of those who are most concerned with this issue. Asking customs officers to identify coral reef is a pretty tall order, but they have done an excellent job.

**Mr. Foulkes:** I am grateful to my hon. Friend, and I am sure that his comment will be passed on to those concerned.

My hon. Friend mentioned overseas territories. We take seriously our responsibility to our overseas territories, and I am glad that we have been able to rename them, because overseas territories is a much more appropriate term than dependent territories. Our objective is to promote sustainable development. That requires that economic development proposals are appraised for their potential interactions with the environment.

Proposed developments in the Turks and Caicos Islands such as the East Caicos development project—which my hon. Friend mentioned—and the Grand Turk harbour development, are to be subjected to full environmental impact assessment before approval. Those assessments are to be carried out by consultants acceptable to the appropriate Government Department of the Turks and Caicos Islands. Similarly, the proposed development at Sombrero Island in Anguilla, to which my hon. Friend referred, is currently being subjected to a full environmental impact appraisal by an environmental consultancy firm, ICF Kaiser. UK Government officials have worked with ICF Kaiser to define the scope of the environmental assessment for that development, and the report will be a significant factor in deciding whether to allow the development to go ahead next year. I hope that that reassures my hon. Friend.

Given the dependence of some of the UK overseas territories on the quality and health of their coral reefs, the Government recognise that such assessments are important, and we shall offer support wherever possible. However, recent correspondence with staff at the World Conservation Monitoring Centre has suggested that the coral reefs in British overseas territories are in comparatively good condition, and we welcome that independent statement from such an authoritative source.

We greatly welcome my hon. Friend's initiative in raising the matter today. I was particularly pleased that he paid such a warm tribute to many of the members of staff of the Department, who do much to understand the issue and brief Ministers on it. The Government recognise the important role that coral reefs can and should continue to play in sustainable development. It is important not only to monitor what is happening but to develop—with the participation of local communities and using partnerships between Government, business and civil society—effective ways of managing and sustaining the goods and services that derive from coral reefs around the world. I assure the House and my hon. Friend that the British Government will, with the considerable expertise that is available in UK, continue to play a leading role.

I hope that my hon. Friend has been reassured not only on his specific points that I have dealt with, but on the general matter of our deep concern about the report. We are looking at the implications and taking serious account of it. We shall deal with all the points that arise from it.

**Mr. Dalyell:** Unlike my 14 Adjournment debates on Lockerbie, I should like to put it on record that I am extremely satisfied with the content and tone of my hon. Friend's reply.

**Mr. Foulkes:** I cannot comment on any other subject, but I thank my hon. Friend for his generous commendation.

## Oxted and Limpsfield Hospital

1.29 pm

**Mr. Peter Ainsworth** (East Surrey): I am grateful for the opportunity to bring before the House a matter that has, for some years, been the subject of grave and almost continuous concern to the people of Oxted and the surrounding area. In doing so, I am acutely aware that I am touching on issues that have divided and continue to divide the local community, health care professionals and the district council.

Let me say at once that I have not come here today with a ready-made solution to the various problems, nor am I here to carry the flag for any particular group or faction. However, I should like to thank the many people who have taken the trouble to keep me informed of developments: the health authority; the community health council; the trust; the GPs in Oxted and elsewhere; Mr. Josh Cosnett of the Save Oxted Hospital action group, who has tirelessly advanced the cause supported by many petitions; Mr. Graeme Waller; Councillor Gordon Keymer; the Rev. Guy Bennett; and others to whom the future of this vital local resource is paramount.

I make no apology for having no tailor-made remedy of my own. I have brought the matter to the House today to enable the Minister, who has more cause than most to realise that being in government is not all fun, to set out clearly and unequivocally his position and that of the Government, so that we can achieve a rapid and satisfactory outcome to a set of problems that have persisted for too long.

Let me start with a statement on which, I hope, all can agree. Oxted and Limpsfield (War Memorial) hospital, although originally sited elsewhere, was opened in its present position in 1939, and building work was completed shortly after the second world war. It was funded by public appeal. The hospital has thus served the community of Oxted and the surrounding area for nearly 60 years, providing both out-patient services and in-patient care. Not surprisingly, it has come to be regarded as a jewel in the Oxted crown. My own family has had cause to use the out-patient services, and many friends have passed through its doors or stayed overnight through the years.

The sad modern history of the hospital began about five years ago, when East Surrey Healthcare NHS trust announced that the building was in a poor—indeed, terminal—state of repair. I know that some people dispute that, but most accept it as a working proposition. A suggestion that the hospital should close and its services be relocated to the nearest accident and emergency hospital in Redhill gave rise to public outcry.

In the face of that, the trust was forced to reconsider. It came forward with a hospital redevelopment proposal, using the existing site and an adjacent one and providing 20 NHS beds. That was to be funded partly by the NHS and partly by the development of housing on the hospital grounds. That appeared to be good news, but that is the point at which trouble started and things began to go badly wrong.

After months of preparation and NHS expenses running to hundreds of thousands of pounds, the local authority, Tandridge district council, first insisted that the new housing should include additional affordable homes, and then refused planning consent on grounds of excessive density. To that frankly perverse act, we owe much of the trouble that has ensued.

Various attempts were made to recast the proposals in a form acceptable to the local authority, but they came to nothing. There was even a march through the streets of Oxted—the only march I have attended in my constituency, and possibly the only one that has ever taken place there—under the banner "Save Oxted Hospital". It is ironic that the march was also attended by several councillors who had actively participated in the demise of the original redevelopment scheme.

In March 1997, the health authority issued a consultation paper, which, after minor alteration, formed the basis of a proposal published in June 1997. It envisaged the building of a new out-patient hospital on the existing site to include therapies and an X-ray unit; and 10 NHS beds would be provided in a private nursing home. The proposal was rejected by the CHC on a number of grounds, not least that it envisaged a reduction in the number of beds from 20 to 10. Although there is disagreement in the community about where the beds should be located, there is a strong feeling that halving the number of local beds is not acceptable. The 20 beds currently available are in great demand, for both geriatric and recuperative care.

Despite the CHC's objection, on 9 September the Minister wrote to me announcing his decision to close the hospital, and to endorse the health authority's proposal. Thus, Oxted joined the list of 25 war memorial hospitals currently threatened with closure. I understand that that is to be the subject of a mass lobby next week, and recently the issue was eloquently raised in the House by my hon. Friend the Member for North Norfolk (Mr. Prior).

The Minister added two provisos in his letter: first, that the 10 beds being removed from Oxted could realistically be provided in East Surrey hospital; and, secondly, that a suitable private sector partner could be found for the proposed nursing home development. The Minister will be aware that, earlier on, a possible private nursing home partner had dropped out. A deadline was set for March 1998, which was later extended, at the CHC's request, to May, primarily to accommodate discussions with a potential private sector benefactor. The second deadline has now passed: no new private sector nursing home provider has appeared, and continued bed blocking in East Surrey hospital casts doubt over whether the extra demand for beds there can be met.

Meanwhile, there have been several developments that are important to the context in which the struggle to maintain a hospital in Oxted is taking place. In no particular order, they are as follows. The East Surrey Healthcare NHS trust has merged with the Crawley Horsham NHS trust; the consequences of the merger are still being absorbed, and a new chief executive has been appointed to manage the combined trust. A new chairman will shortly take up position in the health authority.

A primary care group is being set up to embrace a huge area, from Limpsfield in the east to Reigate in the west. That is giving rise to extra bureaucracy, and it means that any decision affecting provision in Oxted must now be seen explicitly in the light of its implications for other parts of the area—for example, it is obviously important that developments at Oxted do not entail no developments in Horley.

*[Mr. Peter Ainsworth]*

In addition, to no one's surprise, we are told that the financial position of the health authority has deteriorated since March 1997, which is clearly unhelpful; and that the merged East Surrey and Crawley trust has a deficit of £4 million, which is hardly a propitious context in which to be considering a major investment in Oxted. I understand that that might no longer be a problem, as the latest news is that responsibility for community health care in the Oxted area is to be transferred to a trust in Croydon. However, I am told that that trust, too, has recently suffered a cut in funding. While all that turmoil is going on, nothing has been achieved to address the problems in Oxted, where, understandably, staff recruitment has become more difficult, and general frustration has mounted.

I should be grateful if the Minister could clarify certain specific questions. First—I realise that this is something of a fast ball, so perhaps he can write to me—is it true that the financial model used by the health authority to date to assess the cost of providing beds at Oxted assumes that the running costs will be the same as those in the hi-tech accident and emergency hospital at Redhill? If so, is it not rather unusual, and does the Minister believe that it is appropriate?

Secondly, does the Minister accept the view of local GPs and others, that a minimum of 20 beds is required to meet the current and growing future need of people in the locality? Thirdly, how do matters now stand between the NHS and the local private benefactor, who has reportedly promised a substantial sum towards the provision and maintenance of extra beds in Oxted? What is the Government's position on other offers of private funding from the local community for rebuilding the hospital?

Fourthly, what progress has been made towards satisfying the two provisos set out in the hon. Gentleman's letter of 9 September? Fifthly, what will happen if those cannot be met, given that the chief executive of the health authority is reported to have said on 9 March:

"We can no longer fund the current level of services in Oxted"?

Sixthly, what will happen if the district council blocks the sale of the land necessary for the building of the nursing home? What powers have the Government to get their way, assuming that there is no change in direction? As I understand it, the district authority at present intends to block the sale of that land.

Mrs. Marlow of South Thames national health service executive has written that the Minister now regards the matter as one of local interest. I ask him not to wash his hands of the issue, but to work to ensure a successful outcome, based on the Secretary of State's words:

"I have made it clear that we would like to promote community hospitals because we want people throughout the country . . . to be able to turn to an efficient, effective, high-quality health service that is close to home."—[*Official Report*, 27 January 1998; Vol. 305, c. 142.]

The Minister's actions over Oxted and Limpsfield war memorial hospital will be a test of that commitment.

Bearing in mind the story on the front page of *The Times* today, which tells us that a children's ward in Greater Manchester has been reprieved from closure on the eve of a visit from the Secretary of State, would the hon. Gentleman extend to his right hon. Friend a cordial invitation to visit Oxted hospital at his earliest convenience?

1.41 pm

**The Minister of State, Department of Health (Mr. Alan Milburn):** It is always a pleasure to reply to the hon. Member for East Surrey (Mr. Ainsworth), on this and other issues. As he said, I get to deal with many fun issues in the House, but this is not one of them. It is a serious matter, which is of concern to him and his constituents.

As the hon. Gentleman rightly said, community hospitals are a valued part of the national health service in many parts of the country. Patients often value them because they tend to deliver services in a friendly and homely way, which makes change extremely difficult. Change is not peculiar to this Government, or to the previous Government; it is endemic in the national health service, and it affects community hospitals just as it affects other parts of the service.

The hon. Gentleman is a strong supporter of Oxted and Limpsfield community hospital in his constituency, and I understand his concerns, which have also been expressed to me by local people and organisations. He will recall that I met representatives of the East Surrey community health council and the Save Oxted Hospital action group some months ago. Perhaps it would be useful if I recount how we got to the present position, and where things stand in trying to answer the hon. Gentleman's six questions.

In the first place, changes were necessary in the area, because, as the hon. Gentleman rightly said, health needs were changing, and it is broadly agreed that the hospital is in a poor state of repair. The local health authority has a responsibility to ensure that it makes the best use of the public money that it receives. It decided that it would be more cost-effective and appropriate to modern health care facilities to consider a new building in Oxted, rather than upgrading the present building.

As the hon. Gentleman knows, the proposal was to provide out-patients, minor injuries, X-ray, diagnostic and physiotherapy services in a brand new NHS facility. Changes would also be made to the number of beds available—acute beds would be transferred to East Surrey hospital, and beds available for the less acutely ill would be purchased from a private nursing home and managed by local general practitioners.

As the hon. Gentleman said, following East Surrey community health council's objections to the health authority's recommendations following consultation, I considered those proposals late last year, bearing in mind all that had been said locally. When I made my decision to approve the proposals by East Surrey health authority for the re-provision of Oxted hospital, I did so on two firm conditions, and I expect those conditions to be fulfilled in full. The first was that a viable private sector nursing home partner could be found; the second that adequate provision should be made at East Surrey hospital in Redhill to absorb the likely number of elderly patients being admitted there from the Oxted area.

I asked for an implementation plan from East Surrey health authority, and I subsequently extended the deadline for the production of that plan by two months, to the end of May, to enable further local discussions to take place. The appearance on the scene of a potential local benefactor might be a help, but it has certainly also been a hindrance in delaying the implementation of the overall plan.

I made my decision because the proposals will provide modern, high-quality health care for people living in south Tandridge. There would be flexibility, with local GPs managing the beds; and acutely ill elderly people, who need consultant care in the best possible modern setting, would have a full range of back-up facilities available, which might not always be available in that sort of setting.

With regard to the private sector partner, I understand that a number of expressions of interest have been received from nursing home providers by Surrey and Sussex Healthcare NHS trust, which are subject to further discussion, and those debates continue. To build a new nursing home on the existing hospital site, a land swap will be necessary, so that the existing hospital can stay open until the new facilities are ready. I understand that discussions are taking place with Tandridge district council about the land swap.

Alternatively, the existing hospital could be closed and demolished, and a nursing home built on the existing site. If that option were chosen, I understand that the health authority would purchase beds from existing nursing homes in the Oxted area, which would be used until the new nursing home was available on the Barnett Shaw site. I will say in a moment what I expect Tandridge district council to do to be helpful.

As the hon. Gentleman knows, at present GPs have access to six beds in Oxted hospital. As a result of local concerns expressed during the consultation exercise, the health authority helpfully increased its planned re-provision from six to 10 beds, giving the GPs an increase in access to local services. I hope that he also thinks that helpful. The use of a nursing home, which is likely to have around 40 beds in total, is designed to give maximum flexibility to accommodate local needs. Therefore, 10 GP beds in the nursing home is the minimum guaranteed future commitment. If the local primary care group can arrange treatment and care differently for its patients, it may be able to care for more patients in the new facilities in Oxted, subject, of course, to other demands, such as emergencies.

On the condition concerning capacity at East Surrey hospital—another important matter that the hon. Gentleman raised, and about which I am concerned—the regional office of the NHS executive is closely monitoring the plans by the Surrey and Sussex Healthcare NHS trust for the reconfiguration of services at the acute hospitals at Crawley and Redhill. The plans will now need to take full account of changes to service levels at Oxted and access for patients in their areas. Once finalised, those plans will be subject to full consultation.

Two further issues warrant a mention. First, the re-provision is being planned at the same time as a new, modern, primary health centre is being developed in Oxted. That will provide high-quality primary care facilities for patients in the centre of the town, and will complement the hospital re-provision. The GPs in the town will have access to a range of new, high-quality primary, community and nursing home facilities, all of them readily accessible to the local population. As the local practices develop into a primary care group, they will be able to have more say in the way in which those facilities are used for their patients. Frankly, it will be for GPs to take those decisions, not bureaucrats sitting in health authority offices; I hope that the hon. Gentleman welcomes that sort of development.

There will be more flexibility for patients to be supported in their own homes, with the back-up of local, low-tech beds, and barriers between health and social care will be overcome, which is crucial, particularly to deal with the complex problems that many elderly patients often face. They require the support not merely of NHS services, but of social and housing services. The new primary care groups and the facilities that are being provided in the area will all help to that end. The availability of nursing home beds in Oxted will support primary care, and will therefore be an important element in the development of services for local people.

Secondly, since making my decision at the end of last year, a possible benefactor has emerged to provide a donation towards the re-provision of services, as the hon. Gentleman said. That was discussed locally, but initially no consensus could be reached on what form alternatives might take—the health authority listened carefully to the benefactor's views, but declined the offer. Since then, the health authority and representatives of the benefactor have had further discussions to establish whether a donation could be used to augment the proposed NHS in-patient provision.

Irrespective of whether charitable funding is available, the hon. Gentleman should be reassured that the people of Oxted will continue to have access to high-quality NHS-funded health care. I know that negotiations are progressing in, I hope, the spirit of co-operation that we are striving to encourage in the NHS. The best solution for people in the area is for local agreement to be reached about the future of their local services. I cannot say when the negotiations will finish, as I am not party to them.

The hon. Gentleman's first question concerned the financial background. I do not have the information with me, so I hope that, as he suggested, he will allow me to write to him on that. I know the concern that has been expressed locally, and I shall be happy to address that directly.

I hope that the hon. Gentleman is reassured by the fact that the implementation plan that is now in place will result in new in-patient, out-patient and therapy facilities, as well as a minor injuries service, being available in Oxted by the summer of 2001. The time scale and detail of the re-provision depend crucially, as he rightly said, on the planning decisions taken by Tandridge district council. The local authority will no doubt be mindful of the need for a rapid decision to allay the concerns of local people about the future of health services in the town, and I hope that it has listened to what both the hon. Gentleman and I have said today.

I have had a significant number of representations about the matter, and I stress that the final form of the re-provision—which depends on a number of factors that I have outlined; the hon. Gentleman knows the background to them—will be for local people and organisations to agree, albeit within the caveats that I set out in my approval of the plan. I shall not be revisiting my original decision, which I expect to be implemented in full.

*[Mr. Alan Milburn]*

I assure the hon. Gentleman that the South Thames regional office will be responsible for ensuring that the detail of the scheme accords with the terms of my approval of the Oxted and Limpsfield hospital re-provision scheme. The regional office is keeping a close eye on the matter, and I am sure that officials there will be helpful in answering any of his detailed concerns. If he has further difficulties, I should be happy to deal with them personally, but I hope that I have been able to deal with the majority of the concerns that he has raised today.

*It being before Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.*

*Sitting suspended, pursuant to Standing Order No. 10 (Wednesday sittings), till half-past Two o'clock.*

# Oral Answers to Questions

## INTERNATIONAL DEVELOPMENT

*The Secretary of State was asked—*

### Development Awareness

1. **Mr. Hugh Bayley** (City of York): What steps she is taking to inform the public about her Department's work. [46864]

**The Parliamentary Under-Secretary of State for International Development (Mr. George Foulkes):** As we made clear in our White Paper, the Government attach great importance to increasing development awareness in the United Kingdom. To that end, my right hon. Friend the Secretary of State and I have been visiting every corner of the country to publicise the commitments in the White Paper. My right hon. Friend will be in York next Wednesday. We are in the process of establishing our development forum, which will meet regionally and then nationally each year to discuss development strategy, and I am chairing the working group on development awareness so that we can strengthen our work in the field.

**Mr. Bayley:** In the wake of the pain of last night's football game, does my hon. Friend agree that the world would be a much better and safer place if people in this and other countries took as much interest in world development as they do in the world cup? Will he discuss with ministerial colleagues in the Department for Education and Employment the importance of getting a world studies strand in the school curriculum?

**Dr. Norman A. Godman** (Greenock and Inverclyde): A Hearts supporter.

**Mr. Foulkes:** My hon. Friend is right to say that I support the team that won the Scottish cup this year. Although I am a Scotland supporter, I sympathise with all the England supporters over the tragedy that took place last night.

A great deal is being done to ensure that development studies are included in the curriculum. I have an A-level geography examination paper from the London examination board, which includes questions about development. We have had discussions with the Department for Education and Employment about giving development a higher profile, and some members of our development awareness working group, including myself, had a meeting with Professor Bernard Crick, who chairs the working party on citizenship, to discuss including global citizenship in the curriculum. I hope that my hon. Friend agrees that we are already doing a great deal.

**Mr. Gary Streeter** (South-West Devon): Does the Minister recall his party's manifesto promise that, in government, Labour would increase the aid budget, and will he tell the British people why, in the first 12 months of the Labour Government, according to figures from the Organisation for Economic Co-operation and Development, the United Kingdom aid budget has been cut by 2.2 per cent?

**Mr. Foulkes:** Let me make it clear that I remember all our manifesto commitments, each of which we are implementing. This year, we have doubled the budget for development awareness. When the comprehensive spending review is published, the hon. Gentleman will know exactly what we intend to spend on international development, and it will be clear to the British public and to the Opposition that we will spend a great deal more over the next few years than the previous Government did.

**Mr. Streeter:** The Minister has not answered the question. The Government have been in power for 14 months and have presided over a cut in the UK aid budget. They found extra money for schools and hospitals; why have they not found extra money for the aid budget? Is this not yet another new Labour broken promise?

**Mr. Foulkes:** The hon. Gentleman is talking about the calendar year 1997, half of which was under the previous Government. That Government inherited an aid budget of 0.51 per cent. of gross national product and rising; it left us with 0.27 per cent. and falling. We are committed to turning that round in the course of this Parliament.

**Mr. Streeter:** When?

**Mr. Foulkes:** If the hon. Gentleman will have a little patience, he will see, when the comprehensive spending review is published, that the changes under Labour will start to reverse the decline.

### Good Governance

2. **Mr. Nicholas Winterton** (Macclesfield): What steps her Department has taken to encourage stable and democratic government as part of its aid programme. [46865]

**The Secretary of State for International Development (Clare Short):** Good governance is essential to the achievement of sustainable economic growth, which is the only way to achieve a lasting reduction in poverty. It is clear from experience that conditions imposed on reluctant Governments in return for aid or loans tend to fail to secure reform, while Governments who are committed to poverty reduction use aid to invest in human development and economic progress. Good governance is therefore crucial to development, and it is the focus of much of our work. In 1997-98, we committed more than £70 million in efforts to promote good governance, including democratic reform.

**Mr. Winterton:** I thank the right hon. Lady for that reply. I presume that she agrees that good governance is an essential factor in the determination of which states are best able to tackle both poverty and debt repayment. Does she accept that multi-party government is another essential element in ensuring that we can achieve more through United Kingdom aid, and reduce poverty and deprivation in countries to which we give aid?

**Clare Short:** I entirely accept that, without good governance and the intention to promote poverty reduction and sustainable economic growth, no amount of conditionality or intervention will succeed. We need to back Governments who are determined to reduce poverty,

and to introduce optimistic models. When Governments are not determined, we must find ways—for instance, through non-governmental organisations—to assist people who are suffering; but sustained development will not be possible in those countries.

In general, I agree with what the hon. Gentleman said about multi-party democracy. He may have had Uganda particularly in mind. I remind him that there is a commitment for the people of Uganda to decide in 2000 whether they want multi-partyism, or prefer to retain their present system of democracy. We say that that is for the people of Uganda, not us, to dictate; but the principles of democracy, and the ability to vote out a Government and local representatives, are key, and must be observed everywhere.

**Mrs. Alice Mahon** (Halifax): As my right hon. Friend will know, the NGOs in Afghanistan have now been moved into very unsuitable accommodation, and the persecution of women in that country by the odious Taliban continues. What, if anything, can the international community, and those who—obviously—are still giving aid to the persecuted in Afghanistan, do in the way of sanctions, or making the Taliban behave humanely towards women and children?

**Clare Short:** My hon. Friend is absolutely right. The Taliban has, for example, attempted to prevent women in difficult labour from going to hospital, because women are not allowed to go to the same hospitals as men. That is a fundamental issue of human rights: it is crude apartheid, and is causing enormous suffering. We are trying to get the international community to agree on an absolute precondition of equal treatment if any help is to be given, and the Red Cross has bravely stood by that. As long as everyone stands together, I think that we can secure that position, but it is a constant battle.

**Mr. William Cash** (Stone): Is not one of the best ways of ensuring democratic and stable government in many of those regimes—especially in the poorest countries—to ensure a proper reduction in debt, and the interest on debt? As chairman of the all-party parliamentary campaign for Jubilee 2000, may I ask the Secretary of State to give earnest consideration to ensuring that that debt is reduced by 2000, and that we are not given answers that really come from the Treasury? The right hon. Lady has specific responsibilities; will she use them to the utmost effect?

**Clare Short:** I assure the hon. Gentleman that my right hon. Friend the Chancellor of the Exchequer and I are working together in absolute agreement. We are determined to secure more speedy implementation of the highly indebted poor countries initiative. I agree that countries that are saddled with massive unpayable debts are set up to fail, because they cannot secure the resources with which to promote education, health and other aspects of human development.

We are strongly committed to backing good government. As I told the hon. Member for Macclesfield (Mr. Winterton), a Government who commit themselves to poverty reduction and improving health and education should then have the opportunity to have their debt written down to sustainable development, so that they can succeed and make progress. We are committed to securing the fastest possible progress.

## European Court (Freezing of Aid)

3. **Barbara Follett** (Stevenage): If she will make a statement on her Department's response to the European Court's freezing of some of the aid budget lines. [46866]

**The Parliamentary Under-Secretary of State for International Development (Mr. George Foulkes):** My Treasury colleagues, who lead on this issue, have upheld the previous Government's decision to challenge European Union spending that had no legal base. The United Kingdom did not object to any budget line for assistance to developing countries, but the EU Commission decided to suspend future grants for those lines, while also reviewing the implications of the court's judgment. My hon. Friend the Economic Secretary to the Treasury agreed with the Commission and the European Parliament on 23 June that all new grants not disbarred by the judgment will proceed by mid-July.

**Barbara Follett:** I thank my hon. Friend for that reply. Will he do all that he can to ensure that such matters are resolved with the minimum of delay, particularly as regards budget lines relating to land mines and human rights? Will he also ensure that the European Parliament has some discretion over awarding sums to smaller bodies?

**Mr. Foulkes:** It was for that reason that my hon. Friend the Economic Secretary had her meeting. She wanted to ensure that those budget lines were reinstated, and that the money should be spent as quickly as possible. My hon. Friend the Member for Stevenage (Barbara Follett) will agree that the Government are right to ensure that effective control of public expenditure is treated as importantly in the European Union as it is in the United Kingdom.

**Mr. John Townend** (East Yorkshire): Have there been any proposals to freeze European or British aid to India and Pakistan on the basis that, as they can afford to develop nuclear weapons, they do not need aid?

**Mr. Foulkes:** We have given that point careful consideration. The Government have condemned the testing of nuclear weapons by India and Pakistan, but we are concerned that some of the poorest people in the world live in those two countries. We are working with non-governmental organisations, international organisations and state governments, as well as the two international Governments. Stopping our programmes would harm some of the poorest people in the world, and that is why we have decided to continue with bilateral assistance.

## EU Aid Programme (Accountability)

4. **Mrs. Teresa Gorman** (Billericay): What steps she will take to increase the accountability of the EU aid programme. [46868]

**The Secretary of State for International Development (Clare Short):** We worked during our presidency, which has just ended, to try to improve the effectiveness of European Union development assistance; Austria also intends to make that one of the priorities of its presidency. We are encouraged that DGVIII—the

directorate responsible for development in the Lomé countries in Africa, the Caribbean and the Pacific—has plans for a programme of reform. We welcome the improvements that have been made, but it is clear that further improvements are needed.

**Mrs. Gorman:** I thank the right hon. Lady for that reply. In September, the European Union will reopen negotiations with third-world countries on aid. The right hon. Lady will be aware of the Court of Auditors' report on the appalling waste of money that has been put into the third world, involving awful cock-ups over the dumping of EU produce. For example, the EU provided more than £2 million to improve Namibia's meat production and abattoirs, so that Namibia could supply South Africa. However, the EU was also dumping subsidised European beef on South African markets at half the price that Namibia could manage. In another South African example, 2,500 jobs were lost in canning factories in the Capetown area because of the dumping of subsidised European fruit. Given the right hon. Lady's frugal reputation regarding waste, displayed in her famous remark about "golden elephants", can she assure the House that she will ensure that such waste of our public funds will not be allowed to continue during her stewardship?

**Clare Short:** The hon. Lady is absolutely right to say that the Court of Auditors has published damning reports on the performance of EU development assistance. She is also right on her wider question about the highly subsidised common agricultural policy and the dumping of food in ways that damage and undermine agricultural production in developing countries. We need reform of the CAP. The next World Trade Organisation round of talks on the general agreement on tariffs and trade will also consider agricultural subsidy.

The September negotiations on the Lomé mandate relate to trade and development assistance for countries in Africa, the Caribbean and the Pacific. I assure the hon. Lady that the principles of efficiency in development, supporting good government and encouraging trade and self-reliance will be key to those negotiations.

**Dr. Norman A. Godman** (Greenock and Inverclyde): In addition to questions of accountability in the EU's aid programme, there are serious questions about its administration. In the middle east recently, I heard representatives of non-governmental organisations complaining bitterly about cumbersome Brussels procedures for paying out desperately needed funds. Can my right hon. Friend do something to speed up those procedures?

**Clare Short:** My hon. Friend is right to say that the slowness is appalling. It is partly because of the exposure of misspent money which results in more and more checks being put into the system which becomes slower and more inefficient. That does not solve either problem. I assure him that we have made it a feature of our presidency to try to get improvements. We have secured some but there is much more to be done. We shall continue to work as hard as we can to get the biggest improvements that we can.

**Dr. Jenny Tonge** (Richmond Park): I appreciate, and know of, the right hon. Lady's concern about accountability of European Union aid and I know that she has often spoken about it to the International Development Select Committee. I want to ask about the accountability and efficiency of European aid for AIDS in developing countries. She knows that one in four—sometimes a higher proportion—of the population in the Great Lakes region of Africa are suffering from the AIDS epidemic and are HIV positive. Over the past 10 years, the European Union has spent £160 million on various projects to do with AIDS but very little on an AIDS vaccine. The medical world believes that an AIDS vaccine is the only answer to the AIDS epidemic. Will she address the accountability of expenditure and do something about the EU encouraging research on an AIDS vaccine?

**Clare Short:** I cannot tell the hon. Lady without notice about EU spending on AIDS and an AIDS vaccine. I shall write to her. I agree that the evidence is clear that an AIDS vaccine should be possible. We have contributed to that, as have other countries. It is an important thing to do and the long-term answer, but there are other answers. Prevention is working. In Uganda, a national education programme has slowed the rise in AIDS. In Tanzania, we did research that showed that, if venereal disease were treated early, the spread of AIDS was slowed. A lot can be done on prevention, but we must back the vaccine as well.

**Mr. Stephen Timms** (East Ham): Given the encouragement of the recent prisoner releases in Nigeria, what prospect does my right hon. Friend see for normalising aid links between Nigeria and the EU, and, indeed, her Department?

**Clare Short:** My hon. Friend is right—there is a real opportunity in Nigeria. We must do all in our power to encourage the new Nigerian President to go for reform, democracy and proper protection of human rights. All of us are doing everything that we can to secure that aim. Up to now, aid spending has gone not through Government but through non-governmental organisations and local government. If Nigeria embraces reform, democracy and human rights, we shall be keen to work with the Nigerian Government to secure those reforms, which would be of enormous importance to the people of Nigeria and of the whole of Africa.

**Mrs. Cheryl Gillan** (Chesham and Amersham): On accountability, in response to my written question last week about the election in Togo, the Foreign Office deplored the harassment of election monitors, the confiscation of ballot boxes by the military, problems with the voter lists and polling cards and many other irregularities in the electoral process. In fact, it issued a declaration last month expressing concern. As Togo receives EU multilateral aid, would the Secretary of State say whether she also responded and what action, if any, she took during the presidency to attach conditions to the provision of aid to Togo?

**Clare Short:** I regret that I do not control EC spending on aid. I wish that I did, because I might then be able to bring about the improvements that the hon. Member for Billericay (Mrs. Gorman) called for. Without notice, I cannot speak with any authority on EC programmes in Togo. I shall find out what has been spent and write to the hon. Lady.

## Palestine

5. **Dr. Brian Iddon** (Bolton, South-East): If she will make a statement on the future budget of the UN Relief and Works Agency for Palestine Refugees in the Near East. [46869]

**The Parliamentary Under-Secretary of State for International Development (Mr. George Foulkes):** Additional contributions announced recently, including an extra £1 million from the United Kingdom, substantially reduced the potential shortfall in funding for UNRWA's essential core budget this year. Donors have agreed with UNRWA to monitor the situation closely over the coming months, to support a process of financial and management reform in UNRWA and to work together to resolve longer-term funding problems.

**Dr. Iddon:** When a group of us visited a Palestinian refugee camp on the Gaza strip a few weeks ago, we detected a rise in tensions due to rumours that services might have to be cut because UNRWA had a £12 million budget deficit while the population of the camps had grown by almost 30 per cent. UNRWA is a stabilising force in the region. I am sure that my hon. Friend agrees with that. I congratulate the Government on increasing the budget by £2 million, but will my hon. Friend continue to apply the pressure on other donors at least to maintain the present situation, if not to increase the funding?

**Mr. Foulkes:** I was pleased to meet my hon. Friend and a number of our colleagues earlier this week to get a report on their visit. I was able to confirm to him and my colleagues, as I am able to confirm to the House, that we are fully committed to the work of UNRWA and the vital humanitarian role that it plays, but also to its reform and to making it more efficient. The United Kingdom has committed a total of £25 million to Palestine this year, including the Palestine Authority, and we are willing to consider what further we can do to help the people in Palestine.

**Mr. Nicholas Soames** (Mid-Sussex): I warmly support the Minister's reply. Does he agree that there are opportunities for the know-how fund and the way in which it operates to be applied to the Palestinians, who have suffered such appalling treatment at the hands of the Israelis and are deeply deserving of our help?

**Mr. Foulkes:** What the hon. Gentleman says is wise. The know-how fund, as he knows, extends to the former Soviet Union and eastern Europe, but the methods are applicable elsewhere. We have considered helping Government institutions and the building up of capability in Palestine. I will certainly take further account of the recommendations and suggestions that the hon. Gentleman has made.

## Sanctions

6. **Mr. Tam Dalyell** (Linlithgow): Pursuant to the answers of 10 December 1997, *Official Report*, column *615*, and 16 March 1998, *Official Report*, column *454*, what progress has been made in her plans to develop sanctions which hit elites rather than the mass of the people. [46870]

**The Secretary of State for International Development (Clare Short):** Work is being undertaken within Whitehall and we are working with other countries in the UN to ensure that future sanctions are as closely targeted as possible on offending regimes and that, when sanctions are agreed, appropriate humanitarian exemptions are included. I will, as I have promised, write to my hon. Friend when our review is complete.

**Mr. Dalyell:** Before there is another crisis in October or November in Iraq, will the Department and my right hon. Friend make inquiries about the behaviour of United Nations Special Commission personnel in Baghdad, information on which I have given to her Department?

**Clare Short:** I am grateful to my hon. Friend for informing me earlier today of the allegations about UNSCOM staff. I have checked with my officials, and we have no knowledge of any such behaviour, so I should be grateful if my hon. Friend would let me have as much information as he has. We will most certainly check it out. However, I have to say that the real answer to the suffering of the people of Iraq is for Saddam Hussein to cease manufacturing weapons of mass destruction. We must all do all that we can to bring that about as rapidly as we can.

**Mr. John Bercow** (Buckingham): Further to the hon. Gentleman's question, does the Secretary of State agree that, if a country's human rights record is bad, there is often a compelling case for shifting aid previously given to it to a neighbouring country in a similar income category in order conclusively to demonstrate that aid is linked to governance, respect for human rights and the concept of an ethical foreign policy?

**Clare Short:** I agree, as I said to the hon. Member for Macclesfield (Mr. Winterton), and we are keen to back Governments who have serious good intent to reduce poverty, which requires good governance, respect for human rights and successful models of development. When Governments do the right thing, they succeed, and the international community gets behind them. Then there is sustained and successful development. We cannot turn our back on people who live under bad Governments. We have to find other ways of bringing relief to them through non-governmental organisations, not through Governments. The hon. Gentleman is right. We must back good Governments and achieve success in development. In the other cases, we can bring relief, but we shall not achieve development where there is not good Governance.

**Rev. Martin Smyth** (Belfast, South): I appreciate the concerns about looking after the poor. One of the arguments against the Jubilee 2000 campaign is that wiping out debt will increase the money for bad Governments, who will just take it. Are any steps being taken to mobilise world banking communities to watch out for money being invested in their banks that was sidetracked from aid by bad Governments?

**Clare Short:** The hon. Gentleman is right. There are conditions on debt relief in the HIPC initiative that Governments must have a good track record. That means that good Governments get debt relief and not bad Governments, who might spend the relief on more arms

or more prestige projects. The hon. Gentleman is also right in that the OECD is calling for a great tightening up by all our Governments and institutions on corruption. It calls on all our Governments to make it an offence to offer a bribe overseas to a public official. Banks do not deal with corrupt regimes. We back successful Governments and freeze out the unsuccessful so that we get a better world order.

### Peace Corps

7. **Mr. Austin Mitchell** (Great Grimsby): If she will assess the advantages of establishing a Government–sponsored peace corps of young people to assist with aid work. [46871]

**The Parliamentary Under-Secretary of State for International Development (Mr. George Foulkes):** We are encouraged by the numbers of young people who already take a great interest in development and we are seeking ways of engaging them further in development co-operation issues. However, developing countries require access to know-how rather than inexperienced volunteers. We provide such help through our own programmes and through our support for the four volunteer sending agencies, which have more 2,000 qualified volunteers overseas.

**Mr. Mitchell:** I hope that my hon. Friend will not rest satisfied with that answer but will look at the sustained success of the American peace corps, which every year sends abroad 6,500 young people with an average age of 29 to engage in English teaching, health, sanitation and development work in developing countries and even in eastern Europe. Could we not mobilise the commitment, enthusiasm and energy of our young people and perhaps even give them a remission on their student loans for going in exactly the same way and help developing countries at the same time?

**Mr. Nicholas Winterton** (Macclesfield): There is VSO.

**Mr. Foulkes:** Voluntary Service Overseas, as the hon. Gentleman says, and the three other sending organisations already do that. I draw my hon. Friend's attention to another organisation, British Executive Service Overseas, BESO, which sends older, experienced volunteers overseas to offer their services. I am assured by the Government Chief Whip that, if my hon. Friend wishes to do that, he would not stand in his way.

**Mr. Nigel Evans** (Ribble Valley): The Minister mentions four organisations that do much good work with young people. Can he ensure that publicity for those organisations is increased? Ultraframe, a private business in Clitheroe in my constituency, is investing much of its own money in providing food aid in Sudan. Many other private companies wish to assist in that way, and perhaps if we could get more links between business and charitable aid organisations such as the ones that the Minister mentions, more young people could be assisted to go abroad to help in aid projects.

**Mr. Foulkes:** The hon. Gentleman makes a sensible suggestion. My right hon. Friend the Secretary of State and I regularly meet the NGOs that are involved, and I specifically met the four volunteer sending organisations recently to discuss exactly the areas that the hon. Gentleman mentions, and also spoke about increasing the profile and participation of VSO and other voluntary service organisations.

### Russia

8. **Mr. David Watts** (St. Helens, North): What assistance her Department is providing to Russia in the current financial year. [46872]

**The Secretary of State for International Development (Clare Short):** The know-how fund is the primary source of the United Kingdom's help to Russia and the former Soviet bloc countries that are making the transition to democracy and a market economy. In Russia and elsewhere, the know-how fund has a good reputation for providing fast and flexible assistance in support of reform. Given the worrying continuing growth in poverty in Russia, greater emphasis in future will be placed on assistance for the social, environmental and governance aspects of reform.

**Mr. Watts:** I thank the Minister for that reply. I agree that a great deal of benefit has been derived from the use of the know-how fund in helping Russia to reform its economy. However, is it not time to focus all our help in that area on dealing with poverty and the environmental problems that face the Russian people?

**Clare Short:** I agree with my hon. Friend. Of course, dealing with poverty partly means having an efficient economy that generates the wealth to care for people. We shall continue that aspect of the work, but we are shifting the focus to social reform. Too many people are falling through the system and Russian men have lost nearly 10 years of life expectancy since the fall of the old system. We are about to publish our Russia country strategy paper and that will give details of the way in which we intend to make that change.

**Mr. David Atkinson** (Bournemouth, East): Will the right hon. Lady ensure that the aid and assistance to which she has just referred goes to the Russian people and does not end up being laundered by the Mafiosi, who are certainly part of the problem of the present Russian crisis?

**Clare Short:** The hon. Gentleman is right. The problems of corruption are great. The know-how fund does not go through Government; it goes direct to projects. It is tightly monitored and has a reputation for not getting embroiled in corruption in the way in which many other programmes do. Corruption is part of Russia's problem and it is hurting poor people in Russia.

### Guatemala

9. **Mr. Ian Bruce** (South Dorset): If she will make a statement on the Government's assistance to street children projects in Guatemala. [46873]

**The Parliamentary Under-Secretary of State for International Development (Mr. George Foulkes):** Although we have no direct development programme in Guatemala, we provide assistance for street children through the joint funding scheme that supports NGOs that work with street children, and through our contributions to the European Commission's programme.

**Mr. Bruce:** I thank the hon. Gentleman for that reply and remind him of the excellent work that my constituent Bruce Harris does with Casa Alianza in Guatemala. Will the hon. Gentleman's Department look particularly at indirect aid to try to get law and order sorted out in countries such as Guatemala, because street children are being persecuted by quasi-judicial organisations and people are not being punished by the courts there, and that causes even more problems?

**Mr. Foulkes:** We do financially support Casa Alianza and our contribution to the European Commission's programme is £23 million, a not insubstantial amount. We are working in Brazil, Ecuador, Kenya, India, South Africa and many other countries with street children. I am sure that the hon. Gentleman will agree that that is a significant contribution by the British Government.

## PRIME MINISTER

*The Prime Minister was asked—*

### Engagements

Q1. [46894] **Mr. Lindsay Hoyle** (Chorley): If he will list his official engagements for Wednesday 1 July.

**The Prime Minister (Mr. Tony Blair):** This morning, I had meetings with ministerial colleagues and others and will have further such meetings later today.

**Mr. Hoyle:** Will my right hon. Friend congratulate Royal Ordnance's land mine clearance unit, which is in my constituency, on its good work and on all the good work that it has done in Angola, Mozambique, Kuwait and many other countries, especially with today being the birthday of the late Princess Diana? Would that not be the golden opportunity for us to ratify the Ottawa convention as quickly as possible?

**The Prime Minister:** I am glad to pay tribute to the mine clearance team of Royal Ordnance, and I know that everyone in the House will agree with that. We have already achieved much in advance of ratification of the treaty. The export ban and moratorium on use were put in place within three weeks of taking office. The United Kingdom stockpiles have been destroyed—450,000 mines, almost half our stocks, have already been destroyed—and we have already announced the doubling of aid funding for de-mining activities overseas. However, I can announce today also that we intend to publish a Bill next week to ratify the convention and, if legislation is completed in July, as we wish it to be, we will be among the first 40 nations to ratify, as indeed we promised to do.

**Mr. Peter Lilley** (Hitchin and Harpenden): Will the Prime Minister overrule his Foreign Secretary and allow Foreign Office officials to answer questions from the Foreign Affairs Select Committee?

**The Prime Minister:** No. I think that the Foreign Secretary is entirely right.

**Mr. Lilley:** The Prime Minister may affect to be unconcerned by this, but it is not just the Opposition who are concerned. This morning, the Labour Chairman of the Foreign Affairs Select Committee said that the constitutional point is that

"No Government should be able to set up a departmental inquiry and thereby hope to fend off any questioning."

Is not the truth that that is precisely what his Government are attempting to do?

**The Prime Minister:** No. I do not accept that that is what we are doing at all. The code of practice on access to Government information, which was published by the Conservative Government, says in respect of information that should remain confidential:

"information whose disclosure could prejudice . . . the proceedings of any tribunal, public inquiry or other formal investigations . . . whose disclosure is . . . likely to be addressed in the context of such proceedings."

Therefore, what we are doing is entirely in accordance with that code of practice and, as the inquiry is going to report within the next three or four weeks, I do not think that it is unreasonable to say that we should await its outcome.

**Mr. Lilley:** Is this not just another example of the contempt that the Government have for the House? Are they not a Government who make announcements outside the House, bypassing Parliament; who change the rules of Prime Minister's questions without consultation; and who now want to use inquiries behind closed doors to block scrutiny by Select Committees? Why is the Prime Minister riding roughshod over the unanimous opinion of 21 Chairmen of Select Committees? Is it not time that he listened to them and allowed Parliament to do its job?

**The Prime Minister:** No; and I am sure that the right hon. Gentleman would have read out that question irrespective of the answer that I gave him—*[Interruption.]* I read out the reasons for our decision from the code of practice on access to Government information. I do not think that it is at all unreasonable to say that we should wait three or four weeks. Furthermore, the right hon. Gentleman will know that the Foreign Secretary offered to allow the Foreign Affairs Select Committee to look at the telegrams, provided that confidentiality was respected. That offer was turned down. In those circumstances, I do not think that the Foreign Secretary or the Government have acted unreasonably.

**Mr. Steve McCabe** (Birmingham, Hall Green): Will the Prime Minister comment on reports of the shooting of civilians by members of the Indonesian security services accompanying the British ambassador and European

Union envoys on their recent visit to East Timor? What implications might the shootings have for future British and European policy towards Indonesia and East Timor?

**The Prime Minister:** We are pressing the Indonesian authorities to ensure that there is a full investigation of the incident. We obviously regret very much the death of the demonstrator. We have also said that we want to ensure that local leaders are involved fully in the investigation. The incident makes a search for a solution to the status of East Timor all the more urgent. Our ambassador, with his Austrian and Luxembourg counterparts, has just visited as part of the European Union troika visit. Moreover, the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Leeds, Central (Mr. Fatchett), will shortly be meeting United Nations representatives in New York to re-emphasise our support for the UN process, which we hope will be successful.

**Mr. Paddy Ashdown** (Yeovil): Does the Prime Minister agree that the crisis in Kosovo has deepened dangerously in the past few days and now threatens to widen? Does he also agree that what is now needed is firm international action—which, despite the robust attitude of Britain and the United States, so far has not been forthcoming—and that, once again, the world is in danger of doing too little, too late?

**The Prime Minister:** I agree that that is a danger, which is precisely why we have been acting as we have. We hope that, over the next few days, there will be the right mixture of political and diplomatic initiatives. However, the North Atlantic Treaty Organisation continues to review all options for military action, which we have not ruled out. I go further than that and say that we are prepared to use those options should political and diplomatic efforts fail.

**Mr. Ashdown:** Reviewing all options is what the Prime Minister was doing two weeks ago—three weeks ago. The situation has now become much worse. Will the Prime Minister agree now to two actions: first, that the international community—if we are to regain control of the situation—should put down its own firm plans for a solution in Kosovo, based on Kosovo's autonomy within the Federal Republic of Yugoslavia; and, secondly, that, although a United Nations Security Council resolution on the use of force is of course desirable, the necessity of a resolution will depend on the urgency of the situation and circumstances on the ground?

**The Prime Minister:** In respect of the plan, that is exactly what we are considering. The right hon. Gentleman is right to say that, two weeks ago, I told him that we were reviewing all options. However, it is not as if nothing has happened between then and today. There have been intensive efforts—particularly by the United States, but also by Britain as president of the European Union—to find the right type of political and diplomatic initiative that works. Everyone understands that, if we use military action, it will be in a situation that is fraught with great danger and difficulty. As a matter of common sense, we must therefore make every effort we can to reach a political solution.

In respect of the second point, we shall of course ensure that we have a proper legal base for any action that we take. However, all options remain available to us. I agree with the right hon. Gentleman that the situation is getting worse—which is why political and diplomatic efforts have, if anything, been redoubled in the past few days. Nevertheless, I do not think that we are wise to act until those political and diplomatic efforts have been exhausted. However, as I said, all military options remain available, and we will not hesitate to use them if it is necessary to do so.

**Helen Jackson** (Sheffield, Hillsborough): Will the Prime Minister join me in expressing concern about the extremely large bonuses that the directors of Yorkshire Water have recently awarded themselves? Does he agree that they and the regulators have a public responsibility, which obviously goes wider than their first job of providing us all with a good, clean water supply?

**The Prime Minister:** They do have that responsibility, and I hope that they discharge it. One of the reasons why my right hon. Friend the Secretary of State for Trade and Industry published her Green Paper "A Fair Deal for Consumers" was precisely the public concern about these very large bonuses and pay increases. We are all happy if these things are earned, but, particularly when monopoly services are involved, it is important that the interests of the consumer and the public genuinely come first.

Q2. [46895] **Mr. Julian Brazier** (Canterbury): Before the election, the Prime Minister said:

"The values of a Decent Society are the values of a strong family unit".

Does he believe that marriage is important for strong family units and, in particular, does he believe that the Government's tax and benefit policies have any role at all in promoting marriage?

**The Prime Minister:** I would answer yes to both those questions. Yes, I certainly believe that marriage is an important part of any stable, well-functioning society. It is precisely because we believe that and believe in the importance of family life that we are trying to introduce tax and benefit reforms that help it. In particular, it is one of the reasons why we believe, for example, in the working families tax credit, which helps low-income families, and in parental leave, which helps families juggle the responsibilities of work and family life. I only wish that the hon. Gentleman's party supported both those measures.

Q3. [46896] **Mr. David Crausby** (Bolton, North-East): In 1998, we celebrate two important political anniversaries. The first, of course, is that of the national health service, founded 50 years ago by a Labour Government. The second is that of value added tax, established 25 years ago by a Conservative Government. Will my right hon. Friend consider setting up a focus group to determine which of those events commands the most affection?

**The Prime Minister:** We have not yet received a request from the official Opposition for a celebration to mark the introduction of VAT, but we will give it a sympathetic hearing if such a request is made. Of course,

it is precisely because we believe in a fairer tax system that one of the first acts of this Government, as promised, was to cut VAT on fuel.

Q4. [46897] **Mr. Alan Duncan** (Rutland and Melton): Whenever a paedophile ex-offender is found somewhere to be housed and is then hounded out of town by a lynch mob, there is a very grave danger that such a person will exercise his technical freedom and end up doing unspeakable things to children in someone else's backyard. My constituents in Rutland have shown admirable restraint since learning that they might have Robert Oliver in their midst.

This is not an easy decision for anyone, and I thank the Home Secretary and his Minister for the way in which they have handled this matter with me. I will not lead a lynch mob, whatever the personal or political cost to me, and nor would the right hon. Member for Yeovil (Mr. Ashdown). However, does the Prime Minister accept that the tolerance and trust of my constituents are near breaking point? Will he give me an assurance that, if they do what many other people in this country would not do, and exercise their civic duty by taking this man, the institution, Wing Grange, into which he is put could then revert to its former use as a rehabilitation centre for low-risk offenders only?

**The Prime Minister:** I am grateful to the hon. Gentleman for the responsible attitude that he has taken in this matter and to his constituents for the restraint that they have shown. I fully understand, as do all hon. Members, the concern at the prospect of having a paedophile housed in the local community, especially in a rural area such as Rutland.

On the future role of Wing Grange, the essential point is that no released offenders will at any time be housed at Wing Grange or anywhere else if they present a risk to the public that cannot be contained. Such arrangements will be kept under constant review. Much depends on the response of the individuals concerned, but perhaps I can give the hon. Gentleman the assurance that, in any event, there is no question of groups of paedophiles being housed together at Wing Grange, nor of any one paedophile being housed there indefinitely. I can further assure him that Wing Grange will take only offenders whose risk can be properly managed there now and in future.

I thank the hon. Gentleman again for the attitude that he has taken. It is an immensely difficult situation because, wherever such people go, there is bound to be an outcry in the constituency concerned. The way in which the hon. Gentleman and his constituents have handled the matter does them great credit.

**Mr. John McDonnell** (Hayes and Harlington): Has my right hon. Friend any last-minute appeal to those members of the Orange Order who are threatening to force their way along the Garvaghy road this weekend? If the march is part of an act of religious worship, surely the God they seek to worship would rather the march were in an isolated field than risk any further harm to a community that has endured so much.

**The Prime Minister:** This is obviously an extremely fraught situation. We shall do everything we can to bring it to a proper conclusion. Of course the rule of law must always be upheld. A whole series of procedures has to be gone through, but I very much hope that people on both sides can see that, in the new era that could happen in Northern Ireland, it is in their interests to make sure that it does and that all the problems and tensions are reduced so far as is humanly possible.

**Mr. Peter Lilley** (Hitchin and Harpenden): A week ago, the Prime Minister stood at the Dispatch Box and told the House that the number of English students applying to Scottish universities was up. Before tonight's debate on the subject, will he set the record straight and admit that what he said was the reverse of the truth?

**The Prime Minister:** I will set the record straight. The number of English applicants as a proportion of the total has indeed risen, and indeed the number of English entrants to Scottish universities is also set to rise, but it is true that, overall, for all Scottish education, there has been a fall.

**Mr. Lilley:** I asked the Prime Minister a straightforward question about the figures. Why could he not give a straightforward answer and admit that he was wrong? After all, the Prime Minister is not the Paymaster General. He cannot publish one figure in the official documents and then declare a different one to the House. Is it not time that he admitted that his policy has caused a decline and that what he said to the House last week was factually incorrect?

**The Prime Minister:** I have actually corrected what I said to the House last week, but what the right hon. Gentleman is saying—that the reason for the fall is the Government's policy—is wrong, because the actual proportion of English applicants to the total has risen, not fallen. If the right hon. Gentleman were right and the policy had caused a fall, one would expect the opposite to be the case, but it is not.

**Mr. Lilley:** The Prime Minister is reluctant to admit that he was misleading the House, but he got his facts wrong last week and he has got his policy wrong tonight. It is nonsense to make students from England, Wales and Northern Ireland applying to Scottish universities pay more in tuition fees than students from Germany, France and Spain. The universities have said that it is nonsense; the students have said that it is nonsense; all parties in the House have said that it is nonsense; the House of Lords has said that it is nonsense and the Prime Minister knows that the majority of Labour Members believe that it is nonsense. Is it not time that the Prime Minister was big enough to accept that he has made a mistake and change the policy before tonight's vote?

**The Prime Minister:** No. The reason for the policy, as I have explained several times, is that in Scotland there are normally four-year courses because students have highers rather than A-levels, so students go to university earlier. In England, courses are three years.

The right hon. Gentleman says that no one supports our policy. The Dearing committee recommendation was that Scottish students should not pay tuition fees in their fourth year at university because it is a different education system. If we did what the right hon. Gentleman and

others want and granted four-year courses all the exemption from tuition fees, we would have to do that for the whole United Kingdom. The bill for that would be £27 million. That money would have to be taken out of higher education.

As a result of the changes that we are making in student finance, we shall get more students into university, we shall get more resources into front-line education and the cap on student numbers, which was introduced by the Conservative Government and means that no more than 30 per cent. of school leavers in the UK can ever go to university, can be lifted. That is why I accept that it is a tough and difficult decision, but it is the right one.

**Jane Griffiths** (Reading, East): Does my right hon. Friend recall that the Tories campaigned in support of poverty pay by fighting to try to stop the Government's National Minimum Wage Bill? Does he hope, as I do, that the Tories will, for once, stick to their principles, and at the next election we shall campaign on having brought in a minimum wage—

**Madam Speaker:** Order. I must remind the hon. Lady and the House that the Prime Minister is responsible only for his Government's policies, not for the activities of the Opposition. If she could rephrase her question in some way, of course I will hear it. I am sure that the Prime Minister is already forming an answer in which he will enunciate his responsibility in terms of policy on these matters.

Ms Griffiths, this is your first question at Prime Minister's Question Time. Could you rephrase it in some way so that it is about matters for which the Prime Minister is responsible?

**Jane Griffiths:** Thank you, Madam Speaker. I stand corrected.

Does my right hon. Friend agree that if the Conservative party—*[Interruption.]* Will my right hon. Friend confirm that our policy is to support the poorest workers in this country?

**Madam Speaker:** Well done, that girl. Well done.

**The Prime Minister:** My hon. Friend is right. The Government will continue to support the minimum wage. We look forward to hearing a position from the Conservative party.

Q5. [46898] **Mr. Mark Oaten** (Winchester): Is the Prime Minister aware that his health advisory group has warned that, unless the number of medical students increases by about 1,000 a year, the national health service will be out of doctors by 2010? Is he concerned that the number of applications to study medicine is falling and that the number of doctors leaving the NHS is rising? What will he do about that?

**The Prime Minister:** That is precisely one of the issues that is being addressed by the comprehensive spending review. We shall announce the results shortly. The hon. Gentleman will know that medical students are exempt from the new provisions on student finance. This is about how to get more resources into the national health service. We have got more money in already, but I agree that we need to do more. That is what we shall be announcing in the next few weeks.

**Ms Margaret Moran** (Luton, South): Will my right hon. Friend join me in congratulating all those who signed an innovative leasing deal this week which will bring £170 million of private investment and 4,500 jobs to Luton airport? The deal will keep the airport in public ownership, despite all the efforts of the previous Government to privatise it. Will my right hon. Friend look for ways of extending such public-private finance arrangements to other areas of the public sector that desperately need investment? When he is next asked whether he has wafted in from paradise, as I am sure that he often is, will he be able to answer honestly, "No, Luton airport"?

**The Prime Minister:** I am delighted at the news that my hon. Friend has announced. I pay tribute to the work that she has done in promoting the deal. I believe that partnership between public and private sectors is far the best way to go for such institutions. It gives them a far better future than the dogma of privatisation on which the previous Government insisted.

Q6. [46899] **Mr. John Greenway** (Ryedale): Will the Prime Minister find time to visit Kirkbymoorside in North Yorkshire to explain to the work force of Slingsby Aviation Ltd., many of whom have been made redundant this week, why the award-winning Firefly training aircraft, which is used by air forces throughout the world, including our own Royal Air Force and the United States of America air force, was not chosen to replace the aging Bulldog aircraft and lost out to an untried German alternative? We know that such decisions are not easy, but does he understand the anger of the local community, who question what sort of Government would put skilled British workers on the dole and export their jobs to Germany?

**The Prime Minister:** In respect of the last part of the hon. Gentleman's question, I simply point out that the Government whom he supported put rather a lot of skilled workers on the dole. The hon. Gentleman is right in saying that such decisions are difficult. They are taken on objective commercial advice; we have to try to get the best deal. I shall write to him and set out in detail the reasons for the decision.

I understand the concerns of the work force; of course we are worried about that. All such things were considered extremely carefully before the decision was made. We will do all that we can to help with the problems that the company is experiencing.

**Ms Beverley Hughes** (Stretford and Urmston): Is my right hon. Friend aware that Aneurin Bevan launched the national health service from the now Trafford general hospital in my constituency and that, 50 years on, on 5 July, another Labour Secretary of State will visit the hospital and help to celebrate that achievement? Will my right hon. Friend join me in thanking the staff at that hospital and throughout the NHS for helping to sustain the NHS during those years, particularly the past 18 years of attacks by previous Governments? Will he assure my

constituents that this Government have a deep commitment to a modern, excellent health service, which is available freely to everyone?

**The Prime Minister:** It was the proudest achievement of the Labour Government after the war to found the national health service in the teeth of Conservative party opposition. It will be our job as a new Labour Government to rebuild the NHS by securing both the investment and the reforms that it needs, so that we get a better service, delivered at good value for money, and maintain the principle of the NHS, opposed by the Conservatives, which allows people access to high-quality care, irrespective of their wealth.

Q7. [46900] **Sir Archie Hamilton** (Epsom and Ewell): Why has the Prime Minister spent so much time trying to define the third way? Were not 18 years in opposition long enough for the Labour party to produce a new political philosophy?

**The Prime Minister:** Actually, we did that. In case the right hon. Gentleman did not notice, it was quite successful last May.

Q8. [46901] **Mr. Peter L. Pike** (Burnley): The Prime Minister will know that, on 1 May last year, Burnley and towns throughout the country inherited major public and private sector housing problems as a result of 18 years of neglect by the previous Tory Government. The Labour Government have started to tackle those problems by allowing the use of capital receipts. What further steps do the Government propose to take to enable us to solve the problems and provide people with decent housing as we approach the 21st century?

**The Prime Minister:** I pay tribute to my hon. Friend's work in this field. In defiance of the Conservatives, we have made available an extra £900 million through the release of capital receipts. More than 50,000 new social lettings have been created in 1998-99. However, we want to do more, because it is important to provide investment, particularly for some of the worst aspects of the inner city, where we need better modern housing, jobs, better schools and better hospitals. That is precisely why we have embarked on an investment programme that will allow all areas of our country to have the future that they need and deserve.

Q9. [46902] **Mr. Andrew Lansley** (South Cambridgeshire): Is the Prime Minister aware that, on Monday, a Dun and Bradstreet survey reported a 48 per cent. increase in the number of business failures in the eastern region of England compared to the last quarter? Does the Prime Minister understand that, while the Government sit complacently, the higher pound, higher interest rates and higher business taxes are hitting businesses and they are paying the price? He said that things could only get better, but they have got worse.

**The Prime Minister:** I do not accept that at all. We have made the decisions necessary to control inflation, which is important, and to get rid of the large budget deficit that we inherited from the previous Government. We made those decisions because, the last time a Government were confronted with such a situation—in the late 1980s and early 1990s—they failed to make the right decisions.

**Mr. Lansley:** Nonsense.

**The Prime Minister:** The hon. Gentleman says that it is nonsense, but in the early 1990s, we had interest rates of 15 per cent. and record numbers of repossessions, we lost 1 million manufacturing jobs and manufacturing output fell by 7 per cent. Those were the days of Tory boom and bust. That was the legacy of the Government whom the hon. Gentleman supported. We shall not go back to those days. People remember them. They know what the Conservative Government did, they know what that meant to our public services, and they will never repeat that mistake.

## Dawson International (Redundancies)

3.31 pm

**Mr. Archy Kirkwood** (Roxburgh and Berwickshire) (*by private notice*): To ask the Secretary of State for Scotland if he will make a statement on the 720 redundancies announced yesterday by Dawson International Ltd. and the Government's plans to support the economy of the central Borders.

**The Secretary of State for Scotland (Mr. Donald Dewar):** I can well understand why the hon. Gentleman put down this private notice question. I have every sympathy with him and other hon. Members in the areas affected, and with their constituents. I recognise and understand the seriousness of the position. This is indeed bad news, although problems had been expected since Dawson announced its financial results some time ago. The news follows disappointing information about Viasystems, the printed circuit board manufacturers at Selkirk, where 200 redundancies were announced in May.

Although the unemployment rate in the Borders has been lower than that in the rest of Scotland for some years, there is no doubt that the Borders economy is heavily dependent on the textile industry, and these announcements have come as a particularly heavy blow.

I share the desire of many in the area to see the Borders economy diversify and modernise. The local enterprise company, Scottish Borders Enterprise, is at the heart of that effort, working with the local authority and other partners. Scottish Borders Enterprise has a budget of some £8.2 million in the current year, which, in per capita terms, is a comparatively generous allocation.

An extra £500,000 was added last year in recognition of problems in Hawick, which was appreciated in a tight and difficult year. The area was designated as a 5b area under European structural funds, with a programme worth around £21 million between 1994 and 1999. That makes it eligible for a whole range of grants to help to develop economic diversity.

I want to stress that the Government stand ready to play their part in further economic development plans for the area. My hon. Friend the Minister for Education and Industry, Scottish Office, has been discussing the situation in the Borders with the hon. Gentleman and others. He will visit the Borders tomorrow to continue those discussions with the economic development agencies, the local authority and, indeed, the public.

As the hon. Gentleman knows, my hon. Friend was especially anxious to have contact with the public, and he volunteered for what might be seen as quite a difficult engagement. He will listen carefully to what I hope and expect will be constructive proposals for the future of the Borders economy, but I am sure that the hon. Gentleman would not expect me to anticipate that at the moment.

I cannot pretend to the hon. Gentleman or to the House that problems such as these can be solved overnight—indeed, it would be irresponsible to do so. However, my hon. Friend the Minister of State and the Government will respond positively in the course of discussions tomorrow, and ensure that the House is informed of any further developments.

**Mr. Kirkwood:** I am grateful for that answer. I acknowledge the work that has already been done by the Minister for Education and Industry, and we look forward to his visit tomorrow. However, does the Secretary of State understand that the scale of the redundancies—720 job losses, in contrast with what the Prime Minister has just been saying, in prime manufacturing, full-time, knitwear jobs—is a shock to the whole economy of south-east Scotland? The most recent estimate I have been able to get, with the assistance of the Library of the House of Commons, is that £6.5 million of purchasing power will be taken out of the central Borders economy, starting in August. That is a severe blow, which needs an urgent response.

The Minister for Education and Industry has been doing what he can, and we look forward to what might flow from his visit tomorrow, but it will take more than the Scottish Office Education and Industry Department to attend to this matter. Will the Secretary of State give the House an undertaking that he will involve local government Ministers and farming Ministers at the Scottish Office, and take a broader look at the whole Borders economy after the Minister for Education and Industry returns from his visit?

This is far and away the biggest economic blow that the region has suffered in living memory, and, if the Secretary of State does not take urgent steps to stem the haemorrhage of economic activity, the future for the Scottish Borders economy is extremely bleak indeed.

**Mr. Dewar:** I very much hope that the future is not bleak—I think that the Borders region has many advantages and many strengths, and we want to build on them. I entirely accept that the decision by Dawson's to shed 720 jobs is a real and significant blow. As the hon. Gentleman knows, 280 are in Berwick, but the whole area will suffer from this sad event.

The firm has major trading links with the far east, and perhaps some instability has resulted from that, but it is clear there have been long-standing problems in the textile industry of the Borders for some time. Ministers have talked to Mr. Finlay, the chairman of Dawson's, about the situation. We have made clear our anxiety to help if specific requests and proposals are made, although they would have to be considered on their merits. Dawson's still employs 1,500 people in the Borders, so it is still an important employer. Its redevelopment and restructuring, and its future success, are matters in which we all have a stake, and we have that very much in mind.

I accept that we have to look in a broad way at the problems of the area, and that that does not involve only one department of the Scottish Office. I have made it clear that we want to play our part, and implicit in that is that we are prepared to look in a broad sense at what strategic advances can be made and what can be done to help. However, it will not be a matter of an instant solution to what is a serious problem.

**Mr. Dennis Canavan** (Falkirk, West): Is my right hon. Friend aware that concern about the redundancies is not confined to the Opposition Benches? I fully understand the deep concern felt within the Borders community and by the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) about the devastating effect that the redundancies will have in the region.

Is my right hon. Friend aware that, only a few months ago, there were several hundred redundancies at the Wrangler jeans factory in Camelon in my constituency?

*[Mr. Dennis Canavan]*

There seems to be a common complaint in the textiles and clothing industries that part of the problem is the pound being too strong. Will my right hon. Friend have a word with the Chancellor of the Exchequer to try to bring about a situation in which the textile and clothing industries in Scotland can be more competitive?

**Mr. Dewar:** I accept that concern about the situation is widespread. I made it clear that it was shared by the Government, as I am sure it is by many of my right hon. and hon. Friends on the Benches behind me. I assure my hon. Friend that we take the matter seriously. Textiles is a particularly difficult sector at the moment. While other parts of the Scottish economy are doing well and flourishing, that sector certainly has its problems, which are not easy of solution, but we are prepared to consider anything that can be done.

On the pound, self-evidently a good deal of the increase in its value was completed more than a year ago, and, in fairness, a collapsing pound might be a more embarrassing problem than a strong one. For Scottish and, indeed, United Kingdom industry, above all we want stability, sustainable growth and low inflation. We want to ensure that we do not return to boom and bust and the stop-go cycles of the past. The Government are achieving all those aims to a fair measure, and they are important aspects of our economic policy.

**Dr. Liam Fox** (Woodspring): To understand the impact that the job losses will have in Hawick, Jedburgh, Galashiels and Selkirk, the House must understand how heavily reliant that area is on textiles. Also, it is worth noting that there are job losses on both sides of the border, and that any help will have to be on a United Kingdom-wide basis.

The greatest help that the Secretary of State could give, if he wants to help, would be to ask the Treasury to change its economic policy. We have an overvalued pound, rising interest rates, rising mortgage rates, a manufacturing recession, falling exports, a huge balance of payments deficit, and, now, rising unemployment. Are the Secretary of State and the Prime Minister living in some sort of economic wonderland—do they not understand the realities of what is going on out there? Under this Chancellor of the Exchequer and this Prime Minister, Labour is bad for business, and if the Secretary of State is correct and the Government are avoiding the boom and bust cycle, it is only because we are going to get the bust without the boom.

**Mr. Dewar:** That is a somewhat excitable summary from the Opposition—or I hope it is. Of course we recognise that there is a downside to the strong upside of stability and sustainable growth that we are trying to achieve. Dawson's has talked directly to the Treasury about the matter, and I think that my hon. Friend the Economic Secretary met the company recently to discuss it, so the Treasury is well aware of those points. The hon. Gentleman's line was a convenient one to take, particularly in these unfortunate circumstances. I do not think that the views he has expressed would be shared widely throughout industry—certainly not in the form in which he put them.

**Ms Rachel Squire** (Dunfermline, West): First I must tell the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) and the hundreds of men and women and their families who are facing redundancy that I am confident that they have the deep sympathy of the people of Dunfermline, where at one time 6,000 people were employed in the textile industry—now, it is only 120. As my hon. Friends will be aware, we have also lost thousands of jobs in other traditional industries in the past few years, and recently our hopes were dashed by Hyundai mothballing its development.

Does my right hon. Friend agree that, in such depressing circumstances, it is vital that all sections of the community work together, and that there is a strong public and private partnership at local and national level to overcome the problems and bring some hope to the community that things can improve?

**Mr. Dewar:** Of course I recognise that; it is a difficult situation, as I said. It is unusual, because the unemployment rate in the Borders is around or just under 4 per cent., so, superficially, it does not seem to be a particularly hard-hit area, but I recognise that the figures can be misleading. I mention that fact as a corrective against despair for the future.

I accept that all parts of the community must come together. I was, for totally unconnected reasons, in the Borders only a week or two ago, when I had the opportunity—very briefly—to meet some of the local political representatives and the local enterprise company. My Department has been in fairly constant touch with them over the past few worried weeks, and we want to play our part, as I said, and take account not only of a narrow spectrum of Borders opinion, but of the community as a whole.

**Mr. Michael Moore** (Tweeddale, Ettrick and Lauderdale): I welcome the Secretary of State's acknowledgment of the problems in the Borders, especially as yesterday's hammer blow to the local economy follows a series of grim announcements in the past few months and years. He mentioned an increase in funding for the local enterprise company, but will he acknowledge that that merely reinstated the previous year's cut, which was imposed by the previous Administration? Does he accept that the low unemployment rate is a result of the fact that, when there are so few opportunities for other jobs, people leave—they do not hang around to be unemployed in the Borders?

Does the Secretary of State seriously believe that the Government's economic policy, particularly on the exchange rate—I welcome the fact that the Economic Secretary to the Treasury is in the Chamber—is sustainable? If Government policy does not change, there will be more job losses, not only in the knitwear industry but across Scottish and, indeed, United Kingdom manufacturing.

**Mr. Dewar:** I understand the hon. Gentleman's points, and I do not want simply to repeat what I have said, but we believe that certainty and stability are extremely important, particularly for those who trade across exchange rates. We also believe that sustainable growth is a major prize, and that low inflation is enormously important not only to industry, but to the community as a whole. We would not follow our economic policy if we did not think it sustainable. I appreciate that, in almost all economic circumstances, there is likely to be a less easy outcome for some—a balance must always be struck.

The £8.2 million given to Scottish Borders Enterprise is not, in per capita terms—I accept that that is only one measurement—out of line with moneys given in the rest of Scotland; indeed, it is probably above average. As I mentioned, we tried—modestly—with the additional £500,000 to recognise some of the problems that had arisen in Hawick. We are not inflexible, but obviously our budget is not unlimited—we must be certain that we are responding to practical aims, and solutions to what we accept are general problems. If such practical solutions and ways forward are charted in the discussions that I know will take place, we shall certainly do what we can to respond to them.

**Mr. John Home Robertson** (East Lothian): The news is indeed desperate for the Scottish Borders and all surrounding areas. Will my right hon. Friend do everything to ensure that Dawson's and public agencies take all possible steps to look after the people who are facing redundancy, and their communities? Will he take this opportunity to comment on the conspicuous failure of the industry to develop, let alone maintain, the market for high-quality knitwear products? Will he urge all agencies to concentrate on whatever scope there is for developing the potential of the high-quality, high-skill sector of the Scottish textile industry?

**Mr. Dewar:** I have made it clear that the Scottish Office believes, as I certainly do, that there is a future for textiles. We accept that things are difficult, and that there have been pressures both at the top and, for rather different reasons, at the bottom of the market. I am conscious of the difficulties that Dawson's has suffered, as anyone who has read the financial pages recently will be. The company is attempting to restructure and to refocus. As it is, even after these events, a very important employer in the Borders, it is obviously in our interests that it should succeed—and be helped if at all possible—in doing so.

It is also important—I think that there is unanimity on this—that we look beyond the one sector facing these problems, and try to diversify and broaden the range of economic activity in the Borders. It may be a small beginning, but BT's upgrading of its infrastructure in the area will, I hope, pay dividends in the longer term. We must look for such developments on which we can build and from which, we hope, we can get back the rather broader base that we all want.

**Mr. Robert Maclennan** (Caithness, Sutherland and Easter Ross): Does the Secretary of State recognise that the textile industry generally, and not only a particular company in the Borders, is facing a period not of stability, to which he would aspire, but of collapse, and that tens of thousands of jobs are threatened? People will take no comfort from reading today that the purchasers manufacturing index shows a record fall over two years. The Government's policy on exchange rates is widely considered to be a major contributory factor.

Will the Secretary of State exercise his influence in the Government to seek to rectify the problems that have arisen from their uncertainties about the future of sterling and its relation to the euro, and recognise that it was a mistake to put taxation on businesses instead of on consumers?

**Mr. Dewar:** I do not accept that analysis, and I would dispute many of the right hon. Gentleman's assumptions. I remind him that the latest exports survey from the Scottish Council for Development and Industry shows a slightly improved performance in the textile sector for the first quarter of this year, which does not encourage total doom and gloom about the industry's future, although I freely concede that there are substantial difficulties.

We need to pursue an economic policy that is in the interests of the economy as a whole. We must recognise that the textile industry, with its heavy connection with the far east, has had a particularly difficult time. That is why we are talking about diversification, and considering a way forward. The right hon. Gentleman's criticisms are not justified and will not hold water.

**Mr. Ian Davidson** (Glasgow, Pollok): As one of only a couple of Labour Members who were born and brought up in the Borders, I urge my right hon. Friend to take into account the enormous cultural and social impact of the textile and knitwear industry on that part of Scotland. It is a matter not only of jobs but of the way in which the area identifies itself to the outside world.

The Borders area is a relatively threatened habitat in cultural and social terms. I would certainly not want it to become merely a commuter suburb of Edinburgh, so I hope that my right hon. Friend can not only bring in other jobs but try to preserve the cultural habitat that is the Scottish textile industry.

**Mr. Dewar:** I am not sure that people would appreciate the term "cultural habitat"—it sounds somewhat off-putting—but I accept entirely the point about the individual character of the Borders. Perhaps I should confess, although that may not be the right word, that, when I was younger, I lived for a period in the Borders, just outside Hawick—but I do not want to blame Hawick for anything—and I greatly appreciate the charm and the quality of life offered by the area. We are trying to ensure that there is an economic infrastructure to support the communities and allow them to flourish. I think that everyone in the House is united on that.

**Mr. Andrew Welsh** (Angus): Has the Secretary of State read the latest Bank of Scotland survey of manufacturing and service industries, which shows that the problems experienced by Dawson International are being repeated throughout the 300 companies surveyed? What steps is he taking on interest rates and the strong pound, and to repair the damage done to the Borders and other regional economies?

**Mr. Dewar:** I have already tried to answer that question, but obviously not to the hon. Gentleman's satisfaction. It is important to have a stable economic framework within which industry and commerce can operate. Low inflation is certainly important, although there is a tendency for people to pick on one indicator and ignore all others, when there is often a trade-off for a change in policy.

*[Mr. Dewar]*

Sustainable growth is also important, to allow people to plan ahead, whether they are selling overseas or in the British market, which is so important to most industries in Scotland. It is not helpful to pick one indicator in isolation and say that we should change it, without concentrating on the overall pattern of the outcome of economic policy.

**Dr. Norman A. Godman** (Greenock and Inverclyde): All Labour Members sympathise with the constituents of Members from the Borders, especially those who now face the breadline. May I remind them, however, that no Labour Member has been able to avoid this kind of thing? Thousands of jobs have slipped away from Inverclyde, because of the decline of the shipbuilding industry. My right hon. Friend the Secretary of State is right: there are no easy and quick solutions. That is why we can do without excitable outbursts from the so-called official Opposition spokesman.

May I tell my right hon. Friend, however, that Scottish Enterprise—and, indeed, local enterprise companies—must do much more to help indigenous industries and companies to prosper? Inward investment is important, but let us try to look after our own companies and industries, and let us try to avoid the traditional Scottish response to employment—migration, to which the hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Moore) referred.

**Mr. Dewar:** I think I can assure my hon. Friend—I suspect that I can speak for Scottish Borders Enterprise as well—that that organisation is extremely anxious to encourage the growth of small businesses, and existing businesses, in the area. I mentioned its own funding; I also mentioned European structural funds under heading 5b, which have generated significant additional money in the Borders. All these matters will be considered, but we are particularly anxious to see growth and stability within our boundaries as a result of our own efforts.

It is a cliché in debates of this kind, but it is often forgotten, that small firms supply the mass of employment opportunities. I imagine that that is as true in the Borders as it is in other parts of Scotland. We give a good deal of thought to trying to give people there the impetus, and the confidence, that will allow them to pursue their trade and commerce successfully.

**Mr. Nicholas Winterton** (Macclesfield): As vice-chairman of the all-party parliamentary clothing and textile group, may I ask whether the Secretary of State is aware that Dawson International, and the clothing and textile industries, are strategic concerns that are important not just to the Borders and Scotland but to the United Kingdom as a whole? There is not always an alternative employer to put in their place if, because of unfair competition and the monetary policy that is being followed, they have to declare substantial redundancies and leave large sectors of manufacturing.

Does the Secretary of State accept that using monetary policy and interest rates affects the exchange rate? Does he accept that interest rates are themselves inflationary, and are making it more difficult for manufacturing industry not only to invest but to compete? Will he intercede with the Chancellor of the Exchequer, and ask him to review the high interest rate policy that his Government are following? It is inflationary in itself, and seeks to defeat the very policy that he wants to succeed.

**Mr. Dewar:** In a sense, I cannot charge the hon. Gentleman with the sins of the last Government, whom he would probably have criticised with similar vigour.

**Mr. Winterton:** I did.

**Mr. Dewar:** I thought that the hon. Gentleman had. I thought that I had heard familiar tones from the past.

Let me repeat that these are economic policies in the round. It is important to get the balance right. The hon. Gentleman knows full well the Chancellor's policy, and the present arrangements for managing interest rates, which were widely welcomed when they were introduced.

Of course the textile industry is an important sector of our economy, particularly—and still—in the Borders; but all British industry must cope with the present interest rates and the present circumstances. The textile industry has problems, possibly because of its connections with the far east, but also, perhaps, because marketing has not been as effective at the higher end of the market as it has been in other areas. It is certainly disappointing to note the number of redundancies at Pringle's, for example. It is sad that it has not been possible for the management of an up-market and respected brand name, given its product range, to compete as effectively as it might have done.

**Mr. Ian Bruce** (South Dorset): Will the right hon. Gentleman reflect on what he has said? Anyone who reads *Hansard* will assume that the Government's policy is to have a stable pound at DM3 or above. I once ran an electronics factory in Galashiels, at which a skilled and brilliant Borders work force of textile workers were trained as electronics workers. At the rate of DM3 to the pound, the electronics industry cannot expand, and it is losing jobs. The additional 1,500 jobs at Dawson International will not be sustainable at that exchange rate.

Will the right hon. Gentleman tell the Chancellor of that situation? Will he please not ask the Chancellor for a stable pound, as manufacturers who want to go into the euro tell me that they want to go in at a rate of DM2.40 or DM2.60, but certainly not at DM3?

**Mr. Dewar:** I recognise the hon. Gentleman's point; it has been made about 15 times in the past half hour. It may not surprise the hon. Gentleman to know that the Chancellor is aware of that argument. I am happy to emphasise, although I do not know that it will help the hon. Gentleman, that we believe in stability. We also believe that the economy should be competitive, and that we should be in a position to earn enough revenue to generate profits to reinvest for a successful economy in future.

**Mr. Martin O'Neill** (Ochil) *rose—*

**Madam Speaker:** It is my impression that the hon. Gentleman came into the Chamber after the statement. Is that correct?

**Mr. O'Neill:** Yes, it is.

**Madam Speaker:** Then I am sorry, but I cannot call him.

## Local Government (Consultation With Young People)

4.1 pm

**Dr. Ashok Kumar** (Middlesbrough, South and Cleveland, East): I beg to move,

That leave be given to bring in a Bill to give local authorities powers to consult with minors on the provision of, and budgetary strategies for, services designed to benefit minors.

In the modern age, change is constant and fast. New institutions are constantly created to ensure that decision making harmonises with the people's will. However, decisions directly relevant to one group who make up a large part of the United Kingdom's population are often made without meaningful consultation. Children, and young people below the age of 16, are not given the right to be consulted over many decisions. Most legislation is framed in what can be termed a "protectionist" mode. The position for the child is that protection is on hand, but his or her innate ability to express his or her views is not always recognised. That is the basis of the Children Act 1989, and it was the starting point for the United Nations convention on the rights of the child.

I am aware that these matters are often defined by statute law. Under such legislation, the powers given to others to act for minors are in the best interests of children, and my Bill does not seek to amend or alter those arrangements. However, vast areas of local authority spending and decision making profoundly affect the life styles of young people. I submit that those areas fall under that part of the UN convention that states:

"each child should be consulted when his or her life is to be affected by a decision".

These are broad issues, and I am indebted to the hon. Member for Faversham and Mid-Kent (Mr. Rowe), who initiated a debate on 9 June in which he called for a youth parliament. The hon. Gentleman made many salient points, including one on children's right to make their voices heard. He said that a youth parliament should

"set its own agenda, centred on what the young wanted to discuss, not issues foisted on them by an older generation."—[*Official Report*, 9 June 1998; Vol. 313, c. 876-77.]

I concur totally. I hope that the apparent cross-party support for measures to involve the young in the setting of social policy will encourage Ministers to take these issues forward.

The hon. Member for Faversham and Mid-Kent dealt only with national issues, but such an agenda could also be set for local matters, which affect young children immensely. It is not only education, spending on schools or the new opportunities for post-16 training that are emerging, but the type and format of leisure provision, road safety, and crime and the fear of crime. All those things affect the young boy or girl as much as, or more than, the voting adult.

In support of the Bill, I cite some original research carried out in my constituency by the Children's Society, in close co-operation with Redcar and Cleveland council and local schools. It took the form of a survey of children's attitudes to local services in a number of small ex-mining villages in the rural east of the borough. It was carried out last late last year by a small dedicated team of researchers.

The findings were graphic. The survey was striking for the maturity of the views expressed, and for the positive way in which local children wanted to make concrete suggestions for bettering their home environment. They pointed to the need to ensure that parks and open spaces were well managed and, perhaps more importantly, provided the right facilities for the right age group. In that context, it is interesting to note that article 31 of the United Nations convention on the rights of the child calls for the right to play space for children within the community.

The children highlighted the problem of vandalism and their fears about bullying. They considered road safety on routes to and from school: We must get that right if we are to cut unnecessary use of private cars in home-to-school transport. Children are often the group out on the street the most. Their knowledge and suggestions could be directly useful as a factor in cutting road accidents. They noted that land use planning decisions often affected them the most deeply. After all, they will have to live with the results of bad or inappropriate planning decisions far longer than anyone else.

The study found that children were sometimes baffled by local authority decisions. For example, the local authority had recently had to dismantle some play equipment for health and safety reasons. The decision was never explained to local users of the facilities. When they found out the reason, the information came second hand, often from adults who knew about the issue only at second or third hand.

The children interviewed saw that as a cloak of secrecy laid over matters important to them. Why do we not ask children for their views on leisure and infrastructure? We consult designers, engineers and architects when we consider public provision for new buildings or other public facilities, and we often involve adult users, so why not young people too? Such consultation could help to change adults' views about children.

We are too often subject to moral panic in considering children's attitudes. Each year, there seems to be more legislation that seeks to deal with children within the confines of discipline or the framework of the criminal law. At the age of 13, a child can be put into a secure unit; at 14, sentenced for a serious crime; at 16, be expected either directly to work for a living or to make serious preparation for a career. All those activities are the concerns of adults, but we expect young people below voting age to bear the brunt of their effects and personal impacts.

Of course we are concerned about children's rights, but we do precious little to ensure that they can be exercised within the ambit of the democratic process. I am pressing for something modest that can be done easily.

I want local authorities to be formally requested and empowered to consult local children through recognised channels about their annual budgetary plans, in much the same way as they are required to consult local business interests. That is an integral part of article 12 of the UN convention on the rights of the child. I would expect the consultation to be directed primarily at secondary school age children, but there is no reason why the views of younger children should not be sought.

That could be done through adults who have responsibility for them, such as primary school teaching staff. However, we must ensure that it is the children's voice that is heard, and that the role of intermediaries is limited to that of facilitators. In my area, there are youth councils which are independent of, but supported by,

*[Dr. Ashok Kumar]*

the local authorities and by schools and colleges. That network of youth councils needs to be extended to more meaningful discussions. With my Bill, we now have an opportunity to do that in more general areas of social expenditure and provision.

There are also broader and longer-term benefits to be gained. An increase in the active participation of young people in the democratic process and debate will ensure that room for structural conflict between young people and adults in society is reduced. The Bill will also increase the overall accountability of local authorities for the way in which expenditure decisions are made. Involving young people at an early stage will make them more conscious of the need to take greater responsibility for their environment, and help to build better citizens for tomorrow. I hope that the House will agree to give my Bill a Second Reading.

*Question put and agreed to.*

Bill ordered to be brought in by Dr. Ashok Kumar, Fiona Mactaggart, Mr. Lindsay Hoyle, Mr. Alan Campbell, Dr. Ian Gibson, Ms Jackie Lawrence, Dr. Phyllis Starkey, Mr. Barry Sheerman, Mr. David Chidgey, Mr. Peter Luff, Mr. David Prior and Mr. Andrew Rowe.

LOCAL GOVERNMENT (CONSULTATION WITH YOUNG PEOPLE)

Dr. Ashok Kumar accordingly presented a Bill to give local authorities powers to consult with minors on the provision of, and budgetary strategies for, services designed to benefit minors: And the same was read the First time; and ordered to be read a Second time on Friday 3 July, and to be printed [Bill 218].

## FINANCE (No. 2) BILL

*Ordered,*

That, notwithstanding the practice of the House as to the intervals between stages of Bills brought in upon Ways and Means Resolutions, more than one stage of the Finance (No. 2) Bill may be taken at any sitting of the House.—*[Mr. Jamieson.]*



# Orders of the Day

## Finance (No. 2) Bill

*Not amended (in the Committee) and as amended (in the Standing Committee), further considered.*

### Clause 7

RATES OF DUTIES AND REBATES

4.12 pm

**Mr. David Heathcoat-Amory** (Wells): I beg to move amendment No. 48, in page 3, line 43, leave out £0.4499 and insert £0.4358'.

It was noted at the time of the Budget that the Government were using road fuel tax simply as a way of raising extra revenue without any genuine environmental reasons. To do that, they increased the annual escalator, or rate of increase, to at least 6 per cent. above the rate of inflation. By bringing forward the increases by the earlier dates of their Budgets, the Government have further added to the burdens on the motorist. The House of Commons Library has confirmed that at the present rate an extra £9 billion will be extracted from motorists over the life of the Parliament. That is over and above the inherited pattern of increases from the previous Government.

Most disturbing, the Government have singled out diesel for especially high increases. Diesel is the fuel of industry, so increasing the fuel tax in the way proposed is inflationary because the price of all goods is affected. It is also uncompetitive because it will widen the gap with the continent. It is anti-environmental because firms, especially small ones, will be less able to invest in new engines and fuel monitoring systems. After those two increases, which have already taken effect, under this Government, diesel in the United Kingdom is 70 per cent. more expensive than in the European Union on average. That gap is set to widen. The beneficiaries will be foreign haulage firms whose lorries will arrive in this country with cheap fuel in their tanks and take business from British haulage firms and jobs from British truck drivers. Another beneficiary will be the French Treasury, because British lorries travelling to the continent will fill their tanks with cheap French diesel.

The amendment cuts the increase to the rate that applied until the election. We want the Government to revert to the previous increase rate, so that the £9 billion hit on British motorists will disappear. The Government's policy is short-sighted, damaging to employment and bad for business, and we should like them, even at this late stage, to change it.

**Mr. Christopher Leslie** (Shipley): I listened with interest to the right hon. Member for Wells (Mr. Heathcoat-Amory). I, too, consulted the Library and was told that the financial implications of his amendment would be £180 million-plus a year, especially for 1999–2000—indexed, of course.

It is curious that the Conservatives again propose measures that they claim will be popular, but do not say where the money will come from to meet the loss to public revenue. The amendment would cut the price of diesel by 1.5p a litre, but the consequences for the public

services of losing £180 million a year would be significant. The Conservatives do not say whether they would add that amount to public sector borrowing; whether they would increase taxes, such as income tax, to compensate; or whether they would cut vital public services, such as the health service or education.

Conservatives have not clarified their policy, but throughout proceedings on the Bill they have played the game of making rather profligate proposals that leave a black hole in the nation's finances, which so far totals about £5.9 billion. They have not said where that money is to come from. In the context of the amendment, it is important to note that the escalator principle was introduced by a Conservative Government, for environmental and anti-pollution reasons. The Government's measure may not have popular acclaim, but it probably has a degree of public acceptance because people appreciate why increases in the price of such fuels are necessary. They are to discourage excessive use of such fuels, to ensure that the tax base is protected and to force environmental concerns to the forefront of people's minds.

The Government's proposal is a responsible measure, which helps to protect the integrity of public finances. I urge the Government not to accept the amendment. As I said, there is a gaping black hole in the Opposition's proposals.

**The Financial Secretary to the Treasury (Dawn Primarolo):** I urge hon. Members to reject the amendment. The Government's commitment to raise road fuel duties by 6 per cent. a year above inflation has been clearly stated. It is only by increasing rates that the United Kingdom can make a sufficient contribution to placing the environment at the core of the Government's objectives for the tax system and further discourage environmental pollution by road users. That includes hauliers as much as private motorists or other road users whose vehicles run on diesel.

I remind the right hon. Member for Wells (Mr. Heathcoat-Amory) of the damage from emissions from diesel, especially particulates. The Department of Health suggests that 8,000 deaths are triggered by particulates and that, nationally, road transport produces 26 per cent. of those particulates and 46 per cent. of nitrogen oxide. The figures are considerably higher in congested urban areas, where, as we know, the health consequences are all the greater.

Unlike the previous Government, this Government are taking a lead internationally in promoting action to reduce greenhouse gases. The duty increase on diesel is a feature of that. Right hon. and hon. Members will be aware, although the Opposition constantly want to try to forget it, that the United Kingdom has now agreed to its share of the European Union target following Kyoto. That represents a 12.5 per cent. cut in emissions. Hon. Members claim that they want to reach that target and honour that commitment, and then do everything that they can in the House to undermine and vote against the very measures that will deliver it. Of the six greenhouse gases, diesel is a significant contributor to emissions of carbon dioxide and oxides of nitrogen.

**Sir Robert Smith** (West Aberdeenshire and Kincardine): Does the hon. Lady recognise that there is concern that the Government's motivation is not so clear cut when it comes to the environment, given the damage that they are doing to the North sea oil industry that produces gas, which reduces carbon dioxide emissions, and their threat to gas generation in the electricity industry? Thus the Government's arguments that they are motivated by environmental policy tend to be thin. They seem to be motivated far more by the desire to raise money, as a Back-Bench Labour Member admitted earlier.

**Dawn Primarolo:** That demonstrates just how little the hon. Gentleman understands about the complexities of dealing with the carbon dioxide emission target and ensuring that we deliver national air quality targets, and ensuring that, in undertaking those activities, the Government have a balanced approach.

The amendment would effectively remove the duty differential between diesel and unleaded petrol. Conventional diesel has a greater energy and carbon content relative to petrol, which gives diesel a litre for litre duty advantage. The higher duty increase for diesel was put in place to offset that advantage and because diesel is worse than petrol in respect of particulate and nitrous oxide emissions.

**Mr. Leslie:** I should just like to ask my hon. Friend's opinion. A recent study was done in my constituency, where I have been recently advocating the completion of the Bingley relief road, because we are trying to achieve a reduction in pollutants and traffic emissions in town centre areas. One recent study showed that particulate levels were increasing at an exponential rate, particularly in areas of high congestion. If the amendment were passed, would not particulate levels be kept high, which would have significant consequences? Are there not great environmental benefits to her cause?

**Dawn Primarolo:** My hon. Friend is correct about the impact of the amendment and the likely increase in particulate emissions, but of course the Opposition are not bothered about that. They want only to say that they are interested in the environment. They do not want to pursue the policies that would deliver that.

The right hon. Member for Wells made the point that the proposal was damaging to the haulage industry, but he refuses to acknowledge the other measures that the Government have undertaken to assist the industry, including, in particular, concessions on vehicle excise duty of up to £500. He has refused also to acknowledge the Government's review of the current system for calculating vehicle excise duty rates for lorries; that, in this Budget, vehicle excise duty rates have again been frozen; that, overall, the Budget has cut the corporation tax rate for those businesses; and the introduction of quarterly payments for large companies, replacing advance corporation tax. The list goes on.

When the Government's proposal—with the Government's strategy—is seen in the round, it is clear that it is fair to the haulage industry, to the environment and to our constituents. I ask the House to reject amendment No. 48.

**Mr. Heathcoat-Amory:** I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

## Clause 11

RATES OF GAMING DUTY

**Dawn Primarolo:** I beg to move amendment No. 19, in page 5, leave out lines 35 to 40 and insert—

'TABLE

| *Part of gross gaming yield* | *Rate* |
|---|---|
| The first £450,000 | 2½ per cent. |
| The next £1,000,000 | 12½ per cent. |
| The next £1,000,000 | 20 per cent. |
| The next £1,750,000 | 30 per cent. |
| The remainder | 40 per cent.' |

During an earlier debate on clause 11 on the Floor of the House, in response to points made by several hon. Members, particularly the hon. Member for Rochford and Southend, East (Sir T. Taylor), I undertook to re-examine the table in clause 11 and its specific impact on casinos outside London whose gross gaming yield was in the range of £5 million to £12 million annually. The hon. Gentleman said that the provision would have a damaging impact on casinos and cited the cases of casinos in his own constituency.

Government amendment No. 19 will replace the table in clause 11—which will substitute for the table of gaming duty rates in section 11(2) of the Finance Act 1997—introduce new 20 per cent. and 30 per cent. duty rate bands, and revise the gross gaming yield thresholds set out in clause 11.

I agreed to consider the matter further, and there have been discussions with the industry on how the objectives could be achieved. In the light of representations about the impact of the Budget changes on the casino industry, I have tabled the amendment. I should say that, unfortunately, the industry was itself unable to reach any consensus on the model that it would prefer. I suppose that I should not be surprised that a number of individual groups offered proposals that met their own objectives but not necessarily those of their competitors.

Government amendment No. 19 will reduce the burden on casinos that are within the £5 million to £12 million gross gaming duty range. The Government's amendment deals with the specific point that was raised and will significantly reduce the burden on casinos in that range. I ask the House to agree to the amendment.

**Mr. Michael Fallon** (Sevenoaks): Another day, another climbdown; we welcome it.

**Sir Teddy Taylor** (Rochford and Southend, East): From the Back Benches, I should like to pay tribute to the Minister for the detailed consideration that she gave to the case that we advanced, and to assure her that her detailed consideration and great understanding of the matter are greatly appreciated. I should like her to know that Back Benchers very much appreciate the Government amendment. It is greatly welcome in Southend-on-Sea, where we have many problems.

*Amendment agreed to.*

## Clause 47

GIFTS IN KIND FOR RELIEF IN POOR COUNTRIES

*Amendments made:* No. 1, in page 26, line 25, leave out from 'used' to end of line 26 and insert

'in a designated country or territory either for medical purposes or by an educational establishment in that country or territory.'

No. 2, in page 27, line 35, leave out 'and'.

No. 3, in page 27, line 37, at end insert

'and

"medical purposes" includes medical research and the promotion of health.'.—*[Dawn Primarolo.]*

## Clause 51

CONVERTIBLE SHARES PROVIDED TO DIRECTORS AND EMPLOYEES

**The Economic Secretary to the Treasury (Mrs. Helen Liddell):** I beg to move amendment No. 15, in page 35, line 27, leave out 'or securities'.

This is a very simple amendment, the purpose of which is to remove from clause 51 two unnecessary words. Under the clause, employees who receive shares that subsequently convert to shares of another class pay income tax on the value of the new class of shares, less anything that they paid when they first received the shares. The amendment will simply ensure that employees who receive such shares are fairly taxed and closes a potential tax avoidance opportunity.

Convertible securities do not present the same problems and are therefore excluded from the scope of the clause. However, there is a reference to convertible shares or securities in one subsection of the clause. Although the reference to securities does not in any way change the effect of the clause, it might lead to some confusion. We have therefore decided to remove the two unnecessary words.

*Amendment agreed to.*

## Clause 73

OTHER CHANGES TO REQUIREMENTS FOR VCTS

*Amendments made:* No. 4, in page 60, line 12, leave out

'(5) The preceding provisions of this section'

and insert—

'(4A) In paragraph 8(1) of Schedule 28B to that Act (requirement as to capital of the relevant company), for "£10 million" and "£11 million" there shall be substituted, respectively, "£15 million" and "£16 million".

(5) Subsections (1) to (4) above'.

No. 5, in page 60, line 14, at end insert

'; and subsection (4A) above has effect in relation to relevant holdings issued on or after that date.'.—*[Dawn Primarolo.]*

## Clause 75

USE OF PEPS POWERS TO PROVIDE FOR ACCOUNTS

*Amendments made:* No. 20, in page 60, line 40, leave out from beginning to 'there' in line 41 and insert—

'(3) In paragraph (b) of subsection (4) of that section (power to provide for persons to be liable to account for tax wrongly relieved)—

(a) after "Board" there shall be inserted "either—
(i)";

and

(b) after "if" there shall be inserted "or
(ii) for an amount determined in accordance with the regulations to be the amount which is to be taken to represent such tax;".

(4) In paragraph (c) of that subsection (adaptation and modification of enactments to secure tax accounted for), in sub-paragraph (iii) after "tax" there shall be inserted "and other amounts".

(5) After that paragraph'.

No. 21, in page 61, line 6, after 'above;' insert—

'(cc) that an investor under a plan or a plan manager is, in prescribed cases where relief has been given to which there was no entitlement, to be liable to a penalty of a prescribed amount, instead of to any obligation to account as mentioned in paragraph (b) or (cb) above;

(cd) that liabilities equivalent to any of those which, by virtue of any of the preceding paragraphs of this subsection, may be imposed in cases where relief has been given to which there was no entitlement are to arise (in place of the liabilities to tax otherwise arising) in other cases where, in relation to any plan—

(i) a prescribed contravention of, or failure to comply with, the regulations, or

(ii) the existence of such other circumstances as may be prescribed,

would have the effect (subject to the provision made by virtue of this paragraph) of excluding or limiting an entitlement to relief;'.

No. 22, in page 61, line 6, at end insert—

'(6) In section 151(2) of the Taxation of Chargeable Gains Act 1992 (application of subsections (2) to (5) of section 333 of the Taxes Act 1988 to relief from capital gains tax in respect of investments under plans), for "(2)" there shall be substituted "(1A)".'.—*[Dawn Primarolo.]*

## Clause 77

THE INSURANCE ELEMENT ETC.

*Amendments made:* No. 23, in page 63, line 9, leave out 'of the provisions of' and insert

'provision made by or under'.

No. 24, in page 63, line 13, at end insert—

'(7A) Without prejudice to the generality of the powers conferred by subsection (7) above, the provision that may be made in connection with an exemption from tax conferred by virtue of subsection (1) above shall include provision for section 436 to apply (with any such modifications as may be prescribed) in relation to section 333 business as it applies in relation to pension business.'.—*[Dawn Primarolo.]*

## Clause 82

CARRY FORWARD OF NON-TRADING DEFICIT ON LOAN RELATIONSHIPS

*Amendments made:* No. 9, in page 67, line 7, at end insert—

'(1A) Section 797 (limits on credit: corporation tax) and section 797A (foreign tax on interest brought into account as a non-trading credit) of the Taxes Act 1988 are amended as follows—

(a) in section 797(3B)(b), omit "or in accordance with subsection (3) of that section";

(b) in section 797A(5), at the end of paragraph (a) insert the word "and" and omit paragraph (c) and the word "and" preceding it;

(c) at the end of section 797A(5), insert—

"An amount carried forward to the applicable accounting period under section 83(3) of that Act shall not be treated as a non-trading deficit for that period for the purposes of paragraphs (a) and (b).";

(d) in section 797A(6) for "specified in subsection (5)(c) above" substitute "carried forward to the applicable accounting period in pursuance of a claim under section 83(2)(d) of that Act";

(e) at the end of section 797A(7) insert—

"An amount carried forward to the applicable accounting period under section 83(3) of the Finance Act 1996 shall be disregarded for the purposes of paragraphs (a) and (b).".'.

No. 10, in page 67, line 10, at end insert—

'(aa) in paragraph 6(da), after "period" insert "(other than one within sub-paragraph (dc) below)";'.

No. 11, in page 67, line 13, at end insert—

'(ba) in paragraph 7(1)(b), for "debit" substitute "deficit";'.

No. 12, in page 67, line 14, at end insert—

'(ca) in paragraph 13(1)(ea), after "period" insert "(other than one within paragraph (ec) below)";'.

No. 13, in page 67, line 18, at end insert—

'(f) in paragraph 16(1)(b), for "debit" substitute "deficit".'.—*[Dawn Primarolo.]*

## Clause 83

FIRST-YEAR ALLOWANCES FOR SMALL BUSINESSES ETC.

*Amendments made:* No. 25, in page 67, line 26, leave out

'subsection (3C) of that section'

and insert

'the subsection (3CC) of that section inserted by section *(First-year allowances for investment in Northern Ireland)* above'.

No. 26, in page 67, line 38, leave out from beginning to end of line 3 on page 68.—*[Dawn Primarolo.]*

## Clause 119

TAPER RELIEF FOR CGT

4.30 pm

**Mr. Malcolm Bruce** (Gordon): I beg to move amendment No. 42, in page 108, line 40, at end insert—

'(4A) The total amount of taper relief which can be claimed in accordance with this section by any one taxpayer in any one tax year shall be limited to £5 million.'.

My colleagues, like the Conservative Members, initiated an extensive debate in Committee on the impact of the taper relief on capital gains tax—

**Mr. Fallon:** Where were you?

**Mr. Bruce:** I was ably represented by some extremely talented colleagues. I notice that the shadow Chancellor did not even put in an appearance, so I need no comments from Conservative Members.

There have been developments during the passage of the Bill which justify the amendment and with which the Government will need to deal. Even if the Government do not accept the amendment at this stage, their proposals, as they come into effect, will generate evidence that I suspect will make them wish to return to this matter in due course.

*[Mr. Bruce]*

It has been suggested that, whether it was the intention or not, the capital gains taper will substantially reduce the capital gains burden for many of the very richest people in business, while it will increase the tax burden on smaller business people. I find it quite extraordinary that a Labour Government are deliberately altering the balance of capital gains tax in a way that seriously hits small businesses and enables a large number of extremely rich people to escape the full burden of the tax. The evidence has not been put forward by the Liberal Democrats; a number of independent tax consultants have said that the people who will make the most money out of the measure are tax consultants and, that being the case, they welcome anything that makes the tax system more complex. They believe that it substantially lets off the hook some people in business who are making substantial profits on the basis of the accumulation of the paper value of their shareholding.

A case in point involves the partners of Goldman Sachs. It has been estimated that, under the Government's proposals, they could potentially realise an escape from capital gains tax valued at £500 million. That massive tax concession is being promoted by a Labour Government while, as my hon. Friend the Member for Torridge and West Devon (Mr. Burnett) will wish to make clear, many small businesses will face an increased tax burden.

The Financial Secretary to the Treasury will appreciate that the purpose of the amendment is perfectly reasonable: to put a limit on the amount by which anyone can secure relief in any one year.

**Dawn Primarolo** *indicated dissent.*

**Mr. Bruce:** When I see the Minister shaking her head, I am totally converted to the view that we are in the face of new Labour, which clearly believes that there should be no limit to the tax-free gain that people should be able to make. That differs greatly from the speeches that I heard from Labour Members during 14 of the 15 years that I have been in the House.

As it has been clearly identified by independent tax consultants that the Government proposals will allow many individuals substantial relief from capital gains tax, a limit of £5 million seems pretty generous. The amendment proposes that anyone who makes gains of £5 million in a year will benefit, and the relief will be ended only if the gains exceed £5 million in a year. That seems very reasonable, and most people would regard a £5 million tax gain as more than enough to keep them even for two years. Therefore, in the circumstances, I hope that the Government will respond constructively to a real concern that has been identified, which I would expect a Labour Government to balance with fairness and justice, taxing the rich according to their means and ensuring that the less well-off in business are given a fair return instead of an increased tax burden.

**Mr. John Burnett** (Torridge and West Devon): The changes that the Government are introducing on taper relief for capital gains tax raise a number of questions, but one is particularly significant.

Hitherto, a gain of up to £250,000 by a small business man or woman would be completely exempt from capital gains tax. The Government's new proposals would bring into charge that small gain, so that an individual gaining £100,000 would pay £10,000 in tax and an individual gaining £50,000 would pay £5,000 in tax. Under the old rules, such an individual paid nothing. Let me ask the House to concentrate on an individual gaining £10 million. When the full taper relief comes into force in 10 years' time, that individual will pay £1 million in tax. Hitherto, under the rules that prevailed before this year's legislation, that individual would have paid £3.15 million in capital gains tax. Under the new Labour rules, the tax bill will be £1 million. I have one simple question for the Minister, and I am sure that many hon. Members also wish to know the answer: why do the Government propose to penalise the small business man or woman and give such a bonanza to the very wealthiest?

**Dawn Primarolo:** It is a shame that the hon. Member for Gordon (Mr. Bruce) was not able to be present in Committee to hear all the debates on the issue. It is also a shame that he seems to have forgotten that when we debated the issue in Committee of the whole House, the Conservatives moved an amendment that would have taken the taper to zero over 10 years, which would mean that after 10 years a gain would be untaxed. The Liberal Democrats voted to a person for that amendment. After that substantial debate—

**Mr. Burnett:** Will the hon. Lady give way?

**Dawn Primarolo:** No, I shall not give way. The hon. Gentleman will have plenty of time to explain to the House the apparent changes over such a short period in the Liberal Democrats' attitude—if we are not to assume that they are driven by opportunism rather than principled policy.

After the Liberal Democrats had voted for the taper to go to zero, they moved an amendment that stated that they accepted the taper and the principles of the Government's reform, but they wanted the Government to delay the implementation of the reform for a year.

**Mr. Burnett:** Will the hon. Lady give way?

**Dawn Primarolo:** I will not give way to the hon. Gentleman until I have put my case to the House. He has spoken and he can put his case in his speaking time.

The Liberal Democrats misunderstood—or deliberately failed to understand—the purpose of the Government's reform, which is to encourage long-term investment and reward entrepreneurs, while ensuring that everybody pays a proportion of tax, just as the Liberal Democrats say should happen with income tax. The amendment is driven more by newspaper reports than by principles of how capital gains should be taxed.

The amendment is uncalled for and unnecessary. It would undermine the Government's principle that, regardless of gain, a proportion of tax will be paid. The Liberal Democrats have failed to understand the enormous incentives that the reforms give to entrepreneurial activity and growth. I suggest that the House votes against the amendment quickly and that we move on to the next debate.

**Mr. Malcolm Bruce:** I appear to have touched a raw nerve. The fact that I was not present when the issue was

debated in Committee is not relevant. I am perfectly capable of reading the transcripts, discussing with my colleagues what went on and determining the argument for the development of policy.

It is clear that even Labour Members were concerned about the implications of the changes and supported the argument—even if they did not vote for it—that there should have been consultation and that a year's delay for that consultation would have been sensible.

**Dawn Primarolo:** So the hon. Gentleman is in favour.

**Mr. Bruce:** Of course I am in favour of consultation on an issue of such major concern. It is well known that the Conservatives wanted the headlines for trying to abolish capital gains tax, but could not find a way of doing so without creating the most massive income tax loophole ever envisaged.

Experienced practitioners—it is not a question of newspaper reports—pointed out that the Government had not fully considered the implications of their proposals. The Financial Secretary is digging her heels in to save face because she is not prepared to acknowledge that, had the Government consulted, the proposals might have taken a different shape. As I said in my opening remarks, it is quite unbelievable that a Labour Government are defending the right of fat cats to benefit from a massive tax reduction.

**Mr. Burnett** *rose—*

**Mr. Bruce:** Does my hon. Friend want me to give way?

**Mr. Burnett:** No, I want to speak.

**Mr. Deputy Speaker (Mr. Michael J. Martin):** Order.

**Mr. Bruce:** I was only trying to help my hon. Friend to shorten the debate.

We have put forward a perfectly reasonable proposal that would help the Government out of a potential embarrassment, and we certainly intend to pursue it.

**Mr. Burnett** *rose—*

4.45 pm

**Mr. Deputy Speaker:** Order. The hon. Member cannot speak again except by leave of the House. Is it the will of the House that the hon. Member speaks again? [HON. MEMBERS: "No."] I hear an objection. The hon. Member for Torridge and West Devon (Mr. Burnett) cannot address the House again. The only reason why his hon. Friend the Member for Gordon (Mr. Bruce) was able to speak twice is that he moved the amendment and was therefore able to reply to the debate.

*Question*, That the amendment be made, *put and negatived.*

**Schedule 3**

ADVANCE CORPORATION TAX

*Amendments made:* No. 61, in page 156, line 7, at end insert—

*'Section 109 of the Taxes Management Act 1970*

5A.—(1) Section 109 of the Taxes Management Act 1970 (corporation tax on close company in connection with loans to participators etc) shall be amended as follows.

(2) In subsection (3A) (interest under section 87A on so much of tax under section 419 of Taxes Act 1988 as is referable to amount of loan or advance repaid shall not be payable in respect of any period after repayment made)—

(a) after "If" there shall be inserted "(a)";

(b) after "principal Act," there shall be inserted "or

(b) there is such a release or writing off of the whole or any part of the debt in respect of a loan or advance as is referred to in that subsection,";

(c) after "amount repaid" there shall be inserted ", released or written off"; and

(d) after "the repayment was made" there shall be inserted "or the release or writing off occurred".

(3) This paragraph has effect in relation to the release or writing off of the whole or part of a debt on or after 6th April 1999.'.

No. 62, in page 160, line 13, leave out second 'and'.

No. 63, in page 160, line 16, at end insert

'and

(c) after "the repayment is made" there shall be inserted "or the release or writing off occurs".'.

No. 64, in page 160, line 17, leave out from '(4))' to 'there' in line 18 and insert—

'(a) after "Where" there shall be inserted "(a)";

(b) after "that loan or advance," there shall be inserted "or

(b) the release or writing off of the whole or any part of the debt in respect of a loan or advance occurs on or after the day on which tax by virtue of this section becomes due in relation to that loan or advance,"; and

(c) after "repayment", in the second and third places where it occurs,'.—*[Mr. Geoffrey Robinson.]*

**Schedule 13**

CHANGES TO EIS ETC

*Amendments made:* No. 6, in page 216, line 25, leave out '£10 million' and insert '£15 million'.

No. 7, in page 216, line 27, leave out '£11 million' and insert '£16 million'.

No. 8, in page 234, line 5, at end insert—

'() provides a benefit or facility for the individual.'.—*[Mr. Geoffrey Robinson.]*

**Schedule 16**

TRANSFER PRICING ETC: NEW REGIME

*Amendments made:* No. 16, in page 258, line 50, leave out

'exemption from income tax or corporation tax in respect of the'

and insert

'any exemption from income tax or corporation tax in respect of, or of a part of, the income of'.

No. 17, in page 259, line 1, leave out second 'the'.

No. 18, in page 259, line 32, leave out

'paragraph 5(3) above is satisfied'

and insert

'sub-paragraph (3) of paragraph 5 above either—

(i) is satisfied, or

(ii) were any such exemption as is mentioned in paragraph (b) of that sub-paragraph to be disregarded, would be satisfied.'.—*[Mr. Geoffrey Robinson.]*

## Schedule 18

COMPANY TAX RETURNS, ASSESSMENTS AND RELATED MATTERS

*Amendments made:* No. 29, in page 297, leave out lines 23 to 49 and insert—

*'Claims that cannot be made without a return*

9.—(1) No claim to which this paragraph applies may be made by a company before it delivers a company tax return for the period to which the claim relates.

(2) This paragraph applies to a claim by a company for any repayment of income tax called for by virtue of—

(a) section 6(2) of the Taxes Act 1988 (exclusion of income tax charge in case of UK resident company or income within chargeable profits for corporation tax), or

(b) exemptions from income tax conferred by the Corporation Tax Acts.

(3) This paragraph applies to a claim by a company for payment of a tax credit, unless—

(a) the company is wholly exempt from corporation tax or is only not so exempt in respect of trading income, and

(b) the tax credit is not one in respect of which a payment on account may be claimed by the company under Schedule 19AB to the Taxes Act 1988 (pension business).

*Other claims and elections to be included in return*

10.—(1) In Part VII of this Schedule (general provisions as to claims and elections) paragraphs 57 to 57B contain provisions as to the circumstances in which a claim or election may or must be made, or is to be treated as having been made, in a company tax return.

(2) A claim to which Part VIII or IX of this Schedule applies (claims for group relief or capital allowances) can only be made by being included in a company tax return (see paragraphs 64 and 76).'.

No. 30, in page 314, leave out lines 34 to 37, and insert—

*'Claims or elections affecting a single accounting period*

57.—(1) This paragraph applies to a claim or election for tax purposes which affects only one accounting period ("the relevant accounting period").

(2) If notice has been given under paragraph 3 requiring a company to deliver a company tax return for the relevant accounting period, a claim or election by the company which can be made by being included in the return (as originally made or by amendment) must be so made.

(3) If a company has delivered a company tax return for the relevant accounting period, a claim or election made by the company which could be made by amending the return is treated as an amendment of the return.

The provisions of paragraph 15 (amendment of return by company) apply.

(4) Schedule 1A to the Taxes Management Act 1970 (claims and elections not included in returns) applies to a claim or election made by a company which cannot be included in a company tax return for the relevant accounting period.

This applies in particular to a claim or election made—

(a) before any notice is given under paragraph 3 requiring a company tax return for the relevant accounting period, or

(b) at a time when its return for the relevant accounting period cannot be amended.

*Claims or elections involving more than one accounting period*

57A.—(1) This paragraph applies to a claim or election for tax purposes if—

(a) the event or occasion giving rise to it occurs in one accounting period (the period to which it "relates"), and

(b) it affects one or more other accounting periods (whether or not it also affects the period to which it relates).

(2) If a company makes a claim or election which—

(a) relates to an accounting period for which the company has delivered a company tax return and could be made by amendment of the return, or

(b) affects an accounting period for which the company has delivered a company tax return and could be given effect by amendment of the return,

the claim or election is treated as an amendment of the return.

The provisions of paragraph 15 (amendment of return by company) apply.

(3) Schedule 1A to the Taxes Management Act 1970 (claims and elections not included in returns) applies to a claim or election made by a company if or to the extent that it is not—

(a) made by being included (by amendment or otherwise) in the company tax return for the accounting period to which it relates, and

(b) given effect by being included (by amendment or otherwise) in company tax returns for the accounting periods affected by it.

*Other claims and elections*

57B.—(1) Schedule 1A to the Taxes Management Act 1970 applies to a claim or election for tax purposes which is not within paragraph 57 or 57A, whether or not it is included (by amendment or otherwise) in a company tax return.

(2) The provisions of this Schedule do not apply where or to the extent that the provisions of Schedule 1A apply.

*Provisions supplementary to paragraphs 57 to 57B*

57C.—(1) Paragraphs 57 to 57B have effect subject to any express provision to the contrary.

(2) Nothing in those paragraphs affects the time limit or any other conditions for making a claim or election.

(3) Where Schedule 1A to the Taxes Management Act 1970 applies by virtue of any of those paragraphs and the claim or election results in an increase in the amount of tax payable, all such adjustments by way of assessment or otherwise shall be made as are necessary to give effect to it.'.

No. 31, in page 320, line 32, leave out 'which one person' and insert

'which—

(a) a claim for group relief may be made without being accompanied by a copy of the notice of consent to surrender given by the surrendering company, and

(b) one company'.

No. 32, in page 320, line 34, after first 'of' insert

'claiming or surrendering group relief or'.

No. 33, in page 322, leave out lines 37 to 41 and insert—

'(5) A determination by the Inland Revenue under this paragraph is final and conclusive as to the basis of charge to be used for the accounting period concerned.'.

No. 34, in page 324, line 2, at end insert—

*'Conclusiveness of amounts stated in return*

84A.—(1) This paragraph applies to an amount stated in a company tax return for an accounting period which is required to be included in the return and which affects or may affect—

(a) the tax payable by the company making the return for another accounting period, or

(b) the tax liability of another company for any accounting period.

(2) If such an amount can no longer be altered it is taken to be conclusively determined for the purposes of the Corporation Tax Acts in relation to that other period or other company.

Sub-paragraphs (3) to (5) explain what is meant by "can no longer be altered".

(3) An amount is regarded as one that can no longer be altered if—

(a) the period specified in paragraph 15(4) (general period for amendment by company) has ended,

(b) any enquiry into the return has been completed and the period specified in paragraph 34(1) (period for amendment by company after enquiry) has ended,

(c) if the Inland Revenue amend the return under paragraph 34(2), the period within which an appeal may be brought against that amendment has ended, and

(d) if an appeal is brought, the appeal has been finally determined.

(4) If the return is amended by the company under a provision that allows an amendment after the end of the period specified in paragraph 15(4), an amount affected by the amendment ceases to be regarded as one that can no longer be altered until after whichever is the last of the following—

(a) the end of the period within which notice of enquiry into the return may be given in consequence of the amendment;

(b) if such a notice is given, the end of the period specified in paragraph 34(1);

(c) if the Inland Revenue amend the return under paragraph 34(2), the end of the period within which an appeal against that amendment may be brought;

(d) if an appeal is brought, the date on which the appeal is finally determined.

(5) If the return is amended by the Inland Revenue under paragraph 80(3) (consequential amendment of return where amount available by way of capital allowances is reduced), an amount affected by the amendment ceases to be regarded as one that can no longer be altered until after—

(a) the end of the period within which an appeal against that amendment may be brought, or

(b) if an appeal is brought, the date on which the appeal is finally determined.

(6) For the purposes of this paragraph an amount carried forward from a period for which a return was made under section 11 of the Taxes Management Act 1970 is not regarded as one required to be included in a company tax return for a later period.

(7) Nothing in this paragraph affects any power to make an assessment other than a self-assessment or the power to make a discovery determination.'.—*[Mr. Geoffrey Robinson.]*

**Schedule 19**

COMPANY TAX RETURNS, ETC.: MINOR AND CONSEQUENTIAL AMENDMENTS

*Amendments made:* No. 35, in page 335, line 35, leave out from '(4)' to end of line 40 and insert

'omit "by discharge or repayment".'

No. 36, in page 335, line 40, at end insert—

'(4) After subsection (4A) insert—

"(4B) Schedule 1A to the Taxes Management Act 1970 (claims and elections not included in return) applies to a claim for relief under subsection (4) above unless—

(a) the claim is included (by amendment or otherwise) in the return for the period in which the loan or advance was made, and

(b) the relief may be given at the time the claim is made.".'.

No. 37, in page 336, line 36, leave out from 'Paragraphs' to 'do' in line 38 and insert

'57 to 57C of Schedule 18 to the Finance Act 1998 (general provisions as to procedure on claims and elections)'.

No. 38, in page 336, line 40, leave out '9(1)' and insert '9(2)'.

No. 39, in page 337, line 24, leave out '9(1)' and insert '9(2)'.—*[Mr. Geoffrey Robinson.]*

**Schedule 27**

REPEALS

*Amendments made:* No. 41, in page 385, line 27, column 3, leave out '589(9A)' and insert '589A(9A)'.

No. 14, in page 392, line 12, in column 3 at the beginning insert—

'In section 797(3B)(b), the words "or in accordance with subsection (3) of that section".

In section 797A(5), paragraph (c) and the word "and" preceding it.'.

No. 27, in page 392, line 20, at end insert—

| | | |
|---|---|---|
| '1990 c. 1. | The Capital Allowances Act 1990. | Section 76(3).'. |

No. 28, in page 392, line 23, leave out 'This repeal' and insert—

'1. The repeal of section 76(3) of the Capital Allowances Act 1990 has effect in relation to every chargeable period ending on or after 12th May 1998.

2. The repeal of section 42(6) and (7) of the Finance (No. 2) Act 1997'.

No. 40, in page 398, line 30, column 3, at end insert—

'In section 419(4), the words "by discharge or repayment".'.

—*[Mr. Geoffrey Robinson.]*

*Order for Third Reading read.*

4.53 pm

**Dawn Primarolo:** I beg to move, That the Bill be now read the Third time.

This is the second Finance Bill of the Parliament. It continues the process, which the Labour Government started on their election in 1997, of modernising the British economy, with the objective of raising the sustainable rate of long-term growth and ensuring that everyone has a share in rising prosperity. The Bill implements the second Budget of my right hon. Friend

*[Dawn Primarolo]*

the Chancellor of the Exchequer. The aim of the Budget is to turn ambition into achievement, encourage work, promote enterprise and support families.

The Bill is all about a Government keeping their promises and, in it, we continue our manifesto pledges. We have kept our promise to hold the basic and top rates of income tax at their current rates, which is delivered in clause 25. We have kept our promise to cut value added tax on domestic fuel to 5 per cent., which was delivered in the first Finance Bill, and not to extend VAT to food, children's clothing, books, newspapers and public transport fares. We have kept our promise to examine the tax and benefits system and announced the working families tax credit. We have kept our promise to reduce VAT on energy-saving materials for those in receipt of grants through Government and local authority schemes.

The Bill has sent the Opposition into confusion, especially the Liberal Democrats who, at times during the Bill's passage, were changing their policy positions as we progressed through the day, let alone the week. In Standing Committee on the Bill, the Opposition voted for amendments that would have cost at least £7 billion; in addition to which, they voted for amendments to the Social Security Bill worth £1.5 billion. The shadow Chancellor's view is that

"There is no moral content in voting for more public spending",

but that is not a view we share. Which public services should be cut to make good the £8.5 billion? That is the question that the Opposition have to answer this evening. Which taxes would they increase? Would they prefer to create another debt mountain, like the previous Government?

**Mr. Alex Salmond** (Banff and Buchan): On the subject of confusion, as the Bill has progressed through the Commons, has the Financial Secretary detected any change in economic indicators, for example, the exchange rate and the impact in terms of job losses, the upturn in interest rates and the unemployment figures? Has she detected any change in economic conditions and, if so, what is to be the Government's response?

**Dawn Primarolo:** What I have detected at this late stage is that the hon. Gentleman has finally participated in our deliberations, having seen no trace of him during the many hours, weeks and months in which we have debated both the Budget and the Bill.

The Bill introduces a number of measures to encourage work and to make work pay. Our reforms of the national insurance system will remove barriers to work that have faced many people in the past and will encourage employment. The new deal will be extended to provide new employment opportunities to the long-term unemployed, partners of the unemployed, the long-term sick, the disabled and disadvantaged communities. The working families tax credit will be a major reform of the tax system—necessary because the labour market has changed almost beyond recognition in the past 20 or 30 years—giving women the opportunity to combine family commitments with paid employment.

Throughout the country, firms are reporting skills shortages. At the same time, there is a huge pool of unused talent and the Government intend to ensure that we use that talent. People who want to work will be able to do so; they will be helped to find jobs and to stay in the labour market. We are determined to give them the skills and opportunities that they need, which is something the previous Government failed pitifully to do. The working families tax credit and the reform of the national insurance system, together with our increased investment in education, training and skills, will begin to ensure that we have a labour market that meets the needs of the 21st century. Those measures, taken together, will make it easier for people to get into work, especially families with children; they are about giving people a future and giving them the hope that they want for that future.

**Mr. Derek Twigg** (Halton): I am pleased to hear what my hon. Friend has said. What does she think would have happened if Labour had not got in? What sort of future would those people have had?

**Dawn Primarolo:** I am sure that the Opposition can explain for themselves how they would have continued to fail to invest in skills and to preside over chaos in the tax system, particularly in regard to families with children, and how they would not have increased child benefit or ensured that young people have an opportunity to gain skills and jobs through the new deal. As we know, the Opposition opposed this Government's windfall tax.

Alongside all of that reform, the Government are promoting enterprise. We need to promote enterprise alongside labour market reform to create a dynamic business sector, which is an essential part of any economic policy. We have put in place a corporation tax regime to encourage long-term investment. We have the lowest rates ever and we are abolishing advance corporation tax. Business has widely welcomed those changes. We have cut the small business rate of corporation tax to 20 per cent. from next year. Both business corporation tax rates will be held at the new levels or lower for the lifetime of this Parliament—an undertaking that the previous Government never gave, which shows the confidence of this Government in their policy and in our firms.

**Dr. Nick Palmer** (Broxtowe): Is my hon. Friend aware that during questions to the Chancellor this week, the shadow Chancellor said that he did not realise that the gap between Britain and Europe was widening on corporation tax? He thought that we were getting closer to Europe and becoming less competitive. Does it worry her that we do not have an Opposition who are in command of their portfolio?

**Dawn Primarolo:** I am sure that the shadow Chancellor will settle into his new position and will get up to speed on the relevant facts with regard to corporation tax.

The Government have also undertaken long-overdue reforms of the capital gains tax system to promote enterprise, reward risk-taking and encourage long-term investment in place of a culture of short-termism and expediency. The Bill introduces tapers, which will reduce CGT on business and non-business assets held over the longer period. The effective rate of capital gains tax will be 10 per cent. for business assets held for 10 years. It is right in principle that everyone should pay a share of tax on their gains.

**Sir Robert Smith:** Has the hon. Lady worked out the consequences of the Finance Bill, should the Government fail to control inflation? How much real tax will people pay, if one takes into account the inflation of assets?

**Dawn Primarolo:** If the hon. Gentleman had been able to hear all the deliberations through the long consideration of the Bill, he would realise that the prudent approach to the economy being taken by my right hon. Friend the Chancellor will deliver stability, investment and the security and sustainable growth that the country badly needs.

The Bill also introduces the new university challenge fund—a public-private partnership to provide £50 million in venture capital to help turn good research into good business, which is badly needed in this country.

There will be a further boost to first-year capital allowances to help fund investment—remaining at 40 per cent., rather than 25 per cent., for a further year. That is another indication of the Government's determination to ensure that businesses can grow and that investment is created.

The Government have also invested in the environment. We are committed to an annual increase in road fuel duties of at least 6 per cent. in real terms, which is slightly more than the previous Government's commitment of 5 per cent. The increase will help us to keep our commitment to greenhouse gas targets, which are crucial in meeting our Kyoto obligations. We will be consulting soon on measures to graduate vehicle excise duty to encourage the use of less environmentally damaging cars. The reduction, under clause 16, of up to £500 in vehicle excise duty for lorries and buses that meet the new low-emission standards and the changes in duties on diesel duties and road fuel gases will help to reduce the impact of transport emissions on local air quality. That is a vastly important measure.

In addition to climate change and local air quality, we are dealing with land use and sustainable waste management. The landfill tax, which was introduced by the previous Government, was an important first step in environmental taxation. The increase in the standard rate from next year should encourage waste producers to reduce their waste and to seek more sustainable ways in which to deal with it.

The Budget was about fairness. We inherited from the previous Government a situation in which one child in three grew up in poverty—this Government are determined to tackle that. We targeted support where it was most needed—on families. From next April, child benefit for the oldest child will increase by £2.50 a week, with an equivalent increase for poorer families through the family premium of income support and jobseeker's allowance—that is the largest ever increase. The new child care tax credit will pay 70 per cent. of the costs of child care—up to £100 a week for one child, and £150 a week for two or more children. To help fund the package to support children, we have reduced the married couple's allowance from 15 per cent. to 10 per cent. from April 1999.

Fairness also means ensuring that people pay their proper share of tax. The Bill contains a number of anti-avoidance measures to close loopholes and to prevent abuse of the system. That is why we ensured that the foreign earnings deduction loophole was closed. The Government will continue to ensure fairness in the rates at which people pay their tax and that people pay what they are required to pay.

The Bill reforms inheritance tax to tighten up the rules on public access to inheritance tax-exempt assets. It is right in principle that exempt assets that are supposed to be open to the public are open to the public—that makes the system fairer.

We are encouraging savings as an essential part of our strategy. The Bill introduces the new individual savings accounts, which make it easier for people to save. Extending the savings habit to more people is absolutely essential.

The Bill reinforces our commitment to economic stability and to the promotion of enterprise. It shows our determination to modernise the tax and benefits system to make work pay. It is another step in delivering what we promised less than a year ago—long-term stability, with opportunity for the many, not only the few. The Bill is another milestone in the Labour Government's progress to those objectives, and I commend it to the House.

5.7 pm

**Mr. Heathcoat-Amory:** The Finance Bill—all two volumes and 400 pages of it—is one long exercise in tax raising, and Conservative Members make no apologies for having voted against its tax-raising measures.

**Mr. Andrew Love** (Edmonton): The right hon. Gentleman talks about tax-raising measures, but would not the amendments that the Opposition tabled in Committee have imposed another £6 billion to £7 billion in taxes?

**Mr. Heathcoat-Amory:** The hon. Gentleman cannot even understand his party's Bill. Although he was on the Standing Committee, he cannot have been alert—we voted and argued against the Labour Government's tax increases, which have already done so much damage to the economy. If he cannot understand the difference between taxation and expenditure, he should not have been on the Standing Committee.

Last year, the Government targeted savings in their tax measures, and we are already seeing the damage that that caused. In this Finance Bill, they have targeted businesses. All businesses, which we try to represent, will suffer from an increase in corporation tax and from other measures—such as the increases in stamp duty and in road vehicle duties—that will damage the competitiveness of British industry in the wider world and hit the employment market in the United Kingdom.

We have already had an economically illiterate intervention from the hon. Member for Broxtowe (Dr. Palmer), who clearly cannot understand the difference between a nominal tax rate and the actual tax paid by businesses. If he does not believe me, perhaps he should read the Red Book, where the extra £2 billion from corporation tax advance payments is clearly set out.

**Dr. Palmer:** The shadow Chancellor, on one of his rare visits to the Chamber, said that the rates—not the total impact—of corporation tax and income tax were narrowing between Britain and other countries. That is the point that I was questioning.

**Mr. Heathcoat-Amory:** The hon. Gentleman is wrong to say that my right hon. Friend is a rare visitor to the

*[Mr. Heathcoat-Amory]*

Chamber, but he will have noticed that the Chancellor makes no visits here at all, preferring to address the European Parliament rather than to defend his policies here. He prefers addressing media conferences organised by Mr. Rupert Murdoch to dealing here with the fiasco that his economic policies have created. In our term of office, we cut the rate of corporation tax from 52 per cent. to 33 per cent., and the Government are now raising the effective rate by £2 billion a year, as is clearly shown on page 18, line 8 of the Red Book, which I commend to the hon. Gentleman.

As only one example of their mean-minded measures and regressive taxation, the Government have ended the arrangement whereby those working overseas do not have to pay United Kingdom tax if they are abroad for 365 days. That will hit, not the tax avoiders and big earners, but the ordinary workers—nurses, engineers, aid workers—who cannot time their absences so that they can become non-UK tax residents. *[Interruption.]* The Government should be ashamed of that regressive measure.

The Financial Secretary talked about child care measures, but they are not even in the Bill. The Bill will enact all the tax-raising measures, and we are still awaiting any of the benefits that are meant to flow from them.

The new capital gains tax system is a fiasco, and I predict that we will need a rewrite. The system is far too complicated, and probably unworkable, and it is already backfiring on the Government. In a mean-minded way, the Government have withdrawn the retirement relief that benefited small businesses and replaced it with a tapering system that will give each Goldman Sachs partner an extra £16 million. Those are new Labour's priorities.

We extracted one or two small concessions from the Government. Because of the opposition and arguments of Conservative Members, they climbed down on dividend tax credits for non-taxpayers; there is to be a gaming duty revision; and they signalled that they would in due course accept our proposals for the reform of stamp duty and of the corporation tax payments for businesses affected by seasonal variation.

Labour Members were entirely silent in Committee and virtually silent on Report. As always, it is the Conservative party that defends the rights of taxpayers and businesses. The concessions may have been minor, but they were significant.

The Budget confirmed all the broken pre-election promises of a Labour Government, and the electorate will not forget that. I invite my right hon. and hon. Friends to vote against Third Reading.

5.13 pm

**Mr. Malcolm Bruce:** There are some inherent unfairnesses in the Bill that the Government have not addressed. I give them credit for the fact that, on matters such as individual savings accounts and the tax credit for non-taxpayers, they have recognised the force of the arguments: they have changed the rules on ISAs and intend to amend the tax credit provisions as soon as they can find the right formula.

That is welcome, but the fact remains that the Bill contains provisions that grow out of an unbalanced economic policy. It was interesting to see that Labour Members simply did not believe that changes to the foreign earnings rules would hit people such as overseas aid workers. They will hit people from my constituency such as overseas construction workers and those in the oil and gas industry.

It may be arguable that the package should involve a payment of taxation but, as we all know, many such people are on two or three-year contracts that were entered into on the clear understanding that the relief was part of the deal. This is effectively retrospective taxation on those people, and the Government should have taken some account of that.

**Sir Robert Smith:** Will my hon. Friend give way?

**Mr. Bruce:** No, I have only a short time.

The Government failed to recognise that they have completely distorted the capital gains tax regime. Abolishing the 100 per cent. retirement relief will clearly hit hard the small business people, farmers and others for whom the business is effectively their pension. They will be clobbered by an increased tax rate while very high earners will get a massive tax bonanza. The tabloid headlines may be about the Rolling Stones, but they will be completely unaffected. They will make their own arrangements, thank you very much, but other people will not be able to do that.

**Mr. Fallon:** Those points were made in Committee.

**Mr. Bruce:** Those points were indeed ably made in Committee by Opposition Members, but it is important to summarise on Third Reading why we take the view that the Bill is flawed and unbalanced.

The fundamental problem with the Bill is that it is based on an economic policy that is not delivering the Government's stated objectives. We do not have a stable exchange rate, or if we do, it is stable at a very high rate. We have rising interest rates and inflation, and it looks as though unemployment may be on the turn.

The Bill imposes taxation on the hard-pressed business sector that should have been imposed on the consumer sector to take the heat out of the economy and deliver results on inflation.

For all those reasons we, too, will vote against Third Reading.

5.17 pm

**Mr. Derek Twigg:** For several weeks, we have had to listen to a lot of nonsense from Opposition Members, usually in the guise of insults to individuals about what we were doing or not doing in Committee, to cover their own inadequacies and incompetence in tackling the Bill.

I was on the previous Finance Bill Committee, and the performance of the Opposition was even worse this time, although, to be fair, there were one or two exceptions. The Opposition failed miserably to dent the Bill or the Government or to perform their task of opposition. For those who had to sit through the Committee, it was like Chinese torture, believe me.

The hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) played a significant role in Committee. We had a detailed debate about how the Bill would damage those who own pushing machines in the arcades of

Littlehampton and Bognor. I did not know what pushing machines were, as pushers usually have a different connotation where I come from. I am not sure whether the machines should pay at a 2p or a 10p rate.

The hon. Member for Bognor Regis and Littlehampton also made an interesting contribution concerning tax relief on private health insurance. He tried to tell us, at about 2 o'clock one morning, that we should prevent people from using hospitals in Littlehampton or Bognor because they ought to take out insurance. He said that all the tourists who go to the area should carry health insurance and not bother using the hospitals. There seems to be a moratorium on visitors to his constituency using hospitals, which seems rather a good way of attracting people in.

We heard an interesting speech from the hon. Member for Guildford (Mr. St. Aubyn), who told us that the average person in his constituency often went to local auctions with a £10,000 table or painting—

**Mr. Leslie:** Or a carriage clock.

**Mr. Twigg:** Yes, carriage clocks were also mentioned. That is normal behaviour for the hon. Gentleman's constituents. When we were discussing historic houses, the hon. Gentleman said that he opened his house every weekend to visitors, and that he thought that every other Member should do the same.

**Mr. Nick St. Aubyn** (Guildford): It is clear that, although he spent so much time in the Committee, the hon. Gentleman heard hardly a word of what was said to him.

**Mr. Twigg:** If that is all that the hon. Gentleman wishes to say, I will continue my speech.

Points have been made about foreign earnings. The Opposition were concerned about the Rolling Stones. Indeed, a point of order was raised at the beginning of one of our debates about the damage that the Bill could do to them. They have shown no loyalty to the country, have they? But that is what we have heard from the Opposition.

**Sir Robert Smith:** The Rolling Stones are a classic example of the fact that the tax man does not hit the high payers. He hits people like my constituents, whose employment as contractors for the oil industry takes them all over the world. They have little other option, if they want to continue to support their families. The tax is applied unfairly to them.

**Mr. Twigg:** The hon. Gentleman should talk to Conservative Members. I was a member of the Standing Committee, and I remember the reference to the Rolling Stones.

It was often said that we were sitting on our hands and were not speaking, but it was the Opposition's role to speak against the Bill. It was for us to support it. Opposition Members have forgotten what their role is: they are not yet used to being in opposition. What Opposition Front Benchers said in response to questions was usually couched in the form of some result. It was suggested that some measures did not need to be debated on the Floor of the House. During the passage of the previous Finance Bill, the right hon. Member for Wells (Mr. Heathcoat-Amory) was involved in delegating a fair amount of legislation outside the Chamber. It seems that it was all right for the Conservative party to deal with legislation in that way, but it is not all right for us to do so. The right hon. Gentleman tried to twist the argument. In fact, the Opposition's performance was pretty lamentable. It is difficult to think of any Opposition arguments that made any sense.

This is a tremendous Budget, which has been widely welcomed. The Chancellor has done an excellent job. As we learned from a fax that was sent to a Labour Member by mistake, the new shadow Chancellor had to speak to a Back Bencher to learn about economic policy before he was able to make a speech. How many shadow Chancellors have the Opposition got through so far? I wonder how long the shadow Financial Secretary will be in place. Perhaps he will be the next to move on, or perhaps it will be one of the other Front-Bench spokesmen.

We are not sure who decides the Opposition's economic policy. We do not know whether the Euro-sceptics agree with the Europhiles. Economic policy seems to be all over the place. But this Budget, and this Finance Bill, set the scene for a shift of resources from the better off to the least well off. There have been many other important developments. As was announced yesterday, a massive amount has been injected into the national health service to cut waiting lists, and money has also been provided to reduce class sizes. Lower taxes are being imposed on businesses: the Government are backing small firms to create jobs. Unlike the Opposition, we have thought in terms of long-term stability and investment, rather than boom-and-bust economics. Their approach to past Budgets has been characterised by short-termism. Having been through two recessions—and Black Wednesday—Opposition Members should not lecture us on economic competence. They made an appalling mess of the economy when they were in government, displaying their incompetence in a range of ways. We are having to pick up the pieces and clear up the mess that they made, which is shameful.

As was said earlier, many aspects of the Budget have not yet been mentioned, although they mean a good deal to ordinary people such as my constituents in Halton. They suffered massively from unemployment and poverty as a result of the last Government's policies. There are tax cuts for all employees who pay national insurance contributions; child benefit has been increased by £2.50 a week—£130 a year—which is the largest increase ever; and the Government have provided working families tax credit, child care tax credit and a cut in the business tax rate. The tax cuts for employees who pay national insurance contributions will give them more than £65 a year, and families with children will gain more than £250 a year.

A question was asked about families at Prime Minister's Question Time today: what has the Conservative party ever done for families? Nothing at all. This Budget does much more for them. The poorest 20 per cent. of families with children will gain an average of £500 a year. A family with a full-time worker will now be guaranteed take-home pay of £180 a week, and a couple with two children and an income below £17,000 a year will receive 70 per cent. of the maximum entitlement to child care costs. This Government care about families

*[Mr. Twigg]*

and will do something for them, unlike the Conservative party. Families earning up to £30,000 a year will benefit from child care tax credits. That is superb.

**Mr. Ian Bruce** (South Dorset): On a point of order, Mr. Deputy Speaker. I am not an expert on the Bill, but even I know—and the Financial Secretary confirmed it to me—that none of these measures is included in it. Is it in order for the hon. Gentleman to mention them on Third Reading?

**Mr. Deputy Speaker:** It is normal to have a reasonably wide debate on the Finance Bill.

**Mr. Twigg:** Thank you, Mr. Deputy Speaker. Yesterday, you were generous to the right hon. Member for Wells, who, when we were discussing the narrow and specific issue of the retail industry, raised wide-ranging issues of economic policy. I accept your ruling entirely. The Conservatives are now complaining about us. The problem is that they do not like to hear what I am saying: it upsets them, because they realise that they have done nothing, that they are in disarray and that their economic policy is in a mess. They do not like hearing the good news that we have given the people of this country. I am surprised by the Opposition's reaction. It is typical of their reaction to the Finance Bill. I am sure you are glad that you did not have to sit through all the debates, Mr. Deputy Speaker; unfortunately, others did.

What upsets the Conservatives is that they could not cut corporation tax to the level that we achieved. In Committee, they came up with some spurious excuse for the fact that it had taken them 18 years to get the tax down to the level that they managed; but the point is that they did not reduce it to our level. They missed the opportunity, which is their problem.

The guaranteed income provided by working families tax credit is particularly important. It should be put in the proper economic context. *[Interruption.]*

**Mr. Deputy Speaker:** Order. I keep hearing hon. Members saying that the hon. Member for Halton (Mr. Twigg) is out of order. No one knows better than I do when someone is out of order, and the hon. Gentleman is not out of order.

**Mr. Twigg:** Opposition Members think that Labour Members are programmed to say certain things. It may surprise them that an awful lot of us actually agree with what the Government are doing. When I stood for Parliament on the basis of our manifesto, I supported that manifesto—unlike some who asked for help from various business men who are anti-Europe. We will not go into that, however. We are not sure what the Opposition support. Their economic policy is all over the place. Their spokespersons on education and on health say that not enough money is spent and there should be expenditure increases. Their Treasury spokesmen say that we should reduce expenditure, but they have produced initiatives that would cost £6 billion or £7 billion. They cannot say where the money would come from for that, which merely shows the economic incompetence that they displayed over 18 years. *[Interruption.]*

Perhaps national insurance reform is near enough the Finance Bill for Opposition Members. The burden is being reduced on employers in respect of most workers, who earn up to £440 a week. That is encouraging job creation. The Tories never encouraged job creation; they used to decimate employment. The current structure of national insurance contributions means that they bear particularly heavily on the low-paid, and we are trying to help them. Our policy is about getting people into work and making sure that they stay in it. *[Interruption.]* The Conservatives are not interested in the low-paid; poverty reached record levels when they were in power. Currently, £1 extra in weekly earnings can attract £1.28 in employee contributions. An extra 1p paid to a worker can add £6.30 to contributions. The system acts as a disincentive to both employers and employees.

Welfare to work is crucial to the Finance Bill. The Conservatives opposed the windfall tax on the utilities, but at the weekend we heard that Yorkshire Water would be paying its directors massive amounts of money. The Conservatives said that the windfall tax would cripple utilities, but they can still afford appalling massive pay increases for their directors.

**Mr. Denis MacShane** (Rotherham): As he is a customer of Yorkshire Water, is the hon. Gentleman aware that the company has increased bills by 8 per cent. for those who do not have meters, which is well above inflation?

**Mr. Deputy Speaker:** Order. The hon. Gentleman is certainly going wide of the Third Reading debate.

**Mr. Twigg:** My hon. Friend makes an important point about the whole economic system, how the utilities operate within it and the mess left by the Tories. Some of the Tories' chickens are coming home to roost, and we will have to deal with them. We have to pick up the mess. They expect us to do that in a year, but it took them 18 years, two recessions and Black Wednesday to make the mess. I do not want to repeat all that, but the Tories seem to forget it.

In Halton, where the unemployment rates for the young and the long-term unemployed are high—the demise of the chemical industry means that middle-aged men have problems finding jobs—the new deal for both the young and the over-25s will be very important. I have been to several meetings on the new deal for lone parents, and I have been told that the biggest disincentive to work for lone parents is child care. That message has come over clearly every time I have talked to a range of lone parents. Without exception, lone parents welcome the Government's initiative and the extra resources that we are providing.

Important points can be made about the new deal. We are giving help to employers, and introducing special measures for people over 50 and for partners of new dealers. All that is crucial to improving our economic development and economic growth.

Child benefits are another crucial part of our economic strategy. *[Interruption.]* They are about helping families. Children will gain an average £250 a year from the Budget. In 20 per cent. of the poorest households, children will gain an average £500 a year. Child benefits increases and equivalent increases in income support and other

benefits will help all families with children who do not already receive a high rate of benefit. Poverty affects large families worst. *[Interruption.]*

**Mr. Deputy Speaker:** Order. Hon. Members, who remain seated, keep saying that the matters raised are not in the Budget. Perhaps I should refer them to "Erskine May" so that they may be clear on what is happening. "Erskine May" says that on Third Reading of the Finance Bill

"some degree of latitude is frequently permitted",

although that is not allowed on Third Reading of other Bills.

**Mr. Twigg:** Your ruling and advice are, as usual, excellent and on the ball, Mr. Deputy Speaker. You rightly rebuked me yesterday, and you have made the point clear to the Opposition. They do not like to hear good news coming from Labour. They want to go on living in their own little world, away from reality. They are worried about their seats; in that case, they should support us.

Child benefit is important to millions of families in the United Kingdom. The Conservatives are saying that those families are not interested in having another £2.50. *[Interruption.]* That is what they seem to be saying; they do not want to hear the news of a welcome and popular measure. After the Chancellor made his Budget statement, my local newspaper, the *Widnes and Runcorn Weekly News*, an influential newspaper read by many people in my constituency, did a vox pop interview with several of my constituents. The only person who did not welcome the Budget was someone who was not from the constituency and who was just passing through. My constituents welcomed in particular our child benefit measures. On petrol duty, they understood what the Government were trying to do about improving the environment. The Budget was welcomed by almost all those interviewed in the street on that day. Those were cold interviews. I did not set them up. I was not even there. Ordinary people stopped in the street welcomed the Chancellor's excellent Budget.

Sometimes, I wonder whether the Conservatives ever talk to their constituents. They tell me that they have had hundreds of letters about measures in the Budget. That may be so, but I must tell them that I had precisely two letters on the Finance Bill. The Conservatives told us that we would be inundated, and claimed that we were sitting on letters and hiding them away. In the real world, that was not so. The hon. Member for Bognor Regis and Littlehampton seemed to be the Member for the whole of Great Britain when he began to read letters from as far away as Yorkshire, Bristol and the south-east.

**Mr. Jim Murphy** (Eastwood): Dundee.

**Mr. Twigg:** I am not sure that he went as far as Scotland.

**Mr. Ross Cranston** (Dudley, North): Dudley.

**Mr. Twigg:** Dudley was mentioned. My hon. Friend figured large in the Standing Committee, where he made some excellent points.

To hear the Opposition, one would think that the people were rising from the streets in revolution, and banging on the gates of Parliament to tell us how disgraceful the Finance Bill was. I seem to have missed that.

**Mr. Deputy Speaker:** Order. I have been able to help the hon. Gentleman on a number of occasions during his speech, but the Opposition's behaviour has nothing to do with the Third Reading of the Finance Bill.

**Mr. Twigg:** I appreciate that advice, Mr. Deputy Speaker. I merely wanted to make it clear that our debates in Committee may have given a false idea of the real state of public opinion.

The Budget is about economic stability, low taxes on work, help with child care, lower taxes on business and more money for health and education. It is a people's Budget, which will help to ensure that our country is prosperous, and that our economy is based on sustainable investment which will allow it to grow.

5.38 pm

**Mr. Salmond:** The hon. Member for Halton (Mr. Twigg) should know that complaining about politicians talking to anti-European business people might be interpreted as a grave sign of disloyalty to the Chancellor. In the environment created by new Labour, he should be careful about the allegations that he makes.

I was moved to speak by what I can only describe as the triviality of the Financial Secretary's response to serious questions on the economy. When she was a Labour Back Bencher, she used to ask the then Administration, and her Front-Bench colleagues, serious questions about the direction of our economic policy. To respond to questions about the Finance Bill on its Third Reading—which are basically about whether, as amended, it is capable of dealing with our economic circumstances—by engaging in a yah-boo discussion on whether the Liberal Democrat spokesman was present at a meeting of the Committee or who said what to whom in Committee is inadequate.

This afternoon, there was a private notice question on the extent of redundancies in the Borders in Scotland. The question mirrored announcements the length and breadth of the country as the industrial economy bleeds as a result of the exchange rate and the Government's total reliance on monetary policy as a means of demand management. The hon. Member for Halton seemed to think that there was a huge contrast between this Budget and economic policy over the past 20 years. I have been in the House long enough to have seen two previous occasions when the Government relied solely on monetary policy as the means of economic management. The right hon. Member for Old Bexley and Sidcup (Sir E. Heath) described a Tory Chancellor as a one-club golfer. We are in the same circumstances with the same reliance on the same policy instruments, and it will have the same result for the industrial economy.

The Government's mantra is that this will bring about economic stability. I suppose that an industrial desert could be described as stability, but is there no recognition among Labour Members of the importance of manufacturing, of the competitive position and of the seriousness of the announcements that are made daily about job after job in every area and sector of the economy? *[Interruption.]* If the hon. Member for

*[Mr. Salmond]*

Eastwood (Mr. Murphy) is so incapable of defending the Government's economic policy that he has to engage in economics of the actualité with youngsters on the "Trial By Night" programme, he should think carefully before appearing in debates in the House.

The bleeding of the industrial economy, the competitive position of United Kingdom manufacturing, the inability to use any policy instrument beyond monetary policy to control the economy, and the impact that that has in constituencies the length and breadth of the country are serious matters.

**Mr. Burnett:** The hon. Gentleman raises an important point. Does he agree that, if taxes had been imposed on consumption a year or so ago, we would not have the problems that he is adumbrating to the House? I, too, have had a factory closure in my constituency. At lunchtime today, 49 jobs were lost at Inch's cider factory in Winkleigh.

**Mr. Salmond:** In the imbalance between taxes on consumption and between taxes on investment lies one of the key weaknesses in the Finance Bill. That imbalance, as well as the uncertainty over the Government's exchange rate policy and their approach to the single currency, contributes to the high level of sterling and the inability of key sectors of our economy to deal with the consequences of the exchange rate position.

The previous Conservative Government used to argue that the jobs that were being lost, the sectors that were disappearing and the companies that were being downsized were the weaker sections of the economy and that the UK economy would be leaner and fitter after the process was complete. It was the same as arguing that we could improve the average health of the population by getting rid of everyone who could not run a four-minute mile. That would certainly improve average health, but the resultant population would be small. The argument is now repeated by Labour Members, who say that the diminution of the industrial economy will result in a leaner, fitter, more competitive manufacturing sector. However, the key economies, which have grown their manufacturing base, have not taken the attitude that they can dispose of entire industries and companies; they have used critical growth path to build up their competitive position to compete on world markets.

The central charge against the Finance Bill and the Financial Secretary is that they are incapable of addressing the different positions of key sectors of the economy: the consumption and service sector side and the manufacturing and export sector side. Is there any measure in the Bill that accepts that there is a manufacturing recession while the consumer part of the economy is still moving ahead? What are the Government going to do about it?

There is also the charge that the Government, like their Conservative predecessors, are unable to lift their vision beyond the south of England economy and consider how the regional economies in England and the Scottish, Welsh and Northern Irish economies are performing. It is ludicrous to argue that Scotland needs to restrain demand because of inflationary pressures in the Scottish economy. Where are the inflationary pressures that the interest rate medicine in Scotland is designed to combat? As a modest start, it would help if the Monetary Policy Committee of the Bank of England included in its membership some people with direct experience of the sectors and regions of England and the nations of Scotland and Wales, to give some awareness that there is an economy that is suffering beyond Potters Bar.

**Mr. Douglas Alexander** (Paisley, South): Will the hon. Gentleman give way?

**Mr. Salmond:** I shall not give way, and I shall tell the hon. Gentleman exactly why. There is more than a suspicion among Opposition Members that Labour Members are anxious not to move on to the next debate on student loans. I make no comment about House of Commons tactics, because I have used them myself, but the hon. Gentleman will forgive me if I do not assist him in delaying an embarrassing debate on student finance which many Labour Members do not want. *[Interruption.]*

**Mr. Deputy Speaker:** Order. The hon. Gentleman should be allowed to make his contribution without interruption.

**Mr. Salmond:** The serious points raised have been totally unanswered by the Government. They are blind to the economic circumstances faced in the Renfrew-Paisley economy and in many other areas across Scotland. There is no recognition that there is a serious economic problem which mimics the economic disasters provoked by the Conservative Government over the past 20 years.

**Mr. Alexander** *rose—*

**Mr. Salmond:** This may be the new Labour party, but, for the manufacturing economy, it is the same old policy measures and the same old results: redundancies, downsizing and the diminution of the manufacturing base.

5.46 pm

**Mr. Leslie:** I am grateful for the opportunity to speak on Third Reading. It is a pity that I have to say this, but it is a shame that the hon. Member for Banff and Buchan (Mr. Salmond), in his criticisms of Government policy and in seeking to bait the Government, was afraid to listen to the voice of the Government and to give way.

**Mr. Alexander:** Will my hon. Friend give way?

**Mr. Leslie:** I happily give way to my hon. Friend.

**Mr. Alexander:** Does my hon. Friend agree that the reason why the hon. Member for Banff and Buchan (Mr. Salmond) was frightened to give way might have been that, although he talked much about the service sector in Scotland, he did not mention the Scottish National party researcher who has recently recommended a boycott of a service sector company in the Edinburgh financial community?

**Mr. Leslie:** That is illuminating. Perhaps we will hear more about the SNP. As a Yorkshire Member, I would not wish to tread on the toes of the hon. Member for

Banff and Buchan, especially when he is not listening. The House looks forward to a contribution from my hon. Friend later.

The Finance Bill is a strong step forward on public sector finances and the economy. It ensures that provision is made for public services, that resources will be available to ensure they are of a standard befitting the 21st century, and that we can move forward into a climate in which Government and state services are high quality, accessible to many people, and provided at the most efficient and effective rate, giving good value to taxpayers.

**Mr. Derek Twigg:** I was taken by my hon. Friend's excellent comments on the public service ethic and his support for public service. In addition to this excellent Budget, does not the Chancellor's recent fiscal statement add extra strength and put down a marker to show how committed the Labour party is to public services?

**Mr. Leslie:** My hon. Friend is correct. I shall deal with "the code for fiscal stability" later in my remarks. It is important for us to set in context the fiscal situation that the country now faces. I am pleased to see that the nation's finances are now getting into a healthy state.

We are all familiar with the ridiculous profligacy of the previous Conservative Administration who, year after year, consumed taxpayers' resources. The leviathan of state swallowed up money in welfare budgets and social security payments unnecessarily, when we should have been using taxpayers' money to invest in infrastructure and job creation mechanisms to get people off benefit and into work. That would have reduced consumption of public sector resources, and enabled us to move on to other more productive public services.

**Mr. Alexander:** Can my hon. Friend give the House any explanation of why the previous Government were able to waste such huge levels of resources rather than investing in success?

**Mr. Deputy Speaker (Sir Alan Haselhurst):** Order. I hope that the hon. Gentleman will not respond to his hon. Friend's invitation, which would take us well beyond the scope of this Third Reading debate.

**Mr. Leslie:** I am grateful, Mr. Deputy Speaker. I do not wish to stray from the matters before the House today.

It is important that, when we look at the context of the provisions in the many clauses of the Bill and the revenue effect that they have on the Exchequer, we should consider why it is necessary for the Government to start to change the direction of this great oil tanker of state and move away from the old consuming tactics of the previous Administration. Each unemployed person cost £9,000 in benefit and revenue lost to the Exchequer. If we can reduce the number of people unemployed and claiming benefit, and simultaneously reduce social security budgets, we can use the money for more productive elements, such as education and the health service. We can then make provision for better services over the long term.

The fiscal state of the nation is becoming very healthy, thanks to measures in the Budget and the prudent and careful measures drafted and proposed by my right hon. Friend the Chancellor. I am especially glad that provisions in the Budget help to shift from consumption to investment and, more important, to capital infrastructure investment. For example, I should like to see some of the capital infrastructure moneys raised spent on an important scheme in my constituency. The Bingley relief road is an excellent scheme, and it would be very helpful. The new priority of shifting from consumption to investment will, I hope, one of these days mean that resources come the way of my constituency to improve the economy in that way.

We are making sure that we use the nation's finances for capital purposes as a priority. That is what is called the golden rule of borrowing. We do not borrow to consume, but use the nation's resources to invest in more productive things—obtaining assets for the nation and making sure that items of infrastructure can be used for industry and create economic prosperity in the longer term. That is the right course of action. My right hon. Friend the Chancellor has set the ship of state on the right course, and I am pleased to support him.

The Budget and the Finance Bill contain many measures that modernise the tax and benefits system and begin to make work pay. I am pleased to see a number of fiscal policy measures put in place that give people the incentive and motivation to work and eliminate the poverty trap. It no longer makes sense for people to sit at home and claim benefit when there are opportunities for them to work and contribute to society. The Finance Bill plays a strong part in making those proposals a reality.

The Bill also helps to set the framework for economic stability throughout the country, ending the boom and bust years of Conservative administration. It is interesting to note the robust opposition to the Finance Bill put up this afternoon by the Conservatives. They seem to have given way and caved in so soon in the Third Reading debate. It is important to emphasise that boom and bust was not sustainable. It was the wrong policy for the Conservative Government to pursue. It is right for my right hon. Friend the Chancellor to put in place measures to plan for the longer term. We no longer have an economy based on short-term greed and profiteering, which can sometimes arise in companies that do not always take the longer-term interests of the country into account.

When we discussed monetary policy and inflation earlier, we heard about the difficult impact that boardroom excesses of companies such as Yorkshire Water would have on inflation. The company paid a 30 per cent. increase to its directors and a 69 per cent. increase to Kevin Bond, the chief executive. That was an outrageous example to set the nation. I hope that Yorkshire Water will reconsider that payment, given the outrage across all walks of life and the boardrooms of this country. Boardrooms have to recognise that they have a responsibility to play their part in prudent economic policy and control of inflation.

**Mr. Derek Twigg:** There are many tax changes in the Bill. They are designed to encourage people into work and give them an incentive to work. How does my hon. Friend think that that fits with the point that he has just made about pay? Pay is important in ensuring that the measures in the Bill work to regenerate the economy.

**Mr. Leslie:** My hon. Friend is right. The Tories sought to remove the Finance Bill from the wider context of the

*[Mr. Leslie]*

other policy measures that the Government are taking, but those policies are an important component, and a crucial piece of the jigsaw in the Government's overall strategy. By ensuring that work pays by means of, for example, the national minimum wage and other such policies, and that the tax system reflects that strategy, the Government are pursuing the right policy.

Many of the provisions in the Bill relate to the national debt and public sector borrowing. On Report, the Opposition tabled amendments about the definition of national debt. It is important that we examine the state of the country's finances now and in the past, and consider where we would like to take them. The Conservative party left the country with a national debt of hundreds of billions of pounds. That is costing the taxpayer, year on year, £25 billion in interest payments alone. That money could and should be used on vital public services that people like, and on investment.

**Mr. Jim Murphy:** Has my hon. Friend noticed that the hon. Member for Banff and Buchan (Mr. Salmond), the leader of the Scottish National party, who spoke directly before my hon. Friend, has chosen to leave the Chamber?

**Mr. Deputy Speaker:** Order. I am having some difficulty understanding how that relates to the narrow discussion of the Third Reading of the Finance Bill.

**Mr. Murphy:** My hon. Friend and my hon. Friend the Member for Paisley, South (Mr. Alexander) said that they would allude directly to the comments of the hon. Member for Banff and Buchan. He refused to give way to my hon. Friend the Member for Paisley, South, and he has since left.

**Mr. Deputy Speaker:** Order. That is nothing to do with the content of the debate. If there is any matter that is out of order, I hope that the Chair will be equal to it.

**Mr. Leslie:** I am grateful for that guidance, Mr. Deputy Speaker. I hope later to deal with the points made by the absent Member for Banff and Buchan, and perhaps other hon. Members will do so.

I was talking about the national debt, and the £25 billion of interest charges that the taxpayers have to raise year on year just to stand still. That is a great weight and burden hanging around the neck of the public. That £25 billion could have been put to good use if the Conservative Government had not run up such debt by borrowing to finance their policies. They should have followed the policies that are in the Bill, and ought to have abided by a code for fiscal stability by which borrowing is used only to finance investment. From now on, the nation must practise good housekeeping: we must not borrow unnecessarily.

The Bill contains interesting clauses on income tax. I was a member of the Committee that examined the Bill and sat through many hours of Conservative comments and speeches. However, the Opposition did not table many amendments. Conspicuous by its absence was any mention by Conservatives that Labour has kept its promises on income tax, and has not increased the basic rate or the top rate. When people talk about Labour breaking its promises, we must remind them that that is nonsense. Many years ago, Conservatives raised the spectre of a Labour tax bombshell, but people can see from the Bill that a Labour Government can be trusted with the nation's finances. The Government have delivered on the crucial income tax component of Labour's manifesto.

I am glad to say that the Bill provides for a scheme that will greatly benefit the poorest countries in the third world. The scheme is called millennium gift aid. According to the Library, many hundreds of millions of extra aid will be channelled to the third world. In co-operation with the Organisation for Economic Co-operation and Development, and, I think, the United Nations, a list of those countries has been prepared. We must make sure that we use not only monetary donations but donations in kind by the public and businesses to help those who are less fortunate than ourselves.

**Mr. MacShane:** In that context, does my hon. Friend agree that the country felt proud of a Chancellor who took the lead on the international financial stage? Does he also agree that that is in complete contrast to the mean and continuing cuts in overseas aid by the Conservative Government? The Chancellor's song resonated around the world, and at long last Britain could be proud.

**Mr. Leslie:** My hon. Friend is right: it was refreshing to read the Chancellor's comments in the Mauritius mandate. Through the millennium gift aid strategy and by other means, he took great steps to reduce the debt burden in third-world countries. I was pleased to note the Chancellor's generosity in the Bill. When we have the opportunity, we should shout about such achievements.

The Bill contains provisions for savings and investment. The Government are implementing strong policies to encourage saving and to make sure that we continue to provide generous tax relief to TESSAs and PEPs. That will be continued in a broader savings vehicle, the individual savings account, which will contain a wider variety of products.

**Mr. Love:** Does my hon. Friend agree that it was outrageous that, before Labour came to power, more than half our people had no savings, and that the previous Government did nothing to change that?

**Mr. Leslie:** That important point needs to be underlined. Encouragement for people to make pension provision has been lamentable. The Conservatives did nothing about that, and the spectre of unfunded pension liability grew year by year. They made no provision for people who had not been encouraged to save.

Thankfully, the Government's policies go a long way towards making savings more accessible, through a wider range of vehicles, and also more understandable. For example, there are welcome plans to make ISAs available in supermarkets and at other public interfaces. Ordinary people, not just those who can understand the fine print of TESSAs and PEPs, unit trusts and open-ended investment companies, will be able to save. It is a pity that there are not more OEICs.

**Mr. Derek Twigg:** My hon. Friend deals with an important part of the Bill. We have been accused of

making U-turns. Does he agree that we engaged in extensive consultation on savings and listened to people, and that the Opposition criticised us for doing so?

**Mr. Leslie:** That is correct—you're damned if you do and damned if you don't. Many people are cynical about politics, and that arises from the fact that 18 years of so-called consultations were completely hollow. The previous Government made up their mind before they consulted. They went through the motions and engaged in a mechanistic process every other day. It is refreshing that this Government listen to responses, reflect on them and incorporate them in their policies. The principles of ISAs have been carried through, and the detail reflects the views of those who responded to consultation. The Bill goes a long way towards making ISAs a reality.

There has been discussion of inheritance tax and historic buildings. In Committee, Conservative Members sought in their old traditional way to defend the rights and privileges of the wealthy elite. They tabled amendments to preserve a loophole in the law that gave such people unnecessary benefits and denied the wider public access to objets d'art.

The hon. Member for Guildford (Mr. St. Aubyn), who is not in his place, spoke about his contribution to the nation's history. He asked hon. Members to consider what a great philanthropic soul he was. He said that he opened his house, and that letting people "traipse" through the drawing room showed that "one was egalitarian".

**Mr. Deputy Speaker :** Order. The hon. Gentleman is drifting.

**Mr. Leslie:** I may be drifting, but the point I was seeking to make was the lack of reality forthcoming from the Opposition during the debate on the Bill in Standing Committee.

**Sir Robert Smith:** While the hon. Gentleman is on that issue of the Bill, does he recognise that, while there might be concerns to tighten loopholes, any legislation must be careful not to be retrospective? If someone has entered into an agreement with the state to do something in return for a tax concession, to revisit it could be considered retrospective. The matter must be carefully considered, case by case and on its merits. We must ensure that abuses do not arise, but we must recognise that there are genuine individuals who have a contract with the state, which should not be abused.

**Mr. Leslie** *rose—*

**Dr. Palmer:** Will my hon. Friend give way on that point?

**Mr. Leslie:** May I pursue the line of argument?

This is not a private business agreement. This is the Government making decisions in the best interests of the overall economy. It is perfectly within the remit of the public sector and the Government to look at the varied effects of taxation, making sure that the best, most efficient and most effective deal can be got for the taxpayer. Clearly, throughout the passage of the Bill, the Liberal Democrats, making pledge after pledge and spending commitment after spending commitment, never understood that they needed to raise some money to subsidise their giveaway bonanza.

**Dr. Palmer:** Does not my hon. Friend agree that the Opposition are stretching the concept of retrospective taxation when they talk in those terms, because, on that basis, one could say that any Member of Parliament should be able to object if the taxation rate on the salary that we had been led to expect were to be different after a year or two? Surely that would be unreasonable. Any financial arrangement that one may make with one's employer is on the understanding that external events, such as inflation under a Conservative Government, higher taxation under the Conservative Government or other events in government or outside, could affect it.

**Mr. Deputy Speaker:** Order. The hon. Gentleman is abusing the terms of the Third Reading debate, wide though they may be. As he has only just come into the Chamber, perhaps he should take the temperature first. Mr. Christopher Leslie.

**Mr. Leslie:** Thank you, Mr. Deputy Speaker. The comments of my hon. Friend the Member for Broxtowe (Dr. Palmer) speak for themselves, and strongly bat down the ridiculous comments of the hon. Member for West Aberdeenshire and Kincardine (Sir R. Smith).

**Sir Robert Smith:** Will the hon. Gentleman give way?

**Mr. Leslie:** Well, just this once.

**Sir Robert Smith:** The hon. Member for Broxtowe (Dr. Palmer) talked about events in the future, whereas I was talking about revisiting agreements that had already been entered into, where the state should tread carefully on the precedent that it sets on how it will behave in future. Agreements depend on both sides honouring them.

**Mr. Leslie** *rose—*

**Mr. Deputy Speaker:** Order. Perhaps the hon. Gentleman will revisit the Bill.

**Mr. Leslie:** The Bill did indeed tread carefully, as the hon. Member for West Aberdeenshire and Kincardine suggests we should, in relation to this measure. It trod a steady course in ensuring that provisions were fair and equitable, in the spirit of the Government standing up for the many, not the few.

**Mr. Love:** I echo that sentiment. When the intervention took place, my hon. Friend was talking about conditional access agreements. Does he agree that those had fallen into disrepute, to such an extent that the signatories to the agreements did not need to make access available to the public? Therefore, any talk of retrospection is an argument against honourable change.

**Mr. Leslie:** Absolutely—an honourable change indeed. In fact, a Channel 4 programme, "The Mark Thomas Comedy Product", highlighted the abuse practised by some people exploiting this loophole in the law. The Bill

*[Mr. Leslie]*

has now tidied up the loophole. It is good to see yet again the Government responding to the concerns of a variety of people, including comedians.

I want to look at other clauses of the Bill, in particular other tax—

**Mr. Barry Gardiner** (Brent, North): Before my hon. Friend moves on from that point, we had an important discussion during the Committee stage of the Bill, and I want to pick up the challenge that the hon. Member for West Aberdeenshire and Kincardine (Sir R. Smith) has issued on retrospection. Clearly it is one thing for parties to a contract unilaterally to change that contract. It is another thing for the Government of the day to say that they will give certain reliefs to people who engage in certain behaviour, but it is, of course, always open to Government to say that that relief, or relief in that form, will no longer be available—

**Mr. Deputy Speaker:** Order. This is not an intervention on the speech by the hon. Member for West Aberdeenshire and Kincardine (Sir R. Smith). It is the hon. Member for Shipley (Mr. Leslie) who is speaking at present. That is far too long. Mr. Christopher Leslie.

**Mr. Leslie:** Thank you, Mr. Deputy Speaker. I think that the point made by my hon. Friend the Member for Brent, North (Mr. Gardiner) was enlightening and useful for me. I should be interested to hear his contribution later in the evening.

We have referred to the hon. Member for Guildford and his drawing rooms, and perhaps Fallon and his salons, but the clause that closes the loophole for heritage buildings, and other abuses on historic objets d'art throughout the country that enjoy tax relief, is an important measure that will be met with wide public acclaim—almost delight.

The foreign earnings deduction is one of the tax loopholes closed by the Bill. Throughout the Standing Committee, the Opposition made much play of the fact that somehow that is a great injustice. I cannot see how the deduction is fair for the good taxpayers of this country—the taxpayers who work day in, day out, paying their income tax and national insurance through pay-as-you-earn and other facilities. Why should they pay their taxes in full when so many people have the opportunity to exploit that deduction, by means of which they pay no tax in this country, and often no tax in the country where they work?

I cannot understand why the Opposition feel that this is a great rallying cry with which to go into the next election. We have a loophole whereby the super-rich have been exploiting the previous Government's wholly inadequate financial regulations by not paying any tax in this country. They remain residents, and are happy to call themselves British citizens, but they do not contribute to this country's public services. That is the important thing.

I do not mind paying my taxes. I can see the connection when I pay my tax, with the money going into the health service, schools, transport networks, and many other beneficial public services such as housing and social services. People need to recognise that it is not fair for those people to earn sometimes many millions of pounds yet pay no tax, so that the burden lies on the shoulders of the rest of us who live and work in this country.

**Mr. Love:** Does my hon. Friend agree that all the concern expressed by Opposition Members during discussion of this issue about charity workers and others whom they would consider to be badly paid employees working abroad, does not square well with the excess £80,000 limit? As that can be doubled over two tax years, people living in this country can earn more than £160,000 tax free.

**Mr. Leslie:** Indeed. I have made a point about the revenue that we can gain by closing the loophole—£300 million will be raised by closing that loophole alone. I ask hon. Members to reflect on the uses to which that sum might be put in their constituencies, and the public service benefit that could be gained by removing the exploitation made possible by that loophole.

**Mr. Derek Twigg:** My hon. Friend has so far made an excellent speech. The specific point that he was making was on the overseas foreign earnings deduction. Had the Opposition's amendments on the matter been passed without any explanation about where the revenue would be raised, would they not have created a black hole in the Finance Bill?

**Mr. Leslie:** That has been the central focus of my work on the Finance Bill. Although Opposition Members may have thought that Government Members were not speaking to the Bill as much as we should have done, I was taking very careful notes on every one of the amendments that they tabled, to determine the possible effect on the Exchequer's revenue if they got their way in the Bill. I shall deal with that point a little later in my speech.

**Mr. Deputy Speaker:** Order. I should tell the hon. Gentleman that he may discuss only what is in the Bill, not what might have been in it.

**Mr. Leslie:** I am very grateful for that guidance, Mr. Deputy Speaker, and shall ensure that I bear it very much in mind throughout my speech.

**Mr. Jim Murphy:** I have been listening with some interest to my hon. Friend. I wonder whether, in Committee, much consideration was given to some prominent individuals in the United Kingdom, such as Baron Vestey, who in one year paid only £10 on profits of £2.3 million? It is a very uncomfortable situation for a Baron in another place to be able to act in such a manner. May I encourage my hon. Friend to investigate—if not today, then in future consideration of financial regulations—that very issue?

**Mr. Leslie:** The issue is very important. Closing such loopholes and ending exploitation of tax regulations by the rich and their accountants—who manage to examine the small print in all financial regulations—has been a success of the Government's approach to the issue. It is a pity that the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) is not in the Chamber. My hon. Friend the Member for Croydon, Central (Mr. Davies)

was very successful in comparing the accountancy profession with the bean-counting trade. Although I would never want to draw such a comparison, perhaps my hon. Friend will do so again later in this debate.

Although it is small, clause 116 demonstrates the Government's open-government attitude—which has itself ensured that, even in the hallowed halls of the Treasury and the Inland Revenue, Labour has been making provisions to fling open the doors, clear out the cobwebs and open up those institutions to the wider public, so that there can be better information about taxes and revenue.

**Mr. Derek Twigg:** It is the people's Treasury.

**Mr. Leslie:** Yes.

Clause 116 provides for people to claim tax relief from the Inland Revenue by telephone. Taxpayers across the country—including me—who are sometimes confused by their tax affairs, will now be able to pick up a telephone, speak to a friendly tax officer, explain their predicament, and, I hope, receive a very simple and common-sense solution. The facility will be available very shortly to most of the public.

A pilot study—which the Bill provides should begin in Scotland—of telephone claims will be conducted for the Inland Revenue.

**Ms Helen Southworth** (Warrington, South): Does my hon. Friend agree that enabling claims to be made by telephone is one of the many measures that the Government are considering and starting to implement to reduce the burden on industry and business, and that reducing that burden is very important to industry and business? Does it not also once again demonstrate that the Government are not only listening but taking action?

**Mr. Leslie:** That is right. One thing that businesses in my constituency complain about most to me is the endless number of hours they have to spend writing letters and filling forms, simply to run their business. Although we heard much from the previous Government about deregulation and cutting bureaucracy and red tape, they never did much about it. In a small but significant way, this Government are showing in clause 116 how we can cut red tape, and that, instead of having to write a letter, it is possible to pick up a telephone, call the Inland Revenue and begin to make a claim.

One reason for locating the pilot study call centres in Scotland is that the Scots have a friendly, trustworthy accent. Across the country, focus groups and opinion polls on developing call centres have shown that the Yorkshire accent is also considered to be a very trustworthy, prudent and commendable one. I suggest to Ministers that, if they want to extend the pilot study to other areas, they should perhaps consider locating one call centre in Yorkshire—perhaps in my own constituency of Shipley, where we have many Inland Revenue employees and very large Inland Revenue offices. A centre would be more than welcome, and I am sure that it would be a very successful venture.

The Finance Bill contained many other measures—not all of which I seek to speak to, of course. However, the provisions on landfill tax have to be mentioned. The tax was introduced by the previous Government, yet it has required some of this Government's attention. Recently, under the ten-minute rule, I introduced the Drinks Container (Redemption) Bill, which would reduce landfill across the country. I hope that that Bill is successful. However, I am pleased to see that the Finance Bill makes provision to ensure that landfill is not an easy option.

I have several quarries in my constituency—such as Manywells—that have been used for landfill, and have caused great concern to local residents. Currently, a planning application to establish another quarry in my constituency—at Buck Park quarry, in Denholme—is pending. Residents in Denholme—where I recently attended a residents' meeting—are very concerned that the site will be approved for landfill, simply because, as a nation, we throw away too much refuse and do not recycle as much as possible.

We should be encouraging people—actually providing them with incentives—to recycle, while simultaneously moving waste management strategy from use of landfill sites towards a better solution. I am pleased that the Bill makes such positive provisions to deal with landfill.

**Mr. Love:** Does my hon. Friend agree that, for the environmental reasons he has outlined, there is increasing resistance among our rural communities—which are represented mainly by Opposition Members—to increased use of landfill? Does he also agree that the landfill tax is one signal that the Government can use to try to deal with the problem?

**Mr. Leslie:** My hon. Friend is quite right. However, not many Opposition Members represent rural communities; Labour Members represent most of them. We are the ones who will have to consider those issues.

I conclude by contrasting the strategy chosen by Ministers in piloting the Finance Bill through the House with the amendments tabled and proposals made by the Opposition, and with the effects that those amendments and proposals would have on the nation's finances if they were ever to be implemented in future Finance Bills. I hope that they do not, which is why we need to give the Bill a Third Reading.

The Conservative party tabled many amendments, which involved a total of £5.9 billion—

**Mr. Deputy Speaker:** Order. I have already told the hon. Gentleman what he can and cannot do, but he may just have forgotten.

**Mr. Leslie:** No, I had not forgotten, but I accept your guidance, Mr. Deputy Speaker.

I was trying to contrast the Government's strategy as outlined in the Bill, which is to secure this country's financial and fiscal base and to make sure that sufficient revenues are raised and that fiscal tightening—

**Mr. Deputy Speaker:** Order. Perhaps I can help the hon. Gentleman further. On Second Reading it is possible to talk about what is not in the Bill as well as what is in it; on Third Reading it is permissible to talk only about what is in the Bill.

**Mr. Leslie:** Indeed. What is in the Bill is the strategy to secure the fiscal situation, a strategy that would not have been adopted by the Conservatives or the Liberal

*[Mr. Leslie]*

Democrats. The Liberal Democrat party proposed amendments that would have cost £17.5 billion, and the Conservative party's proposals totalled £5.9 billion. Both parties left a black hole in their budgets. We do not know where they thought they were going to get the money from, and how they were going to pay for their commitments. I hope that my hon. Friends will tackle that important matter.

6.30 pm

**Mr. Edward Davey** (Kingston and Surbiton): I am sure that members of the public sitting in the Gallery will be astonished by this debate, as they may not be used to the filibustering tactics sometimes in evidence in the House. The hon. Member for Shipley (Mr. Leslie) was clearly filibustering, although the occupant of the Chair did give some rulings about what is and what is not in order in a Third Reading debate. You, Mr. Deputy Speaker, have shown significant flexibility and tolerance to the hon. Members who have spoken so far.

I shall refer specifically to an issue that was not debated fully in Committee—partly, I understand, because of a misunderstanding between the Whips at a late hour. It could not be debated on Report, because the relevant amendment to which I would have liked to speak—amendment No. 43—could not be selected. It is a key issue that the Bill does not cover properly. It relates to the proposals on insurance premium tax.

The Bill contains some measures—

**Mr. Deputy Speaker:** Order. Amendment No. 43 was outside the scope of the Bill, which is why it was not selected. I have to tell the hon. Gentleman, just as I told the hon. Member for Shipley (Mr. Leslie), that he must now talk principally about what is in the Bill. There is some latitude, but that is where the focus must be.

**Mr. Davey:** Thank you, Mr. Deputy Speaker. That is why I want to raise the issue on Third Reading. The Bill tries to deal with what are called selective rates for insurance premium tax, but it does not do so properly. It is important that the House should recognise that, because the Bill's failings in this respect mean that the House should not give it a Third Reading.

The matter was brought to the attention of the House by the hon. Member for Galloway and Upper Nithsdale (Mr. Morgan) on 27 January. His points were not answered properly in that Adjournment debate, although he made them succinctly and they could have been dealt with more effectively.

For some time now, there has been disquiet about the effects of the higher rate of insurance premium tax introduced by the previous Government in the Finance Act 1997.

**Mrs. Liddell:** On a point of order, Mr. Deputy Speaker. The hon. Gentleman is speaking about insurance premium tax. This afternoon, an amendment relating to IPT, which had been tabled by his colleagues, appeared on the amendment paper, yet at no point did they seek to move or speak to it. Is it appropriate for the hon. Gentleman to debate the matter now when he did not do so then?

**Mr. Deputy Speaker:** That is not a point of order for the Chair. I have already given a ruling to the hon. Member for Kingston and Surbiton (Mr. Davey), and I shall be listening carefully to see that he sticks to it.

**Mr. Davey:** Thank you, Mr. Deputy Speaker.

The higher rate was introduced to tackle alleged avoidance of value added tax in the form of "value shifting" on a few goods and services relating to the travel, domestic appliance and motor vehicle industries. Many people feel that the case for this particular anti-avoidance legislation, which is referred to in the Bill, was never properly made, and that at the very least the previous Government were taking a sledgehammer to crack a nut. As the Financial Secretary herself asked on 6 February 1997:

"Why have the Government taken a broad-brush approach that is likely to catch innocent commercial interests?"—[*Official Report, Standing Committee B*, 6 February 1997; c. 177.]

Whether or not there was avoidance in the form of value shifting that needed to be tackled, there is no doubt about the damaging effect of the selective higher rate of insurance premium tax introduced by the previous Government. By distorting competition between direct insurers and retail companies that also provide insurance, it has hit several sectors very badly, not only hurting commercial concerns but reducing good consumer protection practices. Indeed, the Government admitted as much in the Budget, but with respect to the travel industry alone.

In clause 144 the Government have chosen to level up the rate of insurance premium tax for all travel insurance, recognising the distortion to trade that the selective rate had caused. My contention is that the Government should have considered the other sectors affected by this selective tax—the domestic appliance and motor vehicle sectors—using the same rationale that convinced the Financial Secretary to review the impact on the travel industry, as she has done in clause 144. I believe that European Union law may soon force the Government to address the problem, whether they like it or not.

**Dawn Primarolo:** If this issue is so important to Liberal Democrat Members, why were they not here this afternoon to move the relevant amendment?

**Mr. Davey:** As I have already explained, I was disappointed to learn that amendment No. 43 was out of order. That is why I am now raising the wider issues involved.

The recent victory of Lunn Poly against the original introduction of the selective premium tax is especially germane to my point. The European Court found that the higher rate of IPT was incompatible with Community law to the extent that it constituted state aid under article 92(1) of the relevant EC treaty, and that the United Kingdom Government had not notified the Commission of that as they were supposed to.

As the Financial Secretary told the Standing Committee, Customs and Excise is appealing against that decision. It asserts that it has no implications outside the

travel industry, but many people outside the House do not share that opinion. Indeed, hon. Members may be interested to hear that the European Commission itself is not sure of the legality of the remaining selective rates. In answer to a question from the Liberal Democrat Member of the European Parliament, Graham Watson, Commissioner Monti said on 8 June:

"the Commission has been in contact with the British authorities and is still assessing the compatibility of a selective IPT with Article 92".

Although the Minister may not wish to comment in detail on the matter because it is sub judice, I hope that she will at least admit to the House that the European dimension is a factor that will have to be considered in any review of the remaining selective rates, in addition to issues of fair competition. It is to those issues that I now turn, as they are especially germane to the Bill.

When the Financial Secretary replied to the debate initiated by the hon. Member for Galloway and Upper Nithsdale on 27 January, she did not reply to a large number of the substantive points that he made about the effect of the tax on the electrical retail industry and the motor retail industry. She was expansive in respect of the travel industry, and we can perhaps now see why, but I should like to draw her attention and that of the House back to the other affected sectors.

The first is the electrical retail sector. There is a great deal of evidence to suggest that the value shifting that Customs and Excise suspects has been taking place in the sector has not been happening, and that the tax is therefore not necessary. Some of the evidence was cited by the Financial Secretary herself in a debate on the Finance Act 1997. Other evidence was put forward by the hon. Member for Galloway and Upper Nithsdale in his debate: he quoted the report of the Monopolies and Mergers Commission on the supply of domestic electrical goods, which is directly relevant, as it argues that, far from reducing the price of electrical retail goods, companies have been keeping prices artificially high.

The Government cannot have it both ways. Either prices are being kept low to avoid tax, with value being shifted on to related insurance policies to avoid VAT, or prices are being kept high, as the President of the Board of Trade seems to accept.

The Government collectively seem confused on the issue, but the result of that confusion as regards insurance premium tax is serious damage to United Kingdom companies in terms of lost business and lost jobs. Last year, the Financial Secretary herself cited the examples of Thorn and Granada, which, between them, have lost an estimated £20 million and around 800 jobs across the country.

Ironically, the compliance costs to the sector have been exceedingly high. High-street television rental companies were forced to write to all customers explaining the change and to produce new contracts for customers wishing to renew. That exercise cost around £1 million, and the firms lost business. As a result, many electrical products are now sold without insurance cover. That diminishes the protection to the consumer, who may or may not go to a direct insurer. Of course, direct insurers are keen to step into the breach and are marketing themselves strongly to gain the business. However, many consumers will not have the same protection as before.

The Association of British Insurers has issued a general information sheet encouraging customers to buy insurance from direct insurers, as opposed to one-stop shopping. It poses the following question:

"So how can I avoid paying the higher rate of IPT?"

The response makes clear the intentions of the industry:

"By not buying your insurance from the same place you buy your domestic appliance".

What greater evidence does Customs and Excise need of how the higher rates of insurance premium tax are distorting the market? What right does Customs and Excise have to do that? I hope that the Minister will examine the way in which officials looked at the case of the high-street electrical sector, as she was prepared to do for the travel industry. It has been unfair and almost vendetta-like.

**Mr. Alasdair Morgan** (Galloway and Upper Nithsdale): Does the hon. Gentleman agree that many people outside the House who listened to Labour in opposition might have expected more from this year's Finance Bill? Unfortunately, it is yet another example of Labour saying one thing in opposition and doing something else in government.

**Mr. Davey:** I am grateful to the hon. Gentleman for that intervention. He makes a telling point. However, the Government deserve some credit, as they have made some progress on the travel industry. We should not be churlish, as we welcome that. Unfortunately, however, they have missed two major sectors, and that is causing great problems.

The second sector that the Government have failed to address is the motor vehicle retail sector, to which similar arguments about the problems of unfair competition and reduced consumer protection apply as a result of the failings of the Bill. I want to highlight consumer protection, as that aspect is particularly worrying.

As a result of its insurance policies attracting the higher rate of tax, as much as 50 per cent. of the motor vehicle retail industry has switched from issuing insurance policies to issuing warranties with its cars. The significance for consumer protection of that trend can best be appreciated if we examine the distinction between an insurance policy and a warranty. In essence, a warranty is an undertaking by the seller as to the condition of the property, and an undertaking that future deterioration of that condition will not arise. On the other hand, an insurance contract indemnifies the insured against loss or liability if and when such deterioration occurs. So the cover is different. A warranty is less attractive because it is not usually provided by a third party. If the seller goes broke, the warranty becomes useless. The consumer is protected only in so far as his or her supplier does not go bankrupt.

**Dawn Primarolo:** I am perplexed by the hon. Gentleman's concern about this subject. Will he say when he raised it in Committee and where were the relevant amendments? Third Reading is not the appropriate time to raise the issue. I do not remember his mentioning it in

*[Dawn Primarolo]*

Committee, and no amendment is mentioned in *Hansard*. Nor was the hon. Gentleman here to move his amendment earlier today.

**Mr. Davey:** The Financial Secretary may recall that the clause in question was debated very late at night when the Whips failed to make a proper agreement, so the argument remains germane and it is important that it is heard.

**Dawn Primarolo:** Is the hon. Gentleman saying that the issue is extremely important to his party except when he needs sleep or cannot get here in time for a debate?

**Mr. Davey:** The Minister does not seem to want us to raise the matter, and that is unfortunate. She was happy to raise it when she was in opposition, but now that her party is in government she does not want to hear about it. The hypocrisy is on her side for not addressing the issues now that she is in power.

The move away from insurance policies to warranties by many motor vehicle retailers—driven by this selective rate of tax—is seriously reducing consumer protection in this country. If the Minister is concerned about the state of the country's finances, she ought to listen. The Exchequer may lose even more money than it did from any previous tax avoidance—if such avoidance was occurring—because of the shift to warranties which fall outside the tax base. How ludicrous it is to have an anti-avoidance measure that reduces the revenue to the Treasury and exposes the ordinary citizen to greater risk.

So what is the solution? I believe that levelling down to 4 per cent. is the best solution, mainly because I do not believe that there should be any selectivity in principle.

**Mrs. Liddell:** Will the hon. Gentleman give way?

**Mr. Davey:** I have given way several times and I am now coming to the end of my speech.

**Mrs. Liddell** *rose—*

**Mr. Davey:** I am not giving way—*[Interruption.]*

**Mr. Deputy Speaker:** Order. We cannot have barracking from the Government Benches. The hon. Gentleman is entitled to be heard.

**Mr. Davey:** I believe that levelling down would be the best approach and that, in practice, such a reduction, by ending the switch to warranties, would net more revenue for the Exchequer, for the reasons that I have outlined.

I hope that the Financial Secretary will address the points that I have raised. She seems to think that it was somehow illegitimate to raise them, but they are extremely important because they affect jobs and businesses outside the House. Whether the Government like it or not, they must address the issues, and I hope that they will have the courtesy to do so tonight.

6.47 pm

**Mr. MacShane:** It is a pleasure to speak in tonight's Third Reading debate. For four years, I served on the Standing Committee considering the Finance Bill. In my view, it is the most interesting Standing Committee on which to serve because taxation represents the contract between the citizen and the state: it defines the relationship between the two and reaches into every corner of our existence. I regret that I have had to serve elsewhere for the last year, but no doubt one day my right hon. Friend the Prime Minister will release me from those duties, unpaid and unimportant as they are, so that I can return to my first love—tax and the Standing Committee.

I pay tribute first to my right hon. Friend the Chancellor, who has shown himself to be a fiscal Clausewitz. Clausewitz was the man who advised Napoleon at Austerlitz and then told him not to go to Moscow, but the French do not always take good German advice. Clausewitz believed in the concentration of forces. The Budget is the first in many years to focus hard on the key problems of the economy.

I should like to pay tribute to two personal friends—my hon. Friends the Financial Secretary and the Economic Secretary. Remarkably, having take a 450-page Bill through late-night sittings—we have heard from the hon. Member for Kingston and Surbiton (Mr. Davey) that the Liberal Democrats are the Horlicks party; once it gets late, off they go to bed—my two hon. Friends, unlike many of their fellow Ministers, appear, at the end of their dreadfully busy first year, to be younger than ever. That shows that Tory replacement therapy works. I look forward to many years of service from them on the Front Bench, and to their getting younger year by year.

The hon. Member for Kingston and Surbiton spoke eloquently and in some detail. He was not present in Committee to vote against the clause to which he was referring, and was not here earlier to move his amendment. No doubt he was taking his Horlicks somewhere else. He is wrong on his narrow point about insurance premium tax. It used to be said before the last election that the Conservatives were the party of garage owners—I think that they were described as the garagiste tendency. The hon. Gentleman is speaking up for the garage owners of Britain because they cannot make a little extra on selling insurance. He should also explain whether he is now representing Dixons, because he was doing valiant battle for electrical retailers. That is all the more interesting, given that Sir Stanley Kalms, the boss of Dixons, is leading some ludicrous anti-European crusade. There we have the Liberal Democrats—all things to all men.

**Mr. Davey:** The hon. Gentleman clearly was not listening to a word I was saying. I was speaking up for the ordinary consumer, who will lose out because of selective higher rates of insurance premium tax. The hon. Gentleman should be worried about that, because I am talking about his constituents.

**Mr. MacShane:** The ordinary consumer—or those who shop in Dixons—would be better served by a boss of Dixons who cut his prices rather than spending all his money on a crusade against Europe. We have had enough from the Davey lamp for the time being. There is very little illumination from that source.

I should like to focus briefly on how the Budget has affected my constituents. Rotherham is a great manufacturing centre. It still has Europe's biggest and most productive engineering steel plant. New firms are being created there. During the years in which I had the honour to serve the people of Rotherham before the last election, I often heard their demand for stability in the economy. We talk about the Tory 18 years or 19 years or whatever it was, but even before then my constituents suffered on an endless rollercoaster of inflation rates, interest rates and, of particular importance to my constituency, exchange rates.

The former Chancellor popped in for a brief chat—I see that his would-be successor, the right hon. Member for Wokingham (Mr. Redwood) has just appeared on the Front Bench. It is good to see him taking some time off from his new outside earnings. The Benches behind him are empty, because the Conservatives have given up on opposition. I thought that the constitutional duty of the Opposition was to oppose.

**Mr. Deputy Speaker:** Order. The hon. Gentleman is indulging in a great deal of embroidery. He should come back to the Third Reading of the Finance Bill.

**Mr. MacShane:** I do not want to plunge into the outside earnings of the Conservative party, Mr. Deputy Speaker.

Steel exporters had problems because between May 1990 and May 1997, the exchange rate of sterling against the deutschmark changed no fewer than 87 times. No exporter or manufacturer buying goods from the continent could live with that endless change. I know that the cliché "boom and bust" irritates the Conservatives, but I am happy to repeat it, because an awful lot of mud has to be thrown against a wall—even the empty wall opposite me—before it begins to stick. My right hon. Friend the Chancellor is searching for stability. I hope that he keeps to that aim.

There were disappointments for me in the Budget. I am a great believer in employee share ownership. I took a delegation to see my right hon. Friend and had an interesting meeting on the subject. There was nothing in the Budget on that, but I hope that the Government may come back to it. We must spread the fruits of people's work not just in wages, but in their share in the company for which they work.

The search for stability is an obsession of the Treasury Front Bench. I admire that. It contrasts with the flippant ups and downs of Budgets that I scrutinised as an Opposition member of Standing Committees considering previous Finance Bills. The Budgets of the previous Chancellor were like a Christmas tree—I think that that was the metaphor of the hon. Member for Gordon (Mr. Bruce)—decorated with all sorts of funny baubles in an attempt to attract votes here, there and everywhere. The British people saw through that meretricious dishonesty and kicked him out. Since then, the Opposition have had considerable difficulty in deciding on their strategy. They have removed one shadow Chancellor, but we are still waiting for some impact from his successor.

**Mr. Deputy Speaker:** Order. I am still waiting for the hon. Gentleman to come back to the Third Reading of the Finance Bill.

**Mr. MacShane:** I am particularly impressed by the Bill's step-by-step approach. Making work pay affects my constituents more than any other issue. Achieving that at the marginal rates of tax that we inherited from the Conservative party proved all but impossible. The Chancellor's two Budgets have shifted the burden of taxation, so that work is subject to less tax, and unearned income and capital takes a fairer share. The working families tax credit is a move towards lifting the burden of taxation from the lower-paid. In 1950, a married worker with two children had to earn 107 per cent. of average industrial earnings—about £20,000 in today's money—before he paid any tax; and we wonder why the Attlee Government were so popular. Until the end of the 1960s, the state took 30 or 35 per cent. of gross domestic product in tax. My right hon. Friend the Chancellor is taking us back to the golden years of stability, employment, growth and investment.

**Ms Sally Keeble** (Northampton, North): Will my hon. Friend give way?

**Mr. MacShane:** My hon. Friend must be quick; I want to sit down.

**Ms Keeble:** My hon. Friend has raised the point about making work pay. Does he agree that the £10 extra that the combined effects of the Finance Bill put into every average family's pocket in my constituency as a result of changes in tax structures will be extremely welcome, and is in complete contrast to the figures that Conservative Members have bandied about?

**Mr. MacShane:** The Conservative party was the party of the rich. Labour is the party of middle England and working England, Scotland, Wales and Northern Ireland—people who seek to earn an honest living and to amass savings that guarantee their future.

The step-by-step approach is sometimes so silent that one does not detect it happening. My right hon. Friend the Chancellor is a sort of stealth bomber, coming quietly over the horizon, taking as much money as is necessary, but not too much, and dropping his bombs on the irrelevant Opposition. I wish him well. I know that the Budget was welcomed by the business community, working families and the poor of my constituency.

**Mr. Gardiner:** Will my hon. Friend give way?

**Mr. MacShane:** If I may, I should like to finish. *[Interruption.]* Well, I could carry on. I wish the Finance Bill a handsome and solid majority on Third Reading.

7 pm

**Mr. Malcolm Chisholm** (Edinburgh, North and Leith): As someone who served on several Committees that examined Finance Bills in the previous Parliament, it gives me great pleasure and pride to speak about this Bill, which is in such marked contrast to the Bills that we opposed over those years—contrary to the view given by the hon. Member for Banff and Buchan (Mr. Salmond), who has unfortunately fled the Chamber and the truth. Hon. Members who do not represent Scottish constituencies will not know that the Scottish National party's calculated core message is that Labour is the same as the Tories. That is arrant and demonstrable rubbish in the context of this Bill and, indeed, of other policies.

*[Mr. Malcolm Chisholm]*

The primary objectives of the Government's economic policy, as seen in the Budget and the Finance Bill, are to raise the economy's sustainable rate of growth and to fight against poverty and social exclusion. They are the exact opposite to the objectives of the previous Government, who increased inequality over 18 years, and for many of those years, used unemployment as a deliberate instrument of policy.

Throughout proceedings on the Bill, we have heard opportunistic carping on particular aspects of Government policy from both the SNP and the official Opposition. Some of those aspects are the unavoidable short-term results of correct long-term policies. We have never heard from either party any coherent alternative economic strategy. Throughout the economic debates this week, the Conservative party has also attempted to rewrite or, rather, airbrush history to try to persuade people that everything that happened before 1 May 1997 is irrelevant. That is economic illiteracy.

The context of the Finance Bill is the inheritance of the previous Government. The salient features of that inheritance were a lack of stability and economic credibility and a serious structural Budget deficit, which the previous Government failed to address, in spite of 22 tax rises in their last Parliament. On top of that, we inherited problems of inflationary bottlenecks due to underinvestment and chronic shortages in human capital. There was a major productivity gap between ourselves and our main competitors. We inherited, too, the well-known fact that one in five families were without anyone in work. Those are the problems that the Finance Bill and the two Budgets have begun to address. Clearly, such problems cannot be turned around in a day, a month or a even a year.

The Government are concerned to do three things: deliver macro-economic stability, tackle supply-side barriers to growth and promote economic and employment opportunities for all. I know that some of my colleagues who are impatient for more rapid change find the objective of macro-economic stability rather boring. It is very easy for the SNP and others to say that it is a Tory objective. It is also difficult to communicate some of the complex economic policies to the public at large. It must therefore be made clear time and again that delivering macro-economic stability is a means to an end. It is a necessary precondition for all the other objectives of growth and employment.

There are many reasons for achieving macro-economic stability. One of great importance is that, without it, there is the threat of a return to boom and bust and, therefore, a disincentive for employers and others to invest. Investment is very much at the heart of what this Government are all about. That is why pension fund arrangements were changed in the first Budget last summer. We heard opportunistic carping about that, too—certainly from the Conservative party. The policy's clear purpose was to increase investment in the economy.

Many other policies in the Finance Bill are directed towards the same end. We have a new rate of corporation tax, there have been changes to the capital gains tax regime and we have seen innovations such as the university challenge fund. Those are very important supply-side measures to deal with underinvestment. The Finance Bill also contains measures on training. The flagship welfare-to-work policy was introduced in the first Budget.

We must tell people that these are the objectives of Government policy; that this is what we are trying to achieve. By delivering macro-economic stability and tackling supply-side barriers to growth, we shall be able to raise growth. All that is a necessary precondition to our social objectives, on which we have already made significant progress. Most important, the working families tax credit, with its radical, innovative child care element, which we used to talk about endlessly in opposition and are beginning to deliver in government, clearly opens up employment opportunities and the rewards of employment to a much wider range of people.

Other policies in the Bill include changes in national insurance contributions, which act as an important incentive to employers to take on employees who earn up to £440 a week. There is a range of measures to make economic and employment opportunities more widely available. That is at the heart of the Government's strategy for tackling poverty and social exclusion in our society. When people say, as they sometimes do, "Why do you put emphasis on stability? Why don't you just get ahead and do something about poverty, unemployment and social exclusion?" it is important to explain that they are two sides of the same coin. That should be the core message that we try to get across.

Stability is not just about monetary policy—although that has been very important, and was dealt with in the separate Bank of England Bill. The purpose of that Bill should be explained, too. One of the reasons why the previous Government lacked any credibility was that they used interest rate policy politically. That was one of the problems that we inherited. They refused to put up interest rates before the election for political reasons, so inflation was heading for 4 per cent. and above. We had to address that problem; that is why interest rates have had to go up. The hon. Member for Banff and Buchan said that we were doing the same as the Tories. We are not; they tried to tackle inflation, but did not succeed. Their phoney monetary indicators in the early 1980s were not successful in dealing with inflation. We shall be successful. That is one side of the coin. It is, perhaps, more exciting to talk about the other side of the coin—the work opportunities and the attack on poverty—but without the precondition of stability, we shall not achieve those aims.

The same is true of fiscal policy, and I welcome the code for fiscal stability in the Finance Bill. As the Chancellor's public expenditure statement in June made clear, that fiscal framework does not mean that we are unable to deliver significant increases in public expenditure. I understand those who want a big bang approach to public expenditure—perhaps Liberal Democrats come into that category—but there is no point in having a big bang approach that cannot be sustained. Within the rules set out by the Chancellor, which were in our manifesto, we are able to achieve a real growth rate of 2.75 per cent. If that is sustained for the next five years, it will be an achievement that has not been managed since the 1960s.

The Government are also putting great emphasis on capital investment as part of the general drive for increased investment, which I referred to earlier, and we welcome that.

Clearly, the Government have the task of explaining their economic approach. It is very easy for the Opposition to caricature economic policy and dwell on short-term consequences, but this Government's economic objectives are absolutely contrary to those of the previous Government, and the results will also be contrary.

**Mr. Nicholas Soames** (Mid-Sussex): On a point of order, Mr. Deputy Speaker. Do you agree that we are witnessing a sustained and concerted filibuster on the Bill, and are not such practices to be deplored by the Chair?

**Mr. Deputy Speaker:** Order. The Chair is aware only of speeches that are in order or not in order. The speeches that I have heard have been in order, except where I have chosen to correct hon. Members. It has been known for debates on the Third Reading of the Finance Bill to continue for several hours.

7.11 pm

**Mr. Alexander:** The broad themes of the Finance Bill, as well as the detail, emerged in Committee. In particular, as my hon. Friend the Member for Edinburgh, North and Leith (Mr. Chisholm) said, the Government have made it categorically clear that, unlike the previous Government, they are determined to encourage work. That aim has undoubtedly been welcomed by my constituents.

For many years, my constituency has had a rate of unemployment higher than the national average, which is why welfare to work is not a slogan in Paisley, South, but a vital programme for many of my constituents. As the Chancellor made clear in his Budget statement, the welfare-to-work programme is now to be extended to provide wider employment opportunities particularly to groups such as the long-term sick and disabled. That matter is close to the heart of my constituents. Indeed, my predecessor, Gordon McMaster, was acknowledged on both sides of the House as a tireless campaigner on behalf of disabled citizens. Only two weeks ago, in Paisley town hall, I attended an awards ceremony for disabled people who have now found employment and gained greatly from that experience.

In the previous Budget, £195 million was provided for voluntary advice and practical help to disabled citizens to move back into work. Pilots will begin this autumn, with a view to the programme being nationwide by April 2000.

That approach reflects the Government's coherent strategy—that there is no contradiction between social justice and economic efficiency—which underpinned the detailed measures in the Budget. For years, under the previous Government, we were told that the price of a modern, dynamic economy was a divided society, but the individualism that characterised Thatcherite economics has been found wanting on major challenges such as tackling unemployment, which I mentioned, social exclusion and the environment.

The understanding underpinning the Finance Bill is that the ingredients of a good society in a modern global economy are also the ingredients of a successful economy. The Budget made it clear that the foundation stone is encouraging and rewarding work. The working families tax credit announced in the Budget will help lower and middle-income Britain, particularly families with children, to keep more of what they earn. No family with earnings of less than £220 a week will now pay any income tax at all. Any family with a full-time worker is now guaranteed take-home pay of at least £180 a week. When people ask what the difference is between Labour and the Conservatives, they need look no further than that measure to see the difference that a Labour Government are making.

In keeping with the Government's recognition that good economics also makes for a good society, the Budget also addressed the needs of families in a modern economy. Child poverty has scarred this country for many years, as the work of organisations such as the Child Poverty Action Group has made clear. My hon. Friend the Member for Edinburgh, North and Leith mentioned that one family in five is raising children in poverty. That figure is all too well known after 18 years of Conservative government. That is why the announcement that child benefit for the eldest child is to be raised by £2.50 a week or £130 a year from April 1999 was particularly welcomed in constituencies such as my own. In addition, the new child care tax credit, which forms part of the working families tax credit announced in the Budget statement, will be welcomed by families throughout the country.

A fortnight ago, I had the privilege of opening a new class at Auchenlodment nursery school in my constituency, when parent after parent told me about the importance of child care. What is fundamentally different about the Government's approach, as made clear in the Budget and the Finance Bill, is that child care is not some add-on to economic policy, but central to their economic strategy.

The hon. Member for Banff and Buchan (Mr. Salmond), who was in the Chamber earlier, talked about the importance of the service sector of the economy and to that extent—perhaps only to that extent—I agree. Yet I would argue that if the hon. Gentleman is keen to assist the service sector of the British economy, he should support the child care measures announced in the Budget, as women in particular will benefit from them and, of course, the service sector provides employment for huge numbers of women.

Another theme of the Finance Bill to which I shall address my remarks is the measures to promote enterprise. The Bill makes a further 1 per cent. cut in corporation tax to 30 per cent.—the lowest rate ever achieved in the United Kingdom. In the era of the global economy, such a measure sends a clear signal that the Labour Government want to secure investment and ensure that Britain is the home for dynamic, profitable companies. In the global economy, with increasing specialisation and diversity, new jobs will come from a large number of small companies, not a small number of large companies. That is why the Budget announced a comprehensive package of measures to create a more dynamic small business sector in the UK economy, including the 1 per cent. cut of the small business rate of tax to 20 per cent. from April 1999.

Another element of the Finance Bill—a distinctively Labour element—has been fairness in taxation and spending. As a country in the modern global economy, the more we learn, the more we shall ultimately be able to earn. We cannot hope to succeed economically if we do not succeed educationally. That is why I welcome the Chancellor's announcement that an extra £250 million in 1998-99 will be committed to schools and skills.

*[Mr. Alexander]*

To explain further the measures in the Budget, I point out that 80 per cent. of Britain's work force 10 years from now are already in the work force today. That is why, if we are serious about increasing workplace productivity in the United Kingdom economy, we must also direct our efforts towards raising skill levels of those already in work. I therefore particularly welcome the Chancellor's announcement of £10 million for the university for industry.

The final theme of the Finance Bill that I wish to touch on is stability. The need for stability has been mentioned in the debate and, given our country's economic record of boom and bust, it almost goes without saying. As the Bill makes clear, the key to modern economic success is to find the appropriate balance between stability and dynamism. Stability is essential for high levels of investment and employment.

The fiscal policy adopted by the Government adheres not only to the golden rule that over the economic cycle the Government will borrow only to invest, but to the rule that public debt will be held at a stable and prudent level over the economic cycle. The Finance Bill advances dynamism and stability, which is good economics, but it also advances measures on child care, child benefit and the working families tax credit, which is good politics and makes for a good society. The Bill ultimately nails the lie that the price of economic success is a divided society. That is why I commend it to the House.

7.18 pm

**Dr. Palmer:** We often criticise Ministers for departmentalitis and for focusing exclusively on their own area, but we, too, are somewhat guilty of that tonight. Typically, debates attract specialists in the subject, so today we have more finance nerds in the Chamber than would be seen in a month of Sundays anywhere else. It is said that the average man thinks about sex every 20 minutes during the day, but the population at large would be alarmed to learn that our little sub-population contains people who think more often than that about the public sector borrowing requirement.

**Mr. Leslie:** Steady on.

**Dr. Palmer:** I exempt my hon. Friend from my remark.

I should like to consider three aspects of how the Finance Bill affects different parts of the Government's agenda. First, there is the working families tax credit, which was announced in the Budget and which is foreshadowed in some of the measures in the Bill. We are introducing the working families tax credit, which may be the most sweeping act of redistribution in any Budget for the past 50 years and is certainly an impressive step forward in helping the working poor, partly for reasons of justice and partly to encourage a return to work—to nail the lie that it is more profitable to stay on benefits than to work. Together with the minimum wage, which we also introduced, it means that we can say definitively to ordinary people who are out of work that it pays to retrain, it pays to work with the advisers in the new deal and it pays to get back to work.

We have to recognise that there are people outside whom that message will not readily reach, because their daily lives are so desperate that they have no time to listen. They think that the working families tax credit is just one more obscure piece of politicians' jargon that bears little relationship to them. During the election, I canvassed a council estate where there is a high proportion of single parents. I met more people there who were not planning to vote at all than I met anywhere else in Broxtowe. They were not planning to vote, not because they were indifferent to politics, nor because they disliked all the parties, but because their daily lives were so desperate that they did not have time to consider the issues that we were putting before them. In the same way, I predict that we shall have difficulty showing those groups in society how the measures in the Budget and the Bill will transform their lives.

We have heard some unseemly gloating from Opposition Members about the fact that, in the initial reaction to the new deal, not everybody has taken up the offer with the alacrity for which we had hoped. One Opposition spokesman said, very cheerfully, that when they got the offer, many single parents threw it in the bin, as if that was good news of resistance to a tyrannical Government; but it is a tragedy when that sort of thing happens. My point is that the changes that we are making in the Finance Bill and foreshadowing to appear in next year's Finance Bill need to be followed up with publicity and information campaigns that reach people whom we do not normally reach—people who are indifferent to politics and who have given up the hope that the world of politics has any relevance to their world, or that anyone will come to their rescue. The Labour Government are determined to reach them and, through our efforts, we can make sure that such people benefit from the changes that we are making.

Secondly, I should like to talk about the foreshadowed change to vehicle excise duty. Curiously enough, it is unique to Britain that all cars—from the Mercedes Benz to the Ka—are taxed at exactly the same rate, regardless of how much petrol they use, or how efficiently they process petrol, or whether they use petrol at all. Environmental groups all welcome as a first step the action that we have taken. I commend to the House the Parliamentary Office of Science and Technology technical report No. 116, which analyses the VED proposal in some detail and draws attention to the fact that the different ways in which the change could be introduced would have extremely varied impacts on the environment.

Broadly summarised, POST says that if we do that in the optimal way for reducing fuel consumption, the administrative burden will be considerably heavier, because most of the information at the car registration centre—the Driver and Vehicle Licensing Agency—is not currently geared to that sort of information. Ideally, each car would be examined for its emissions at the time of its MOT test and taxed accordingly; but MOT centres are not geared to communicate their results to the central vehicle registration centre at the DVLA, so considerable investment in technology would be needed to achieve that. One step back would be to tax according to car type, as tested at the time when the type was introduced. The vehicle emissions from a Vauxhall Astra 1997 would differ greatly from those of a 1993 Astra—if there was such a beast. Therefore, one could reward manufacturers that wanted to invest in fuel-efficient technology by changing the rate of tax according to that standard. The drawback of that method is that some manufacturers would produce a car that was extremely efficient on day

one, but deteriorated rapidly. We want to support manufacturers that build energy-efficient motors to last and drivers who use their cars in a way that maintains that high level of energy efficiency.

I would argue that we should opt for those versions of the approach to vehicle excise duty that, in the longer term, can be used to phase in the measurement of individual vehicle emissions. Information technology is at the stage where, in five years' time, it will seem a trivial task for testing centres to communicate such information to the centre. I do not believe that, when introducing such an important principle for the first time, we should do so in a way that skimps on the essential objective of the change, which is to improve the efficiency of engines, to reduce emissions and, ultimately, to achieve the goals that we have set out to achieve in 2010.

Thirdly, I wish to highlight the generosity of the conditions for contributing to overseas development charities, which is a matter that has attracted relatively little comment—indeed, I know of overseas development activists who are still not totally aware of it. Although it has traditionally been said that overseas development is not an issue that the average member of the public finds fascinating, or attractive, or even welcome, that is certainly not what I have found in Broxtowe. Before the election, we published 15 policy papers on different issues—employment, health, education and so on—but it was the papers on the two more exotic subjects of overseas development and animal welfare that stimulated by far the greatest demand, with several hundred people requesting information on those subjects.

People have come to believe that politics in Britain has become a little bit too efficient and too oriented to the maximum level of marginal advantage at every level of the economy—that government and politics in Britain are in danger of losing their soul. When they look at the three aspects to which I have referred—the reinforcement of help to the working poor to make work worth while and to show that group in society that we care about them and that we are the first Government in 20 years to care about them; and our demonstration that we mean what we say about our environmental commitments and about our support for the developing world—the cynicism and disappointment that we have seen among many of our constituents can be countered and they will once again be able to have faith in the political process. I hope that the House will pass the Finance Bill. It is a worthy Bill, and I am proud to be associated with it.

7.29 pm

**Mr. Ross Cranston** (Dudley, North): A number of my hon. Friends refuted the intervention by the hon. Member for Banff and Buchan (Mr. Salmond), who has wandered in and out of the Chamber at various times this afternoon and this evening, but has not stayed around to hear our responses. He asked what the Finance Bill does for manufacturing, which is important to my constituency. Historically, the black country has been a great manufacturing area and manufacturing is an important part of the economy, although I acknowledge that it accounts now for only about one fifth of national income.

The Bill contains important measures to encourage manufacturing, industry and enterprise. First, it will reduce the rates of corporation tax. Secondly, it contains important provisions on capital allowances. Thirdly, it will change the company tax regime, which was an important feature of this Government's first Finance Bill—this Bill will continue to put that change in place.

Opposition Members raised all sorts of difficulties with the changes that we have made. Some of them still cannot accept the fact that we have put in place a corporation tax regime that will be more conducive to investment. Too often in the past people, institutions, pension funds and insurance companies tried to maximise the return on dividend income, to the detriment of investment in enterprises. Labour's two Finance Bills will put in place a corporation tax system that will encourage investment.

The move from the old to the modern system, which, incidentally, is a feature of such countries as the United States, creates certain transitional problems, but the Government have tried to deal with them, for example, through the phasing-in provisions to benefit charities. I raised certain problems concerning pensioner non-taxpayers, who will lose their tax credits under the Bill, with my hon. Friend the Paymaster General, who took that matter to heart. He and my right hon. Friend the Chancellor will deal with that in the coming months. The important point, which seems to be lost on the Opposition, is that the new corporation tax regime will be more conducive to an enterprise economy.

The fourth feature that the hon. Member for Banff and Buchan did not seem to take into account was the change in capital gains tax—the taper relief. Opposition Members raised a great deal of dust about the transitional problems that might arise due to the changes, but the taper relief system will encourage long-term investment holdings. The system works by reducing the proportion of capital gain that is liable to tax according to how long the asset is held. Different tapers will apply to business and non-business assets.

Members of the official Opposition—[HON. MEMBERS: "They are not here."] Yes, as my hon. Friends remind me, there are not many Conservative Members in the Chamber at present. They did not acknowledge that the taper relief system would have any effect on investment. Unfortunately, they do not seem to know their own economic history. They do not seem to realise that when they introduced major changes in the 1980s, these had a significant impact on investment. The changes in 1984 resulted in a surge in investment, which fell off in 1986 when the changes were reversed.

A study by Stephen Bond of Nuffield college reached the conclusion, based on that experience, that a tax system can affect investment. In considering the changes after 1986, Bond concluded that a tax system that leaves the cost of capital permanently higher by one to two percentage points is likely to depress the level of company investment by up to 5 per cent. Conversely, the changes in this Bill ought significantly to affect investment in time.

**Mr. Derek Twigg:** My hon. Friend makes an excellent point. Labour Members have often been accused of not understanding business and investment, but is it not the case that the Government want to encourage long-term investment and sustainable help for business? If we had accepted the Opposition's arguments, the Bill would have

*[Mr. Derek Twigg]*

done nothing to help business. Their arguments were about short-termism and other matters, but had nothing to do with helping business.

**Mr. Cranston:** I could not agree more with my hon. Friend. The Opposition focused on some specific points and did not seem to see the big picture.

In a recent summary of some 10 studies that assessed the impact of corporation tax and capital gains tax on investment, Mr. Jack Mintz states

"The overall conclusion one derives from recent studies is that taxes affect investment decisions".

Conservative Members did not seem to acknowledge that important point. The changes in the Bill will have a beneficial effect on investment and manufacturing, particularly in the long term.

Fairness is another feature of the Bill. My hon. Friends have mentioned the important inducement to altruism contained in the provisions on millennium relief. Another feature worthy of mention is the way in which we have closed provisions that were conducive to tax avoidance. In Committee, Conservative Members seemed to be in a world of large capital gains.

**Mr. James Plaskitt** (Warwick and Leamington): And even larger houses.

**Mr. Cranston:** Yes, as my hon. Friend reminds me, it was a world of great wealth—

**Mr. Plaskitt:** Auctions.

**Mr. Cranston:** Of auctions and large investments, and that is not the world of the average voter, who is more concerned with measures in the Bill aimed at introducing a fairer regime, which will benefit the average person.

No Conservative Member mentioned the important provisions on transfer pricing as regards the activities of transnational companies and there was little mention of the provisions to deal with inheritance tax and closing some of the avoidance mechanisms there. We heard some squealing about the bed-and-breakfast provisions, as if those were a natural feature of any tax regime. In fact, they were an important avenue for tax avoidance.

**Mr. Love:** Does my hon. Friend share my astonishment at the cynicism shown by Conservative members of the Standing Committee, who continually chided the Government for abandoning the poor, despite the fact that the Conservative Government created the greatest inequality since figures began? Does he agree that the Bill will help to heal society and to reduce the divisions that the Conservatives created?

**Mr. Cranston:** I agree. The figures demonstrate that inequality grew more in this country than in any other Organisation for Economic Co-operation and Development country, apart from New Zealand, which was a scandal.

In Committee, we heard a great deal from Conservative Members about the legislative process; they said that the Government did not listen. The Government do listen. There was extensive consultation about the changes in capital gains tax, for example, as a result of which the taper relief system was developed. Similarly, the Government listened to representations about individual savings accounts. There were no U-turns, as we said from the outset that we would consult people—something the Conservative Government never did—about what regime would encourage more saving.

**Mr. Patrick Hall** (Bedford): On the Government's willingness to listen, I wonder whether my hon. Friend heard, earlier today, the hon. Member for Sevenoaks (Mr. Fallon) describe a Government amendment, which was tabled as a result of listening to people and which will improve the Bill, as a climbdown? Does not that show that the Conservative party's attitude to government is completely different from the Labour party's?

**Mr. Cranston:** That is very good point. The Labour Government are responsible; they consult people and work with business. The Conservative Government did not do that—Conservative Members do not know what consultation is, which is why they cannot understand this Government.

Also on legislative form, I want to deal with the canard that we have heard from the Opposition about retrospectivity. People have all sorts of expectations, but, historically, those expectations have often been disappointed because of taxation changes. When the rate of personal taxation increases, as it has in the past, I am disappointed. That is not retrospectivity, but Conservative Members do not understand that concept—they have misdirected their fire on that, as they have on so many other matters.

We also heard a great deal from Conservative Members about the regulation-making powers in the Bill. As my hon. Friend the Paymaster General said in Committee, the Bill contains no more regulation-making provisions than were in the last two Finance Bills under the Conservative Government. Such provisions are a typical feature of legislation—that may be unfortunate, and it may be more desirable if everything were provided for in primary legislation, but, as Conservative Members have reminded us, the Bill already runs to 450 pages—*[Interruption.]*

**Mr. Deputy Speaker (Mr. Michael Lord):** Order. Conversations are breaking out all over the Chamber. Hon. Members must listen to the hon. Gentleman who is addressing the House.

**Mr. Cranston:** Thank you, Mr. Deputy Speaker.

In creating regulation-making powers, we have been consulting. The draft regulations are available for several months, so that the business community and professional bodies that will be affected by them can give their comments.

The Bill fosters enterprise; it introduces stability; it facilitates altruism in the way that I suggested; and it puts in place important measures to ensure fairness.

7.44 pm

**Mrs. Louise Ellman** (Liverpool, Riverside): No one should be surprised at the token and transitory presence of Conservative Members during our discussion of this vital Bill. They must find it extremely distressing, I am

convinced, to see the beginning of the end of the work that they did over 18 years and to see the damage that they inflicted on so many members of our society being reversed.

The Bill, indeed, starts to reverse major parts of the previous Government's policy. Eighteen years of Tory rule produced greater inequality than at any time since the second world war. The poorest 20 to 30 per cent. of the population failed to benefit from economic growth, and the poorest payed the highest marginal rates of tax. Moreover, unemployment—in terms of the number of households suffering unemployment—doubled so that one in five households had someone out of work. I represent the most deprived constituency in the most deprived city in the country, so, day after day, I see the evidence of what happened. I note that all but three Conservative Members find the debate too painful to listen to.

The Bill will enact a Budget to start a new era. It will give more help to most members of our society, and it will give the most help to those who are the worst off. The poorest 20 per cent. of households with children will gain an average of £500 per year—that will assist 3.8 million children. That is in great contrast to Conservative Budgets, which inflicted the greatest hardships on the poorest and gave the greatest benefit to the best off. The Bill reduces the high marginal rates of tax on those in the lower income groups, which makes a significant start in ensuring equity.

The Budget helps all families. It provides for the highest ever increase in child benefit—again, that is in stark contrast to what happened under the Conservative Government, who significantly reduced the value of child benefit. The Budget also extends the new deal, to give new hope of employment to younger people and older people alike. The official Opposition are still opposed to that measure.

The Bill will direct most help to those who need it most. In doing so, it will develop and stimulate the economy as a whole. That is why I welcome the Budget's provision for significant capital investment, which will be implemented in such a way as to improve services for the community and to create relevant and important jobs. For example, the £250 million extra investment in education—making a total of £2.5 billion extra investment in education—will improve services and buildings and provide further essential jobs. The £500 million extra investment in the national health service—making a total of more than £2 billion extra—will improve services and employment.

The £500 million extra for public transport will help us to secure better infrastructure to improve our environment; it will also develop the economy and produce more jobs.

**Mr. Patrick Hall:** My hon. Friend mentioned extra money for education and health. Does she agree that it is ironic that the Opposition parties have criticised the Government for not spending enough extra on education and health when the Government have spent far more than the Conservatives or Liberal Democrats would have spent, according to their printed and announced programmes?

**Mrs. Ellman:** Indeed. The Budget marks a decisive change. We are investing in the economy and in jobs.

In addition to significant capital investment, the Budget makes special efforts to help small and medium enterprises: the backbone of our economy. The Budget encourages that important sector by raising capital allowances and reducing taxes on those enterprises. Its encouragement for more innovative technologies promises more jobs, to the benefit of the whole economy.

The Budget should be considered in the context of the Government's general policies. It is directed towards producing more social and economic fairness. The Government are intervening to ensure that its benefits are felt where they are most needed, which is why we are going ahead with regional development agencies that will bring together the public, private and voluntary sectors to invest in regional economies. I note that the official Opposition are opposed to regional development agencies, as they are opposed to anything constructive.

The Budget promotes our efforts to deal with social exclusion, which is another inheritance of the 18 years of Tory rule. It also promotes communications. It took a Labour Government to rescue the shambles of the channel tunnel rail link deal left by the Tories. That will be important to the regions and the whole country.

**Mr. Derek Twigg:** My hon. Friend will know that my constituency is only a few miles from hers. She hit on the important point that the Budget and the Government's general policies are designed to benefit not only the south-east but the whole country. We want the communication links to be in place and the economy of the whole country to be vibrant.

**Mrs. Ellman:** My hon. Friend makes an important point. It is essential that the Budget should deal effectively with the macro-economic situation, but for that to be effective we also need mechanisms to deal with regional and local issues, to ensure that the benefits are enjoyed where they are most needed. I applaud the Government for all that they have done on macro, micro and regional levels.

The Budget is the beginning of the creation of a new era. It is highly regrettable that the official Opposition cannot even bear to hear about it.

**Mr. Love:** Does my hon. Friend note the fact that Her Majesty's official Opposition moved none of the amendments that they tabled today? The foreign earnings deduction amendments took a whole day in Committee, but no one from the official Opposition was here to move them today.

**Mrs. Ellman:** My hon. Friend demonstrates effectively the official Opposition's ineffectiveness and irresponsibility. Their record speaks for itself. They created a divided society and record unemployment and showed a callous disregard for justice. The Budget is the beginning of a new era and I commend it to the House. I look forward to the Government developing policies that will bring social and economic justice to the country as a whole.

**Mr. Patrick Hall:** On a point of order, Mr. Deputy Speaker. I am inspired by the hon. Member for Mid-Sussex (Mr. Soames) to seek your guidance on whether the absence of contributions from the official Opposition demonstrates a sustained abdication of responsibility.

**Mr. Deputy Speaker:** Order. That is not a matter for the Chair.

7.55 pm

**Mrs. Liddell:** Several of my hon. Friends have drawn attention to the vast emptiness on the Opposition Benches. It would be useful if the House were aware of the fact that the official Opposition asked for two days to discuss the Finance Bill on the Floor of the House. As a Government who are committed to proper accountability and scrutiny, we were happy to arrange for those two days, but chaos has reigned on the Opposition Benches from day one.

I thought that the high point—or perhaps the low point—had come when the right hon. Member for Wells (Mr. Heathcoat-Amory) had to be got out of his bed in the middle of the night and brought into the House to adjudicate in a fight between his Front-Bench and Back-Bench colleagues. The Whips had totally abdicated responsibility and had to send for the right hon. Gentleman to haud the jaikets, as we say in the west of Scotland. I am glad that he had the chance to change out of his jammies before coming to the House.

We have had a good debate, and I commend my hon. Friends for some studied speeches that obviously took great preparation. We take the job of government extremely seriously. We regard the tasks of government and of representing our constituents as a privilege, which is why we have worked so hard on Third Reading. I am grateful to my hon. Friends on the Back Benches for the assistance that they have given to Ministers.

I pay especial tribute to my hon. Friend the Financial Secretary, who has had the heaviest burden. This has been a lengthy and detailed Bill. Not all the work takes place in the House, because much preparation has to be done in advance.

The debate has been remarkable in that we have had the rare privilege of a visit from the hon. Member for Banff and Buchan (Mr. Salmond). It is always a pleasure to see him at his work. I am sorry that he did not manage to stay in the Chamber terribly long, but he addressed us from his Olympian heights and I will respond to him with pleasure.

**Mr. Salmond** *rose—*

**Mrs. Liddell:** I have to consider whether I should give way to the hon. Gentleman, because, with characteristic arrogance, he refused to take interventions from my hon. Friends this evening. However, I will of course take his intervention, because it is so rare a pleasure to see him at his work.

**Mr. Salmond:** That must be the longest preamble to giving way that I have ever heard. [HON. MEMBERS: "Get on with it."] Well, if the concession is so long, the intervention can be long as well.

The Economic Secretary is building a case on the presence or absence of hon. Members in the Chamber. Where, then, are the Chancellor and the Prime Minister?

**Mrs. Liddell:** Running the country.

The hon. Gentleman made a number of points— *[Interruption.]* I wish my hon. Friends would stop making me laugh. *[Interruption.]*

**Mr. Deputy Speaker:** Order. Perhaps we can now return to the contents of the Finance Bill.

**Mrs. Liddell:** I am happy to do so, Mr. Deputy Speaker.

We have observed some interesting gyrations on the part of the Opposition Front Bench. I am not just talking about the fact that no Opposition Front Bencher managed to stay in the Chamber throughout the debate; during the Bill's passage, we have seen a radical reversal of the Opposition's views on capital gains tax. Moreover, as my hon. Friends have pointed out, the Opposition have tabled amendments whose cost would total around £7 billion, and have given no explanation of where they would find the money to finance them. Which taxes would they increase? Which public expenditure would they cut? As my right hon. Friend the Chief Secretary said the other night, the Conservatives are beginning to beat the Liberals Democrats in terms of imprudent economics.

There has been a challenge to a number of our measures—important measures, aimed at making the tax system fairer. For example, Opposition Members tabled an amendment seeking to exempt from tax people working overseas and earning salaries of at least £87,000 a year. I recognise that that may not be a great deal of money for those with extensive outside interests, but, believe me, it is a lot of money from my constituents' point of view.

There was an entirely spurious attempt to focus debate on the number and scope of regulation-making powers, rather than on the important measures in the Bill. Throughout our consideration of the Bill, spurious arguments have been advanced, often on behalf of "special interest" groups. That, I think, is a measure of how ineffective the Opposition were in the task of opposing: they ran out of steam before we could even complete Third Reading.

I contend that one reason for the exodus from the Chamber this evening is the fact that the scale of revulsion in the country at the economic policies that the Conservatives pursued in opposition is beginning to dawn on them. The last time I saw the Opposition Benches so empty, Conservative Members were off looking for another leader. Perhaps that is what is happening now. *[Interruption.]* As my hon. Friend the Member for Coventry, North-East (Mr. Ainsworth) has just pointed out, perhaps they are off looking for work. A number of Conservatives had to do that after 1 May last year.

Let me now deal with what was said by the hon. Member for Banff and Buchan. The other day, his party's Treasury spokesman was interviewed on BBC Radio Scotland. When asked about his party's economic policies, he said that industry would have to hope for the best. That is the "fingers crossed" school of economics: the emblem of the Scottish National party should be a lucky bunch of white heather.

In one of the interventions to which we have become so used during our debates on the Bill—an intervention of great erudition—my hon. Friend the Member for Dudley, North (Mr. Cranston) took the hon. Gentleman's arguments on manufacturing apart—but, predictably, the hon. Gentleman was not present to hear him. Nor, having referred to the importance of the service industries in Scotland, was he present to hear my hon. Friend the Member for Paisley, South (Mr. Alexander) draw attention to the attack on those industries—especially the financial services industry—that had been launched by the Scottish National party in the past fortnight. Fortunately, Labour Members do not go in for that kind of behaviour.

My hon. Friend the Member for Paisley, South made a good point about the money that the Government have set aside for the university for industry. May I also remind the House of the £50 million that has been made available in the Budget for the university challenge fund? My hon. Friend's constituency contains the university of Paisley, which is known for its ability to convert research ideas into development projects that make a considerable amount of money for the Scottish economy. I am sure that he and his constituents will benefit greatly from that.

We heard some interesting contributions from the Liberal Democrats. The Liberal Democrats were a constant source of entertainment to us in Committee. In Committee, we had an opportunity to congratulate the hon. Member for Gordon (Mr. Bruce) on his wedding and his honeymoon, but I am not sure that the hon. Member for Kingston and Surbiton (Mr. Davey) had the same excuse for not being present. Tonight he raised the issue of insurance premium tax, although earlier he had had the opportunity to speak to an amendment on the subject but was not present to do so. In Committee, he failed to vote against a measure that he has described as reprehensible. He has also sought, at this late stage, to introduce a measure that would undermine an important anti-avoidance provision in the Bill. Labour Members do not find that acceptable. The insurance premium tax rate is designed to ensure that there is neither the incentive nor the scope for VAT avoidance.

It is unfortunate that the hon. Gentleman and his hon. Friends did not get their act together sufficiently to allow debate on these matters. It would have been illuminating for people outside to see the extent to which the Liberal Democrats are not prepared to pursue anti-avoidance measures. Like many of their proposals, the proposal of which the hon. Gentleman spoke tonight would have cost the country a good deal of money—more than £400 million. It is a case of spend, spend, spend—and at no point are we given any indication of how the Liberal Democrats would put the economy on to the stable basis that is required for long-term good. *[Interruption.]*

The hon. and learned Member for Orkney and Shetland (Mr. Wallace) who has not taken enough interest in the Bill to participate in the debate—we are becoming accustomed to such behaviour from Liberal Democrat Members—refers, from a sedentary position, to closures and redundancies in the economy. The hon. Gentleman would be better placed to make such remarks if he were prepared to engage in coherent economic argument about how we can improve our economy. The Bill is another step towards ensuring that the country moves into a climate of economic stability that will provide sustainable growth, and allow businesses and households to plan for the future.

We have had 18 years of boom and bust. We have had 18 years of economic incompetence. Anyone who wants to see the scale of that incompetence need only read the *Hansard* reports of debates on past Finance Bills, which will reveal some of the weakest and most spurious arguments ever advanced in the House.

The Budget that we have introduced is a Budget for fairness. At last we have a Government who are committed to fairness for all. As a consequence of this Budget, the least advantaged members of society will be given extra assistance. Those who seek to create wealth will find themselves in a climate that will allow them, not just to develop their own businesses, but to bring about an atmosphere that will enable our economy to thrive.

This is a Budget from a Government who look forward rather than back. I repeat that it is a Budget for the many, not the few. That is the sea change that has been created; that is the difference between this Government and the Government who went before.

I am proud of what was done by my hon. Friends in Committee, and am grateful for the support that they have given the Financial Secretary, the Paymaster General and me. I am also grateful to all who the Member for Halton (Mr. Twigg) have taken the message of this Budget to men and women the Member for Halton (Mr. Twigg) throughout the country. Earlier, my hon. Friend the Member for Halton (Mr. Twigg) said that people had stopped him in the street to congratulate the Government on the Budget. That happened to me, too. *[Interruption.]* The cackles of the Opposition prove that their arrogance is undiminished. Their lack of understanding of the ordinary people of the United Kingdom has not advanced at all. Tonight sees the completion of an important stage in the Government's programme. I commend the Bill to the House with great pride.

*Question put*, That the Bill be now read the Third time:-

*The House divided:* Ayes 308, Noes 171.

**Division No. 322]** **[8.9 pm**

AYES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Banks, Tony
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Benn, Rt Hon Tony
Bennett, Andrew F
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byers, Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Canavan, Dennis
Cann, Jamie
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cummings, John
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dobbin, Jim
Dobson, Rt Hon Frank

Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Edwards, Huw
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Galbraith, Sam
Galloway, George
Gardiner, Barry
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Henderson, Doug *(Newcastle N)*
Heppell, John
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Terry *(Worsley)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McLeish, Henry
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall–Andrews, Robert
Martlew, Eric
Meale, Alan
Merron, Gillian
Michael, Alun
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Llew *(Blaenau Gwent)*
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Stevenson, George
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Wilson, Brian
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wyatt, Derek

**Tellers for the Ayes:**
**Mr. John McFall and**
**Mr. Greg Pope.**

**NOES**

Allan, Ric
Ames
Ancram, Michael
Arbuthnot, James
Ashdown, Rt Hon Paddy
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Norman
Ballard, Jackie
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brake, Tom
Brand, Dr Peter
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burnett, John
Burns, Simon
Burstow, Paul
Campbell, Menzies *(NE Fife)*
Chapman, Sir Sydney *(Chipping Barnet)*
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clifton–Brown, Geoffrey
Collins, Tim
Cotter, Brian
Cran, James
Davis, Rt Hon David *(Haltemprice)*
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan Smith, Iain
Evans, Nigel
Ewing, Mrs Margaret
Faber, David
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fox, Dr Liam
Fraser, Christopher
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Hamilton, Rt Hon Sir Archie
Hancock, Mike
Harris, Dr Evan

Harvey, Nick
Hawkins, Nick
Hayes, John
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat–Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Key, Robert
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, Rt Hon David
Maclennan, Rt Hon Robert
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Oaten, Mark
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Salmond, Alex
Sanders, Adrian
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Stanley, Rt Hon Sir John
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Thompson, William
Tonge, Dr Jenny
Townend, John
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Wallace, James
Walter, Robert
Wardle, Charles
Webb, Steve
Wells, Bowen
Welsh, Andrew
Whittingdale, John
Wilkinson, John
Willetts, David
Willis, Phil
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim

**Tellers for the Noes:**
**Mr. Nigel Waterson and Mr. Stephen Day.**

*Question accordingly agreed to.*

*Bill read the Third time, and passed.*

# Teaching and Higher Education Bill *[Lords]*

*Lords amendment considered.*

## Clause 19

NEW ARRANGEMENTS FOR GIVING FINANCIAL SUPPORT TO STUDENTS

8.23 pm

**The Minister for Education and Industry, Scottish Office (Mr. Brian Wilson):** I beg to move,

That this House insists on its amendment in page 14, to leave out lines 31 to 49, to which the Lords have disagreed and disagrees to the amendment proposed by the Lords in lieu of that amendment.

**Mr. Deputy Speaker (Mr. Michael Lord):** With this, it will be convenient to discuss motion No. 2:–

That this House insists on its amendment in page 22, to leave out lines 31 to 39, to which the Lords have disagreed.

I inform the House that the Lords disagreement to the two Commons amendments and the Lords amendment in lieu involve privilege.

**Mr. Wilson:** The motions invite the House to insist on two amendments that it made earlier, thereby deleting two amendments carried in another place.

I return to this subject with enthusiasm. I am delighted again to have the opportunity to state the purposes of the funding changes for higher education, which are simply to widen access to it and get more money into it. As I have acknowledged at the Dispatch Box before, the Tories were good at getting the numbers in. No one criticises them for that, although they might be criticised for their motives or the haphazard way it was done. They substantially increased the numbers in higher education, but they did not put the money in to follow the students and thereby maintain the standards of higher education and research on which this country depends for its economic future. That is the inheritance which the Government are addressing. We are determined not to be distracted from it.

We invite the House to reverse the Lords amendments, because we are not going to accept changes to the legislation, under any guise or subterfuge, that will eat away at the considerable sums of money that will be available to higher education as a result of the Bill and the Government's courage in facing up to the funding shortfall in higher education.

Whatever the reservations of principals, or anyone else, on the issues that we are discussing, they, too, recognise the need for the reforms to get additional money into their universities. Faced with the chaos that the Opposition parties seek to visit on the legislation or the certainty of additional funding as a result of the Bill, there is not the slightest doubt that anyone in the academic community would accept that the Bill is good for higher education. Any dilution of the funds available to it as a result of the Lords amendments would be bad news for them, for their institutions and, most important, for the next generation of students in higher education.

On consideration of the amendments, the Lords insisted on their original amendments returning to this House. The proposed alternative to the original amendment No. 64 is

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in a slightly different form, but that does not make it any more acceptable. I repeat what my hon. Friends and I have said many times before. We oppose such amendments not only because of the financial arguments that I have adduced but because they aim to prevent the Government from making provision for financial assistance with fees that takes into account the indisputable diversity of the education systems in different parts of the United Kingdom.

**Mr. Tam Dalyell** (Linlithgow): What legal advice in relation to a case that may be tested in the European Court has either the Secretary of State for Education and Employment, whose presence we welcome, or Scottish Office Ministers had on their proposals? Are they absolutely sure that it is legally watertight?

**Mr. Wilson:** As an honorary graduate in science of Edinburgh university, my hon. Friend will understand the dangers of the words "absolute" and "certainty". Within those parameters, it is self-evident that we would not have promoted the legislation if the legal advice was not firmly in favour of it in all its aspects.

**Mr. Ian Bruce** (South Dorset): Will the Minister give way?

**Mr. Wilson:** No.

The central charge of our critics in this matter is that the Bill creates an inequity in the United Kingdom. I want at the outset to say that the precise opposite is the truth. By following to the letter the recommendations of the Dearing and Garrick committees—I remind the Conservatives that they established them—we have created equality of opportunity for every student to study for an honours degree while contributing no more than £3,000 in tuition fees, if they are liable at all for them. That is the equity that Dearing and Garrick asked for and what we have delivered.

**Mr. David Willetts** (Havant): Does the Minister accept that the Dearing report said that maintenance grants could stay? If Ministers are to claim the Dearing report in aid why do they not implement it?

**Mr. Wilson:** If we implemented Dearing, every student would pay £1,000 a year in tuition fees. *[Interruption.]* Barracking will not win this argument, I assure hon. Members. We accepted the principle, as I believe everyone does, that in order to have a well-funded higher education system, it was necessary that those who benefited from it directly made some contribution to it. We decided that it was right to exempt those from households on below average incomes from tuition fees. We did that to protect those from less well-off backgrounds in accordance with our central aim of widening access to higher education.

As the hon. Member for Havant (Mr. Willetts) is well aware, this debate is not a reopening of the debate on funding. It is specifically on the Lords amendments. The unpalatable truth which I have offered him is that the Dearing and Garrick committees set up by the previous Administration made a specific recommendation. We looked at the issue of fairness and we have come up with exactly what Dearing and Garrick came up with. If the hon. Gentleman looks at the Division lists from the Lords debate last week, it may interest him to see where the name of Lord Dearing is positioned. Lord Dearing understands the arguments with which we are dealing tonight and is not interested in the political argy-bargy. The specific point about fairness is addressed in the amendments.

**Mr. Andrew Welsh** (Angus): Will the Minister give way?

**Mr. Wilson:** In a little while.

The Dearing committee recommended that we address fully what some people rather improbably describe as the Scottish anomaly, but I describe as the distinctive character of the Scottish education system, which we shall defend. It is not, need never be and should never be identical to the English one. It is based on different school qualifications. It is a different higher education system, and that is exactly what we intend to maintain.

The point of fairness with which the House should be concerned tonight is simple. The normal Scottish route to an honours degree at a Scottish university is a four-year course. It is a broadly based higher education system which fits a broadly based school system. The qualifications and the time scale for achieving them flow from the school system. The Dearing-Garrick recommendation has been met in full. Scottish students should not pay more for their normal route to an honours degree than students in other parts of the United Kingdom. That is the central point of fairness, and it has been addressed.

**Mr. Welsh:** I heard the Minister say that he was following the Dearing report to the letter. Had he done so, he would have maintained student grants. Just in case *Hansard* magically gets altered, can the Minister explain that? Or is he cherry-picking? He rightly praises the Scottish four-year degree, but in this House he called it a bogus tradition. He seems to be all over the place on this. Why does he not restore fairness by abolishing the anomaly and getting rid of the discretion against English students? If he followed Dearing to the letter, he would not have abolished grants.

**Mr. Wilson:** The hon. Gentleman should not talk about cherry-picking, unless he is following Dearing to the letter, in which case he will advocate that every student, irrespective of family income, should pay £1,000 a year in tuition fees. If that is the new policy of the Scottish National party, he is welcome to tell us, but if he is not telling us that, why is he talking about cherry-picking? The hon. Gentleman is revisiting the general point.

I have said clearly that we did not accept the idea of £1,000 per student per year, irrespective of income. We think that that would be inequitable. The hon. Gentleman may disagree with us, but we want to widen access and ensure that people from less well-off backgrounds do not pay tuition fees. As I pointed out to the hon. Member for Havant, the specific point is the Lords amendment and the question of fourth-year tuition fees. On that point, we are following Dearing and Garrick to the letter.

**Several hon. Members** *rose—*

**Mr. Wilson:** I will not give way.

Dearing and Garrick said nothing about the same concession for students from other parts of the United Kingdom who opt for the longer Scottish honours courses, with which their qualifications do not easily interface. Such students have always chosen to accept higher costs by choosing, as is their perfect right, the longer Scottish honours degree courses. They accept the additional maintenance costs that are obviously entailed in a four-year, as opposed to a three-year, course. They also choose to forgo a year of earnings. They are welcome to make that choice. They are an extremely valuable part of the Scottish higher education system, but they make their choice in the full knowledge that they are going into a longer course which entails higher cost.

**Mr. Graham Brady** (Altrincham and Sale, West): Does the Minister accept that, over the years, English students in many parts of the country have made a choice to opt for a more expensive form of study by going to London, and that the state has properly recognised the additional cost and helped them to study in London? That is different from the example that he is setting forward, in which the state penalises students who choose a more expensive form of study.

**Mr. Wilson:** If the hon. Gentleman is referring to maintenance costs for students in London, I think that is an interesting issue, but not the one that we are discussing tonight. *[Laughter.]* With respect, we are not discussing a principle. We are not having an academic debate. We are discussing specific Lords amendments that deal with the one issue of the four-year degree in Scotland and—I shall come to this in a moment—the rest of the United Kingdom.

**Mr. Ian Bruce:** Will the Minister give way?

**Mr. Wilson:** I will not give way. Perhaps if things are dull later, we can have some fun, but for the moment I will not give way.

If people went for a four-year honours degree course, they were of course going to be involved in greater costs than if they studied in other parts of the United Kingdom and did a three-year course. It is simply not credible—this is where the dishonesty lies in the argument—that the levying of fourth-year tuition fees on a means-tested basis will be a decisive factor in determining whether students go to a Scottish university.

**Judy Mallaber** (Amber Valley): Do the figures on take-up which we have so far show any evidence that English and Welsh students have been disproportionately put off applying to Scottish universities? What are the proportionate changes for Scottish, England and Welsh student applications and for applications from the European Union?

**Mr. Wilson:** I can give my hon. Friend all the figures, but she makes the point in her question. There is not a shred of statistical evidence to suggest that the effect that has been predicted or wished for by Opposition Members is happening. To take one statistic, there are 33,000 applications from the rest of the United Kingdom to Scottish universities, compared to 27,000 from within Scotland. There is a proportionate increase in applications to Scottish universities from England and a numerical and proportionate increase in applications from Wales. Where is the evidence in any of that of the effect that hon. Members suggest?

**Mr. Dennis Canavan** (Falkirk, West): Perhaps I can be of assistance to my hon. Friend by giving him statistics that come straight from the Universities and Colleges Admission Service. Applications to Scottish universities are down 4.5 per cent. from last year. Applications to Scottish universities from England are down 4.1 per cent. and those from Northern Ireland are down 5.5 per cent.

**Mr. Wilson:** Characteristically, my hon. Friend quotes helpful figures. They show that the very modest increase from England is substantially less than the cross-border flow. We have said that there is a proportionate increase in applications from Scotland of people wishing to go to England, and a numerical increase in applications from Wales. There is a decrease in the number of people going from Scotland to English universities. If the logic of the Opposition's argument has anything to commend it, they will have to explain why there is a decrease, rather greater in numerical terms, in the number going from Scotland to England. People are clearly not deterred by fourth-year tuition fees, and it is nonsense to suggest that they will deter people. All the statistics refute the Opposition's case.

**Mr. Simon Hughes** (Southwark, North and Bermondsey): Perhaps I could put a specific case. My dad and my granddad were brewers, and at one time the only United Kingdom university offering a brewing degree was Heriot-Watt. If a specific degree course is available only in a Scottish university, as may happen now or in future, why should an English, Welsh or Northern Irish student who wants to follow a perfectly proper degree course have to pay more than if the same course were on offer in an English, Welsh or Northern Irish university?

**Mr. Wilson:** It is all part of choice. The hon. Gentleman's grandfather chose to be a brewer. That was commendable, but it was a choice. I do not know the hon. Gentleman's antecedents but, given his mode of transport today, I assume that he has fairly humble origins. Some 40 per cent. of students in Scottish universities, from whichever part of the United Kingdom they come, will pay nothing at all in tuition fees. Perhaps the family brewing empire would have been able to start unhindered under these arrangements.

**Mr. Ian Bruce:** The Minister opened the debate on a note on which we could all agree when he said that Government policy should always be to get more people into university. The Minister has had a long plane trip from Scotland and I am sure that the House is grateful to him for turning up. Surely he knows that, next year, the number of people who will go to university will be down for the first time. Surely he realises that Government policy is wrong. He should correct it by accepting the Lords amendments.

**Mr. Wilson:** Rarely has a man waited so long to say so little, and the hon. Gentleman is wrong. We have applications, but we do not have admissions. Scottish universities could be filled several times over with current applicants, and there are more applications from the rest

*[Mr. Wilson]*

of the United Kingdom than from Scotland. We think that we have the right policy to get more money into higher education, and the next part of our job in overcoming Opposition misinformation is to make sure that potential students have access to accurate information and that applications are turned into admissions. We shall do exactly that.

Let us look at the figures and put the issue in perspective. There are many problems and challenges in education. There is a need to get more money in, to open up opportunities and to ensure that the 11 per cent. of people from lower-income backgrounds in higher education is brought nearer to the 80-plus per cent. of the top two social groups. Those are important issues, and I should have liked to hear the other place discuss them. It did not. It has not sent us a demand for more egalitarianism or more opportunity in education. There is not a word about that. The narrow issue affects a small number of people and has an influential pressure group made up of a small number—I might say a minority—of university principals who have the ear of some people in the House of Lords and in the Opposition. That is why the issue has been elevated to a high point of principle, which it is not.

On the basis of last year's admissions, about 6,000 students will come from the rest of the United Kingdom to Scottish universities. I have no doubt that there were 6,000 last year, and that there will be 6,000 next year when all the got-up excitement will be forgotten. The numbers will not change significantly, and between a third and 40 per cent. of those students will pay nothing in tuition fees and will be completely unaffected by the argument, except in the sense that they might be misled by Opposition Members into believing that they will pay tuition fees.

**Mr. John Randall** (Uxbridge) *rose—*

**Mr. Wilson:** I am trying to give a breakdown of the figures, but if the hon. Gentleman cannot contain himself I shall give way.

**Mr. Randall:** I am grateful to the Minister for his courtesy.

The Minister says that a small number of people discussed the issue in the other place. Why were there no Scottish Members on the Standing Committee from the Labour party, the Liberal Democrat party or the Scottish National party? I agree that Conservative Members are at a disadvantage. However, it would have been nice if some Scottish Members had debated these issues.

**Mr. Wilson:** The Committee's make-up is a matter for the Committee of Selection. I have no wish to cast aspersions on the minor parties. They can speak for themselves if they want. Although, in many ways, this issue affects the Department for Education and Employment more than us, whenever it has come here, it has focused on Scotland, so I have taken responsibility for answering at the Dispatch Box on the Floor of the House, and I do not shirk from that.

**Several hon. Members** *rose—*

8.45 pm

**Mr. Wilson:** I want to finish the breakdown.

A third of those students will pay nothing at all over the four years, so there is no impact. Some will pay very small amounts, because it is a means-tested system. Again, I go back to the point that anyone who thinks that that will be the decisive factor in determining whether students go to Edinburgh, St. Andrews or a university in England is not living in the real world. Many students take an honours degree and they are not affected either. There are others who enter in the second year and they are not affected either. When we take all those categories out, at most, we are talking about 1,200 students from England, who will be asked to pay £1,000 extra over the four years.

It is of interest to know where those students come from—what backgrounds they come from and whether this is likely to be a burden on their shoulders, which will be crucial in determining the outcome—so I made some inquiries into the top four schools supplying students to Edinburgh and St. Andrews universities. My hon. Friends should listen to this point, because they will get some idea. They will be listening anxiously for schools in their constituency to find out if it is their constituents who will be affected.

The pecking order of schools supplying students from England to Edinburgh and St. Andrews universities is: No. 1, Eton college; No. 2, Wellington college; No. 3, Charterhouse; and, No. 4, Westminster school. That tells us something about the wonderful, egalitarian education system that we have in Scotland. There is only one school in Scotland that sends more pupils to Edinburgh and St. Andrews universities combined than Eton college: George Watson's college in Edinburgh. If that is an egalitarian system, which we have to defend in the Division Lobby tonight, I want no part of that defence.

**Mr. Alex Salmond** (Banff and Buchan): Presumably, the Minister would not apply those questions on social class to students from Northern Ireland, who will be discriminated against on his position.

The Minister said earlier that he wanted to defend the four-year degree, except that, at column 794 on 8 June, he described it as a "bogus tradition", so will he tell the House: what is it? Is he intent on defending the four-year honours degree, or does he still regard it as a "bogus tradition", as he did last month?

**Mr. Wilson:** That is a characteristic sleight of syntax, because I did not describe the four-year degree as bogus. I know exactly what I said because I saw the glow of excitement on the hon. Gentleman's face when I said it. I will recap what I said—it goes back into the general debate, but I am happy to recap.

When I and, I suspect, the hon. Gentleman went to university, a relatively small minority of Scottish school leavers who went to university did honours degrees. If I remember rightly, roughly 30 per cent. did four-year honours degrees and 70 per cent. did ordinary degrees. In the interim, that has turned around, so that 70 per cent. do honours degrees over four years and a small minority do ordinary degrees, which are then, by inference, regarded as inferior to the norm of the four-year honours degree.

What I said and stand by is that something that grows up over that relatively short period is not a tradition. It is bogus to call it a tradition, because a tradition goes back centuries, not 30 years. It is the norm of the four-year honours degree in Scotland that is not a tradition. It has grown up very recently.

Let us return to the top four schools supplying pupils to the Scottish universities: Eton college, Wellington college, Charterhouse and Westminster school. I say gently to my old and honourable Friend the Member for Linlithgow (Mr. Dalyell) that the amendments that he declared publicly that he will support tonight will help students in Eton but not in Elgin, in Wellington but not in Wallacetown, in Charterhouse but not in Chapelhall, and in Westminster but not in West Lothian. That fact should be borne in mind as the debate proceeds.

**Mr. Roy Beggs** (East Antrim): Does the Minister accept that the perception—which is held both domestically and internationally—that there is fairness and non-discrimination in the United Kingdom is not bogus? If so, how can the Government justify requiring students from Northern Ireland, England and Wales to pay £1,000 more than students from Europe? How can they justify requiring students from Northern Ireland to expend £1,000 more than students from the Irish Republic? Although I take account of the fact that there is provision for those on the lowest incomes, I am concerned that those who are just outside those bands will be greatly disadvantaged.

**Mr. Wilson:** In a moment, I shall deal with the European point—which, superficially, seems to be anomalous—and seek to address it.

First, however, I point out to the hon. Member for East Antrim (Mr. Beggs) that it is not only the poorest who will pay no fees. As a rule of thumb, as a norm, fees will not be paid by those with household incomes below £23,000. Moreover, for those who pay, the fees required will not leap suddenly from nothing to £1,000 a year. There will be a graduated scale, and one will have to be fairly far up in the earnings league before having to pay the full £1,000.

I stress again that anyone from Northern Ireland, like those from elsewhere, who has made the choice of doing a Scottish honours degree course—many do, and they are all extremely welcome—will take fees into account as one of a range of factors. I repeat also that people will not automatically be required to pay an additional £1,000 a year; it is a £1,000 maximum over a period of four years.

As I said—I think it was before the hon. Member for East Antrim joined the debate, but I make no point of that—there have always been extra costs. Any student from Northern Ireland who decides to do a four-year honours degree in Scotland instead of a three-year honours degree elsewhere knows that there will be an extra year of maintenance costs and a year of income forgone. He or she will take all those factors into account in making a decision.

I should like to point out one aspect of the Lords amendments that all hon. Members should understand. It is quite true that it would cost £2 million annually to meet the fees of all fourth-year students on Scottish courses from England, Wales and Northern Ireland. The sum can be dismissed as a relatively small one—although the principle, rather than the sum, is important. However, I hope that hon. Members on both sides of the House understand that the Lords amendments would go much further and make the same provision for all United Kingdom students on four-year degree courses at institutions across the United Kingdom. Such provision would cost more than 10 times as much—about £27 million annually.

We would not have that £27 million available to put into higher education. Any hon. Member planning to vote today for the Lords amendments should do so in the full knowledge that £27 million would be taken from higher education. Where would that money go instead? It would, by definition, go to the best-off people, who would be the only ones who were required to contribute towards their children's tuition fees at the full £1,000 level. That subsidy would mean that, each and every year, there would be £27 million less in public funds for universities and colleges. The cost is significant.

**Mr. Phil Willis** (Harrogate and Knaresborough): The Minister is dealing with an important issue. He has admitted that the £2 million that it would cost to exempt students attending Scottish universities is a moderate sum. The basis of his argument—which has changed very rapidly, and was made clear last week by the Prime Minister at Prime Minister's questions—is that the sum required to exempt more students from fees for four-year courses would cost the Government £27 million. The analysis that we have had done by the Committee of Vice-Chancellors and Principals of the Universities of the United Kingdom, which I think the Minister will agree is a reliable body and not one that panders to the Liberal Democrats, is that it would cost around £12 million, and that the Government have not discounted the tuition fees at all but presume that every student will pay £1,000 and the Government will meet that cost. That clearly is not the case, so will the Minister give an analysis of where the £27 million has suddenly come from?

**Mr. Wilson:** The £27 million comes proportionately from the number of students in England who are doing four-year degree courses. I have tried to break down the number affected in Scotland, and that is what would be covered by roughly £2 million, but incrementally there is a far larger number. As I understand it—this is not within my territory, but it is something that has grown up over the years—there is a much more substantial number of students doing four-year degree courses in England than perhaps had been widely appreciated, and certainly many more than are doing them in Scotland.

**Mr. Willis:** There are 50,000.

**Mr. Wilson:** I am not quite sure how the hon. Gentleman gets a multiplier that takes him to 250,000. As I said, it is 10 times more in England than in Scotland in terms of cost.

**Mr. Willis** *rose*—

**Mr. Wilson:** I am happy to correspond with the hon. Gentleman if he wants to pursue the point of detail. Incidentally—

**Mr. Willis:** This is a serious point.

**Mr. Wilson:** I recognise that it is a serious point, and I shall perhaps answer it when I wind up the debate. I do

*[Mr. Wilson]*

not dismiss it. I point out in passing that the Committee of Vice-Chancellors and Principals was among those who supported the introduction of tuition fees as a necessary method of getting extra money into higher education.

This debate has been largely about Scottish courses. If it were self-contained, it would be an interesting debate, but different from the one that we are having tonight. The secretary of the Committee of Scottish Higher Education Principals wrote a letter to *The Scotsman* last week. He was totally dismissive of and not interested in the £27 million argument—that is for someone else to worry about. He wrote:

"Why does it requite comment by the English Department for Education and Employment to defend a decision which palpably discriminates against the Scottish way of doing things?"

He went on to dismiss with an airy wave of the hand four-year degree courses in England which, he said:

"cannot be regarded as authentic higher education at all and certainly not comparable with the first year of Scotland's distinctive four-year degree with honours."

I do not have the luxury of saying that I do not care about these folk in England doing four-year degree courses because the degrees are not worth anything. That is a ridiculous thing to say. The Government are obliged to take account of the fact that there is a UK-wide effect from the cost of this, and that the argument that prevails in Scotland is exactly the one that should prevail in the rest of the United Kingdom. In other words, it is a Unionist argument again, as opposed to a divisive one.

**Mr. James Wallace** (Orkney and Shetland): The Minister suggested that, if the issue were the £2 million that it would cost to allow English, Welsh and Northern Ireland students to study a four-year honours course at a Scottish university, therefore providing comparability, that would be a different argument. If the House accepts the Government motion, and the other place were then to vote for an amendment that would restrict it to the change that cost £2 million, what would the Government's attitude be?

**Mr. Wilson:** I think that I was entitled to draw it to the attention of the House that that is not what the amendment says. Anyone who is going to vote for the amendment had better understand what it says. Hypothesising about what the Lords might do is not particularly productive.

It is important to get this clear on the record: I did not say that it would be a different argument. I said that it would be an interesting debate; but it is not the one that we are having, because we are debating the amendments before us. The case for the Scottish £2 million, if you like, is founded on an educational argument as well as a financial one, which is, quite simply, that there is not a neatly interlocking set of school qualifications from England and the other parts of the United Kingdom which fit into the four-year honours degree system in Scotland. That is an educational argument; it is an argument recognised by Dearing; and it is the argument on which we found our case tonight.

**Mr. Desmond Swayne** (New Forest, West): The Minister implies that the Scottish first-year course is little more than a remedial year to bring Scottish highers students up to A-level standard. That is an outrageous argument.

9 pm

**Mr. Wilson:** If it were a remedial year, the hon. Gentleman could probably benefit from it. Perhaps the hon. Gentleman should be left to his own devices, as I said no such thing. I quoted the secretary of the Committee of Scottish Higher Education Principals saying that the first year of a course in England could not be regarded as higher education. He was referring to England, not Scotland. I said nothing remotely resembling what the hon. Gentleman has attributed to me. The cost is significant, but the principle is equally important.

I now turn to the European dimension. Given my history on the issue, I found it surprising to have to explain to some unlikely people what devolution and subsidiarity are about and the consequences that flow from having different systems in respect of health, education and so on in different parts of the United Kingdom. Long before political devolution, Scotland has had a distinctive and different education system. In other parts of Europe, there are variations between Lander, regions and provinces, and it is clear that differences can develop within states on the basis of devolved government and administration. The simple principle that, in my view, rightly operates within the European Union is that, if citizens of other EU countries come to a part of a fellow member state—be it a region or a devolved territory—they benefit from whatever system applies within that area. However, for exactly the reasons that I have explained, EU law does not provide that internal concessions must be granted throughout the state.

**Mr. Tim Boswell** (Daventry): On the basis of equity, will the Minister advise the House of the position of a German national who has a parental home in or whose normal place of residence is in England in relation to attendance at a Scottish university? Will he be expected to pay the extra year's tuition fees; if so, can the Minister explain to the House whether he should be treated on the same basis as an English student?

**Mr. Wilson:** We have all had such constituency cases at one time or another. They have to be dealt with according to their individual circumstances. It would depend on how long the individual had been resident in England and a range of other circumstances. I encounter such cases fairly frequently, as I am sure my ministerial colleagues do in England. If the hon. Gentleman wishes to draw a specific case to their attention, I am sure that my ministerial colleagues will be pleased to give him an answer.

Although the European position sounds anomalous, it is not. It applies throughout the European Union. It is the product of a union of states within which there are various forms of government and different legislatures.

**Mr. Beggs:** I am grateful to the Minister for giving way to me again.

The Minister will be aware that, today, the New Northern Ireland Assembly has had its first meeting; arising from it will be cross-border bodies, and much co-operation is expected. Nevertheless, there will be discrimination between students from Northern Ireland and from the Irish Republic should they be studying at Scottish universities. There will also be the council of the isles; should it make a representation to the Minister

asking for equity of treatment for students from all regions within the United Kingdom, would he accept and honour such a recommendation?

**Mr. Wilson:** I shall not prejudge what the council of the isles might discuss. However, before anyone recommends the system in the Republic of Ireland, they should check on the availability of student grants to the great majority of students. They should also check on the availability of student loans, which do not exist at all there. As a result, the majority of students within the Republic of Ireland have access to neither grants nor loans from the state, and that is not a desirable system for Scotland or Northern Ireland to copy.

**Mrs. Angela Browning** (Tiverton and Honiton): Will the Minister clarify the means-testing of the fee for students from other parts of the European Union? What mechanisms has he arranged with other member states and what are the administrative costs likely to be?

**Mr. Wilson:** Those students do not have access to maintenance grants or loans.

**Mrs. Browning:** I am asking about fees.

**Mr. Wilson:** If I misunderstood the hon. Lady's point, I shall deal with it later.

The spectre of hordes of European Union students coming in while the English are deprived is held up as the great problem. Students from the rest of the European Union will not benefit from the subsidised maintenance loans which will be available to students from England, Wales, Northern Ireland and Scotland.

**Mr. Willetts** *rose—*

**Mr. Wilson:** I shall not give way because I am coming to a conclusion.

The idea that European Union students will flock to Scottish universities in place of UK students is absurd. In 1995-96, there were just 350 other EU students in the fourth year of a Scottish course. This year there has been a 17 per cent. fall on last year's number of EU applicants, which is greater than the percentage fall in the overall number of applicants. The EU treaty requires member states not to discriminate on the ground of nationality against nationals of other member states on matters in the scope of the treaty, but it does not require each member state to treat all its nationals in the same way. That is what devolution and subsidiarity are about. I find it odd that the principles should be attacked by people who otherwise support them.

I do not want to detain the House further. This is an interesting debate, but it is peripheral to the main issues.

**Mr. Wallace:** There are two motions for debate. The second says:

"That this House insists on its amendment in page 22, to leave out lines 31 to 39, to which the Lords have disagreed."

That specifically relates to English, Welsh and Northern Ireland students attending Scottish higher education institutions. The Minister said that that might be a different debate, but it is relevant to the amendments. What will be the Government's policy if there is a separate vote on that motion?

**Mr. Wilson:** I may be dreaming, but I think that I answered that question five minutes ago. I said that it was a different debate, but the same principle. We have made it clear from the start that we oppose extending the provision to students from the rest of the United Kingdom, not primarily—or not entirely—on financial grounds. There is an educational argument. We believe that it is not right to extend that benefit to students who have chosen a degree course in Scotland against the many other options open to them. We do not believe that it will have any impact on the number of English students in Scottish universities. I reiterate the point that, if any Scottish university is worried about not having enough students from England, it need only take a few students from less well-off backgrounds. That will keep the numbers and the quality up.

**Mr. Beggs:** Will the Minister give way?

**Mr. Wilson:** No. I have given way twice to the hon. Gentleman.

We are debating a peripheral aspect of the Bill. The Bill is about getting more money into higher education, putting £140 million extra a year into Scottish higher and further education alone. That is a big aim. The quality of our education system depends on it. If we are frustrated or diverted from our aim, it will not be this House that pays the penalty, but the students of the next generation, the research base of the Scottish universities and, in particular, those universities that depend on the widest possible range of students and the widest range of access to their ranks. For all those reasons, I ask my hon. Friends and Opposition Members who think about the issues to vote to overturn the Lords amendments. As we would expect from the House of Lords, the amendments are in the interests of an elite and do not address the needs of higher education.

**Mr. Willetts:** The longer the Minister's speech went on, the feebler his arguments became. It was a completely unnecessary speech, on a completely unnecessary measure. The Government have got what they asked for when the Secretary of State for Education and Employment made his statement on higher education almost a year ago. In every essential respect, the Bill before the House delivers what he announced. It is not the purpose of this debate to go into the strong disagreements in Committee—suffice it to say that the Secretary of State has got what he announced last July.

This debate is about something that was not announced in July. To be honest, I do not believe that Ministers ever intended to get themselves into such a position. I do not believe that any of the Ministers sitting on the Front Bench said in a Whitehall ministerial meeting, "I've had a bright idea. Why don't we charge more for students from England, Wales and Northern Ireland if they go to Scotland than we charge those who live in Scotland?" No Minister came up with such an idea. Whatever I may think of the ministerial team, I do not believe that they would be quite that daft.

I do not believe that a second Minister then chipped in, saying: "I've an even better idea. Why don't we exempt students from fourth-year fees if they come from the rest

*[Mr. Willetts]*

of Europe but not if they come from England, Wales or Northern Ireland?" We are debating not a policy, but an accident as a result of the failure of Ministers in the Scottish Office and the Department for Education and Employment to get their act together as they were developing higher education policy.

**Dr. George Turner** (North-West Norfolk): Will the hon. Gentleman explain why the policy is an accident, given that the exemption for four-year degree courses was part of the Denning recommendations, and that that noble Lord still supports what he recommended?

**Mr. Willetts:** That noble Lord is dead. The hon. Gentleman may be referring to Lord Dearing. I am, of course, familiar with the arguments in the Dearing report. Following comments on exemption for tuition fees, the very final sentence of the Dearing report on this subject states:

"Beyond that, this would be a matter for consideration by the Secretary of State for Scotland."

That was an open invitation to the Secretary of State for Scotland to consider making arrangements so that we would not get into the anomalous position in which Ministers have landed themselves. I should be interested in whether the Minister wished to deny at the Dispatch Box that, as I believe, Scottish Office Ministers have prepared in their budget a contingency plan for the £2 million that will be necessary to deal with the anomaly. That is what Lord Dearing invited them to do.

Let us consider briefly in turn—I shall certainly not speak for the same length of time as the Minister—some of the unbelievably convoluted and complicated arguments that have been put before the House in this debate, and earlier today, by the Prime Minister in Prime Minister's Question Time. First, let us turn to the figures on university applications.

Last week, the Prime Minister told us in Prime Minister's Question Time:

"the number of English students applying to Scottish universities is up, not down. It is actually 33,000."—[*Official Report*, 24 June 1998; Vol. 314, c. 1047.]

Unusually, the Prime Minister apologised in today's Question Time for getting that wrong. It was simply incorrect; the figures clearly show that applications to Scottish universities from English students are down by 4.1 per cent.

Then we heard an even more ingenious argument. We were told that, although applications to Scottish universities from English students have fallen, it does not matter, because overall applications to Scottish universities have fallen by even more. I should not have thought that that is something that anyone would want to celebrate. In racing down to the bottom, which is the best that Ministers can come up with, they tell us that such a fall does not matter, because the overall figure has fallen by 5.4 per cent.

The statement by the Universities and Colleges Admission Service of 12 June gives its figures. They indeed show a fall of 4.1 per cent. in applications to Scottish universities from English students, and an overall fall—in students from Scotland, the rest of the United Kingdom and the rest of the European Union—of 4.5 per cent. Why is that? A fall of 30.3 per cent. in applications to Scottish universities from students in Eire has brought down the average.

The Prime Minister said that such wider changes were irrelevant to the policy; they are not. Applications from Eire have fallen by 30 per cent. because it has just got rid of tuition fees, and more students in the Republic of Ireland are staying at Irish universities. To claim that phenomenon as the explanation or defence of what the Government are trying to do is to pile distortion on distortion.

**Miss Melanie Johnson** (Welwyn Hatfield): The hon. Gentleman neglected to mention the figures for Wales, which show a 4.5 per cent. increase in applications. I invite his comments on the point, which was made by the Minister, that the figures are for applications, which fill places many times over. All we are arguing about is the massive over-subscription for places. Spending more money on those limited places for the few people occupying them, rather than on a larger number of students, will only increase the number of unsuccessful applicants and reduce the number of those who are able to attend universities and complete the degree courses.

9.15 pm

**Mr. Willetts:** That was equal to about three interventions. The figure for Wales, which I have here, of an increase of about 40 in applications, is trivial compared with the problem of a fall in applications from England and, as Northern Ireland Members have mentioned, from Northern Ireland.

**Mr. Beggs:** Does the hon. Gentleman agree that the position with applications from Northern Ireland is even more serious, because of the absence of adequate university provision within Northern Ireland? Many of our able youngsters, who could compete favourably with others at Scottish universities, may lose completely.

**Mr. Willetts:** The hon. Gentleman is correct, and, although the Minister seemed rather uncertain about this idea, he is talking about a well-established tradition, under which many students from Northern Ireland have gone to Scottish universities, partly because of historic links between the two countries. As the hon. Gentleman pointed out—

**Mr. Jim Murphy** (Eastwood): Will the hon. Gentleman give way?

**Mr. Willetts:** I want to make more progress. I shall finish this point.

The tradition is attributable also to the absence of sufficient higher education provision in Northern Ireland.

In the text surrounding its figures, UCAS said:

"Institutions in Scotland, where honours degrees are traditionally four years long, continue to be affected by the introduction of tuition fees."

That is a perfectly obvious and comprehensible point, and I do not understand the attempts to create ever more confusion about it.

**Mr. Murphy:** Will the hon. Gentleman give way?

**Mr. Willetts:** No, I want to move on to a different point. I shall not speak for as long as the Minister did.

The other argument we hear is about the treatment of European students. Whatever ingenious arguments the Minister tries to put before the House tonight, he does not have a reasonable prospect of sustaining this policy through the European courts in the months and years ahead. The idea that the European Court of Justice will not interfere in a manifestly discriminatory policy comes from cloud cuckoo land. He would be much better off finding the £2 million necessary to concede the point now, rather than being hauled through the courts in future.

**Mr. David Jamieson** (Plymouth, Devonport): The figure is £27 million.

**Mr. Willetts:** I am grateful to the hon. Gentleman for that remark, which is the next point that I should like briefly to consider. When the Minister has run out of all the ingenious and intricate claims he has made tonight, the one argument that remains is that we are on a slippery slope, that this is the thin end of the wedge—we all know the Whitehall arguments—and that the cost would be not £2 million, but £27 million.

The figures from the House of Commons Library—and, indeed, from Ministers themselves in written answers—are absolutely clear. The cost of exempting students from England from fourth-year tuition fees in Scotland would be £1.5 million; for students from Wales the cost would be £45,000, and for students from Northern Ireland it would be £550,000. That is the cost of dealing with the anomaly that we are debating tonight. The anomaly is one in which two students born in different countries of the United Kingdom, going to the same Scottish university, will face different levels of tuition fees simply because of where they were born. What we are talking about is what goes on within a Scottish university. That is the point at issue tonight.

**Mr. Wilson:** From what the hon. Gentleman says, am I right to conclude that he would not support the extension of the same concession to four-year degree courses in England; and, if so, will he vote for the Lords amendment, which envisages exactly that happening?

**Mr. Willetts:** The Lords amendments are permissive—[HON. MEMBERS: "Ah."]—they put no obligation on Ministers in either the Department for Education and Employment or the Scottish Office to spend £27 million. All they require is that, at any given university, students who come from different parts of the United Kingdom should be treated on the same basis for tuition fees.

I quite accept that at St. Andrews and at Edinburgh university there is an historic different way of delivering higher education from that at English universities. We are not saying that students at English universities should be exempt from fourth-year tuition fees—we accept that, at £27 million, that would be too expensive. All we are asking is that students from different parts of the United Kingdom going to the same university should be treated on the same basis. That is why dealing with the anomaly would cost only £2 million, not £27 million.

**Mr. Willis:** There are two amendments for debate tonight, and we would hope to have two separate votes, if that is necessary. The second of the amendments, which refers to page 22, lines 31 to 39, is very specific. It deals specifically with students from England, Wales and Northern Ireland going to Scottish universities. It is bogus of the Minister to claim otherwise. That debate is at the heart of our deliberations this evening.

**Mr. Willetts:** The hon. Gentleman is quite correct. What we are talking about is the regime in Scottish universities, which is what the amendment tabled in another place to which he refers is all about.

**Mr. Wilson:** Will the hon. Gentleman give way?

**Mr. Willetts:** Yes, although the Minister did not accept my second intervention, so I am treating him better than he treated me.

**Mr. Wilson:** I had more competition facing me than the hon. Gentleman has. He makes a fundamental point and it seems to me that we could abandon proceedings now. He is simply wrong when he says that the amendments are permissive—they are not. The Lords amendment in lieu of Commons amendment No. 64 states clearly:

> "Regulations under this section shall ensure that any arrangements for the payment of grant in respect of tuition fees for the fourth or any subsequent year of study at a higher education institution in England or Wales apply equally to a student whose parental home or normal place of residence",

and so on and so forth. It is not permissive. As the hon. Gentleman appears to have renounced the meaning and the spirit of the amendment on which we shall vote later, I wonder what we are debating.

**Mr. Willetts:** This is very interesting. If the Minister is going to tell the House that he will accept the motion that specifically covers students from England, Wales and Northern Ireland in Scottish universities for a cost of £2 million, the Opposition will happily accept that. That is the anomaly about which my hon. Friends and I are complaining. There is not a complaint in Bristol—

**Mr. Wilson:** On a point of order, Mr. Deputy Speaker. It is essential for the House to know whether the hon. Member for Havant (Mr. Willetts) is moving the Lords amendment in lieu of Commons amendment No. 64, given that he has renounced its content.

**Mr. Deputy Speaker:** The motion before the House has been properly moved. That is a debating point, not a point of order.

**Mr. Willetts:** It is the Minister who is moving the motions to tonight. My point is that we are not imagining, claiming or demanding that students in English universities should be exempted from fourth-year tuition fees; we are saying simply that, when students from different parts of the United Kingdom are studying side by side at Scottish universities, they should all be treated on the same basis. That is the point, that is the anomaly and that is what the argument is about. There have not been protests in England about this matter; it concerns the Scottish universities.

**Mr. Jim Murphy:** Will the hon. Gentleman give way?

**Mr. Willetts:** No, I must conclude now.

*[Mr. Willetts]*

The motion is about establishing that there should be equal treatment of English, Northern Irish and Welsh students at a university in Scotland. If all that the Minister can do is to offer us evermore ingenious and intricate arguments for something that no reasonable man would defend, that is the beginnings of the decay of a Government when Whitehall arguments triumph over practical common sense.

**Mr. Dalyell:** On a point of order, Mr. Deputy Speaker. Perhaps it was inadvertent, but the Opposition Front-Bench spokesman seemed to kill off the noble Lord Denning, who I am told is in fact alive and flourishing.

**Mr. Deputy Speaker:** I am sure that the House will be glad to hear that.

**Mr. Donald Gorrie** (Edinburgh, West): On a point of order, Mr. Deputy Speaker. The Public Bill Office agrees with my interpretation of the Lords amendment that the House is seeking to overturn, which is different from the Minister's understanding. The hon. Gentleman was trying to say that the Lords amendment—

**Mr. Deputy Speaker:** Order. That is not a point of order for the Chair. The hon. Gentleman is extending the debate.

**Mr. Willetts:** On a point of order, Mr. Deputy Speaker. I wish to extend my gratitude for the correction, and my apologies to Lord Denning.

**Mr. Deputy Speaker:** I am sure that the hon. Gentleman's apology will be noted.

**Dr. George Turner:** The slip of my tongue was certainly outdone by the slip of the dagger on the Opposition Benches. First, I must briefly remind the House that among Sassenachs, because of Scottish ancestry, I have a warm spot in my heart for a number of Scottish traditions.

**Mr. Willis:** On a point of order, Mr. Deputy Speaker. I apologise to the hon. Member for North-West Norfolk (Dr. Turner) for interrupting, but this matter is germane to the whole debate. There is a difference of opinion between the Government and both Opposition Front-Bench spokesmen about interpretation. Can you ask for an official interpretation of the amendment?

**Mr. Deputy Speaker:** It is for Ministers to explain to the House the motion that is before it.

**Dr. Turner:** When the House last discussed the issue, I at least understood the emotional content of some of the debate. If I did not understand where the arguments appeared to have come from, certainly the politics seemed straightforward. The politics of the Opposition are that they will lay their hands on anything, even if it means abandoning the principles that they have argued elsewhere on the Bill, to find something that can be represented as the Government being unfair.

As the noble Lord Dearing explained last week that equity was the motivation behind his committee proposing the exemption for Scottish students attending Scottish universities, I find it difficult to understand why a party that says that it wants to implement the Dearing proposals will argue against them when it suits their political purposes.

After many years spent as a university teacher and admissions officer, and in being involved with course design work, particularly for courses that allowed students to join in different years and which tried to encourage applications from Europe and further afield, I know that one must face many issues when considering the merits of three and four-year courses.

When I first joined the university system many years ago, the word "elitist" could rightly have been used to describe the attitude of many in higher education who believed that they had some right to a level of funding and support that was but a dream for those in further education, particularly those at our schools. I know from my political experience of the changes that took place in the universities. In the name of efficiency, they were forced to impose unacceptably low unit costs to meet what I believe was the admirable objective of an increase in the numbers of students.

However, as a member of a local education committee, I saw that that had to be balanced against the many funding needs of the local education authority, which were unmet almost every year—in my county of Norfolk, three and four-year-old nursery provision was non-existent, and almost all sixth-form provision received inadequate funding.

**Mr. John Hayes** (South Holland and The Deepings): Like the hon. Gentleman, I was a member of a local education authority for many years. He seems to be saying that there was an imbalance between the resources for higher education and those for schools and nurseries, so is he arguing that, for 18 years, the previous Government funded universities too generously?

9.30 pm

**Dr. Turner:** I said that I saw an inequity. There was an elitist attitude in the universities—when I joined the university system, only a tiny minority of people were able to go to universities, which meant that there was less funding to support those who were unable to go to them. The nation faces a challenge in trying to strike the right balance between supporting those who are unable to go to university because they have failed at an earlier stage and the aspirations of those who are already at university.

I spent many years in university circles, and I know that many people in English universities want the four-year course to be the norm. Indeed, it would be good to think that, in the next millennium, the nation could afford a standard honours course that lasted four years, as that would allow for a relaxation in what can be an intense pace of study.

I have to ask myself whether that is the priority that I want to support as a Member of Parliament. I believe that better funding for—not the extension and relaxation of—what we already do should be our highest priority; we cannot afford the luxury of four-year courses as the norm in these isles before we have improved the quality of three-year courses and opened the doors of our

universities and further education institutions to larger numbers of pupils. If hon. Members do not recognise that the argument is about priorities, they are missing the point.

**Mr. Dalyell:** Will my hon. Friend clarify whether his argument is that the Scottish four-year course should be ended, or have I misunderstood?

**Dr. Turner:** My hon. Friend misunderstands me. As I said at the outset, to avoid misunderstanding, I have an automatic, even genetic, sympathy with the Scottish system. However, that system is fundamentally different from the English system. One may regard it as superior or inferior, but the truth is that it is fundamentally different. People can create false anomalies only because we are trying to match the needs of two different systems and of those who want to transfer between them.

**Mr. Randall:** Will the hon. Gentleman give way?

**Dr. Turner:** I must make some progress, as I know that other hon. Members want to speak.

The fundamental question that Dearing and the Government have had to face is why four-year courses in Scotland are treated differently from the four-year courses that exist in England. If that had been the subject of this debate, I could have understood that those who represent the Scottish interest had an argument. I know enough about Scotland to be aware that significant numbers—it used to be the majority—of pupils move from school to university after one year of post-compulsory school education.

I know that the pattern has shifted and that many now do a further round of highers, but a large number of pupils in Scotland start their four-year degree course after only one year at highers, as opposed to the two years at A-level enjoyed by the vast majority of English pupils as the standard—although by no means the only—route into English universities.

A comparison between the number who flow north of the border and the number who come south shows that the real difficulties arise in transferring into England after one year post-16 in Scotland. Some of the English four-year courses allow that transition, because they are structured for those who want to change subjects.

The Dearing inquiry had to consider whether an exception should be made for Scottish universities' four-year courses because of the significant number of students who would be seen to be treated inequitably if they were required to pay for all four years. Because the inquiry saw that that would be unfair to that majority, or large minority, of students in Scotland, it recommended an exclusion for Scottish students, who would have only the same number of years of post-compulsory schooling as their English counterparts, who had two years at A-level and three for a standard university course.

**Mrs. Browning:** If what the hon. Gentleman says about the situation in Scotland, England, Wales and Northern Ireland is the case, what is the justification for the exemption for Holland, Germany, Italy, Belgium, France, Portugal, Spain and all the other European Union countries? Are they all being exempted for exactly the same reason, or have the Government received rather different advice about their actions in relation to those countries?

**Dr. Turner:** I know that the Conservative party is obsessed with all matters European, and I believe that that was an arid debating point, with which the Minister has already dealt completely adequately. The hon. Lady may tempt me to speak for longer than I had intended. That dreadful nationalistic approach, which does not recognise the difference between this country and Europe, has divided her party and done it no good whatever.

It is important to realise—I hope that Scottish Members are listening carefully—that the Government erred on the side of generosity to Scotland. I was tempted to raise this issue when these measures last came to the House, and I will resist no longer. The Government have taken a principled exemption, designed to allow those students in Scotland who had done only one year of post-compulsory education at school to pay for only three years of fees, and extended it to all students in Scotland, so that those students who take two years and do a further round of highers are also exempt.

**Sir Robert Smith** (West Aberdeenshire and Kincardine): It is important to realise that it is not only a matter of the number of years at school and university, because often the first year of the subject that you study at university will be crucial to your degree and not relevant to what you studied in your two years in the sixth form. Say you studied law, medicine or—

**Mr. Deputy Speaker (Mr. Michael J. Martin):** Order. The hon. Gentleman should know that it is highly unlikely that I will be studying law or any other subject.

**Dr. Turner:** It would be nice if we could afford to allow everyone to do whatever they wanted and to have unco-ordinated career patterns, switching to any course at any time. Some time in the next millennium, we will no doubt be able to have perpetual students who never make up their mind about what they want to do. My question is whether the Government can afford to give greater priority—

**Mr. Willis:** Will the hon. Gentleman give way?

**Dr. Turner:** I need to make some progress with my argument. I want to make sure that the House clearly understands that the Government have erred in favour of Scottish students and Scottish universities. Will the Minister explain why the Government have been so generous to Scottish universities?

**Mr. Willis:** Will the hon. Gentleman give way?

**Dr. Turner:** I will, as the hon. Gentleman is so insistent.

**Mr. Willis:** I am grateful to the hon. Gentleman. I know that he was in full flow, but I am trying to help him. He seems to be saying that, because students in Scotland leave school a year earlier than their English counterparts, they deserve an additional year's exemption.

*[Mr. Willis]*

Can he tell me why a domiciled Scottish student who wants to study medicine or veterinary science will receive no exemption?

**Dr. Turner:** As I said, the trouble with exemptions is that, once those in authority embark on them, they have to justify not going one step further. The Government need to be pinned down on why they have made the exemption at all. That is the real question that needs to be answered, and I hope to hear a clear answer from the Minister.

The Minister has said—I believe that the figures given by his counterpart in the House of Lords bear this out—that the extra cost is about 5 per cent. of the total that might be involved. Supporting a four-year course will involve many costs to the state. As I said at the outset, I believe that, when fundamentally different systems are operating, an element of judgment must feature in the granting of exemptions to take account of those fundamental differences.

I think it reasonable to exempt Scottish students, because of the fundamentally different system under which they are educated in and after school; but I see no reason why someone from northern England, for example, should be able to cross the border to do a four-year course and benefit from an exemption from which he or she could not benefit at the university at which I studied in England. The Opposition want to create an anomaly: they want an English student taking a four-year course in Scotland to be treated differently from an English student taking a four-year course in England. I see no reason for that, and I think that the Government should stick firmly to the opposite principle.

I have read the report of the debate in the other place. The Opposition there seemed not to be learned and erudite, or to know what they were talking about; their views seemed to be based on the same party political principles as the views that we are hearing tonight. I hope that the amendments will be thrown out.

**Mr. Wallace:** I hope that I will be forgiven if I do not follow the hon. Member for North-West Norfolk (Dr. Turner) down all the byways of his speech, since I was not entirely sure where he was going.

The Minister's introductory speech astounded me. I had already thought that the Government's arguments were pretty threadbare, but the longer the Minister went on, the more threadbare they became. That has been the character of the Government's position throughout the debate. The hollowness of their arguments has been matched only by their obstinate unwillingness to admit that they are wrong, and that the simplest thing to do would be to accept the Lords amendments, particularly the one dealing specifically with Scottish institutions.

9.45 pm

I mentioned the Government's arguments. No great battery of arguments has been fired against us, however; instead, the Government have had to put up successive arguments, because almost every argument that they have made has been shot down. When the policy was first announced, the Minister thought that he could destroy his critics and win the day by sheer bluster. He described his critics as indulging in "hyperbolic nonsense". He criticised those who defended extra fees for defending the "rich English". The Minister likes to pride himself on being the scourge of the Nats, but if that remark had come from the Scottish National party, I can just imagine his outcry against such a nationalistic act. There were further echoes of that statement in the Minister's attempted defence of the Government's position tonight.

Having failed with that argument, the Government attempted to use misleading figures. I would be ruled out of order, and would not argue, Mr. Deputy Speaker, if I said that the Minister had used lies or damned lies, but "Erskine May" allows me to say that he used statistics. As the hon. Member for Havant (Mr. Willetts) has pointed out, it was totally misleading to say that the proportion of students applying to Scottish universities from England was down by less than the total drop in applications. The point being made was about the substantial reduction in student applications from the Republic of Ireland, whose students are not coming to Scotland because Irish tuition fees have been abolished. The Minister also ignored important points about students who come to Scotland from Northern Ireland for long-standing traditional reasons. The number coming from Northern Ireland is down about 5.5 per cent. The overall figure is 4.5 per cent. As the hon. Member for Havant said, the Universities and Colleges Admission Service explained that with reference to the introduction of tuition fees.

**Mr. Jim Murphy:** I have listened with interest to the point made by both the hon. Gentleman and the hon. Member for Havant (Mr. Willetts) about students from Northern Ireland. Applications to Scottish and other United Kingdom universities from Northern Ireland have gone down. The hon. Gentleman claims that that was caused by tuition fees. If that is so, how can he explain the 15 per cent. reduction in the number of Northern Irish students going to colleges and universities in the Republic of Ireland over a two-year period? His figures do not add up. There has been a drop of 4 to 5 per cent. in applications from Northern Ireland to the UK, but a drop of 15 per cent. of applications from Northern Ireland to the Republic, despite its abolition of fees.

**Mr. Wallace:** I will not explain why students have not gone to the Republic of Ireland, although they would not get loans if they did so. However, almost 380 fewer students have applied from Northern Ireland to Scottish universities, which is a significant drop over last year's figure. The hon. Gentleman cannot just wish that away by making comparisons with applications to the Republic of Ireland.

**Mr. Hayes:** Of the Northern Irish students who go to Scottish universities, more than three quarters are from state schools. We heard no description from the Minister of the schools in Northern Ireland when he gave his sociological breakdown; he chose to dwell solely on England in his analysis.

**Mr. Wallace:** I noted that point. The Minister was keen to read out Eton, Wellington and dear knows where else, but he failed significantly to respond to queries on the schools attended by Northern Irish students who went to Scottish universities.

Other arguments have been used. In the other place, Lord Sewel said that the Bill compensated Scottish students who went to university aged 17 after only one year of post-statutory school age education. That is simply factually wrong. It is a long time since I was at school but only two of my fellow pupils left at the end of fifth year. The rest of us went to university at the end of sixth year. When I heard that argument from the Government, I thought that there had been a sea change but in fact only 7.4 per cent. of 17-year-olds in Scotland were in higher education institutions in 1995. The argument does not stack up.

Lord Sewel advanced another argument. He tried to say that the first year at Scottish university was there to make up for the alleged lack of depth achieved with a one-year or two-term higher. Apart from being patronising to the Scottish education system, that ignores the fact that the distinctiveness of the Scottish education system lies in its breadth and quality. That point has been used to justify another weak prop of the Government's argument.

The Government say that students from England, Wales and Northern Ireland can skip the first year of Scottish degree courses and go straight into the second year, thereby avoiding a year's worth of fees. That does not meet the test of critical examination. Less than 12 per cent. of students from England, Wales and Northern Ireland go straight into the second year of courses in Scottish universities. It was previously only 6 per cent. for England and 7 per cent. each for Wales and Northern Ireland. The numbers were decreasing. The Government's argument ignores the fact that many subjects, such as law, engineering and psychology cannot be done at school, so the first year is necessary. That argument does not stack up either. Second-year entrants miss out on the opportunity to study the extra subjects that they could have studied in the first year.

**Shona McIsaac** (Cleethorpes): Does the hon. and learned Gentleman accept that applications from England for entry in the second year of Scottish university courses have doubled, which totally destroys his argument?

**Mr. Wallace:** That makes rather than destroys my argument, because the trend was down. It is under the pressure of the Government's policy that the figure has tumbled. Unfortunately, the hon. Lady cannot see it.

The fear is that linked to these measures is the systematic undermining of the Scottish four-year degree course. The Minister, who is no longer with us, has said that he wants the advanced higher to be on a par with A-levels. In a letter to me this week he said that he looks forward to similar advanced entry for Scottish pupils who had taken the advanced higher. He wrote:

"Where institutions make offers of credit or advanced standing for holders of A levels, Advanced Higher students should be given similar recognition."

**Mr. Swayne:** Will the hon. and learned Gentleman give way?

**Mr. Wallace:** I want to make progress. There is widespread concern that what underlies the proposal is the systematic undermining of the traditional, broad-based, four-year Scottish honours course.

The Government's most ludicrous argument is that they are acting in this way because it helps to emphasise the distinctiveness of the Scottish education system.

**Mr. Welsh:** I am amazed at what the hon. and learned Gentleman says. He makes an important point by illustrating what a mess the Government's policy is in. They cannot even implement "higher still", never mind the advanced higher. They have got their education policy, both at schools and universities, into a complete mess.

**Mr. Wallace:** The hon. Gentleman knows that we agree. "Higher still" implementation has been appalling. When the advanced higher was first mooted, the understanding was that it would proceed on a broad base, but now we are talking of people taking only two or three advanced highers, making the examinations similar to A-levels—just when people in English education have been looking at the breadth of the Scottish education system.

For the Minister to argue that what the Government are doing emphasises the distinctiveness of the Scottish system, and that we will have such so-called anomalies with devolution, misses the point. The distinctiveness will not be based on the system but on domicile, and a limited domicile at that because the arrangements apply only to people living in England, Wales or Northern Ireland. The proposals are nothing to do with the system. The problem is made worse by the fact that students from Umbria are exempted whereas students from Cumbria are not. The Under-Secretary of State for Education and Employment, the hon. Member for Pontypridd (Dr. Howells), may groan, but he will have cause to groan even more. *[Interruption.]*

**Mr. Deputy Speaker:** Order. There is too much noise in the House.

**Mr. Wallace:** As my hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis) said, there could be a legal challenge to the Government. My noble Friend Earl Russell was told in another place that the Government were confident that they were right. This evening, the Minister told us that he had taken legal advice. Of course, we know that the Government take legal advice. The Labour party in Scotland took legal advice when it tried to remove the lord provost of Glasgow, and look what happened then. So we know the quality of advice—

**Mr. Jim Murphy** *rose—*

**Mr. Wallace:** I am not going to take any advice from the hon. Gentleman. It is probably no better than the last lot he gave me and probably no better than the advice that the Government were given on this matter.

Some distinguished professors of educational law have raised a serious point. Under the European convention on human rights, there may well be challenges to the Government's position on this matter.

My final point relates to cost. The point has been made tonight that the amendments would cost some £27 million. The first amendment makes no such commitment. All that it says is that there cannot be discrimination between

*[Mr. Wallace]*

Scottish and Northern Irish students who attend English and Welsh institutions. The second amendment relates only to making a level playing field for English, Welsh and Northern Irish residents who come to Scottish universities. The Minister has accepted that the cost of that is only £2 million. That is £2 million that will not kick in until 2001—the fourth year of courses starting this year under the present system. I do not believe that the Government could not find £2 million in the next three years.

**Dr. George Turner:** Will the hon. Gentleman give way?

**Mr. Wallace:** No, the hon. Gentleman had a fair say.

In his report, Garrick referred to comparable qualifications elsewhere in the United Kingdom.

**Mr. John McAllion** (Dundee, East): I did not realise, until the hon. and learned Gentleman said it a few moments ago, that the requirement to find £2 million would not apply until 2001—the fourth year of honours courses starting this year. By that time, there will be a Scottish Parliament, which will be responsible for the funding of higher education. It could be that the Scottish Parliament will overturn the decision of the House tonight when it really matters.

**Mr. Wallace:** That is obviously the case. Perhaps people will be sufficiently enlightened to find the £2 million.

**Mr. Jim Murphy:** I thank the hon. and learned Gentleman for giving way. If I have the opportunity to speak, I will give way to him. On the issue of the Scottish Parliament, the hon. and learned Member for North-East Fife (Mr. Campbell), writing in the alumni association magazine of St. Andrews university, said:

"There will never be unlimited resources for Higher Education. The Scottish Parliament won't change this. It is also unlikely that the proportion of expenditure on Higher Education within the total education budget will increase."

Those are the words of his hon. and learned Friend, in whose constituency the university is. Does the hon. and learned Gentleman disagree with his hon. and learned Friend on that point?

**Mr. Wallace:** It is self-evident that the Scottish Parliament will not suddenly be able to make unlimited funds available for higher education. No one has pretended otherwise. However, the hon. Member for Dundee, East (Mr. McAllion) pointed out that the Scottish Parliament might well be able to find £2 million to ensure that English, Welsh and Northern Irish students can still come to Scottish universities and study on an equal basis for an honours degree. That is something that the hon. Gentleman and his party are not willing to do because they have such a mean-minded attitude. They realised early on that they had it wrong, and they do not have the guts or the courage to admit it. Perhaps in the remaining minutes and hours of this debate, they can see the light. There is joy in heaven over sinners that repent.

**Mr. Canavan:** I wish to make it clear at the outset that I am against all tuition fees. There was no mention of them in the Labour party manifesto, and during the general election campaign, the Prime Minister specifically said that Labour had no plans to introduce tuition fees. Whatever justification the Government may try to come up with for tuition fees in general, there surely can be no justification for the anomaly whereby one student at a Scottish university has to pay £3,000 in tuition fees, whereas another student in the same class doing the same course at the same university with the same parental financial circumstances has to pay £1,000 more. Ministers try to justify the unjustifiable when they say that there is some justice and equity in that. The net result will be a disincentive for many students from England, Wales and Northern Ireland to go to Scottish universities.

When the matter was previously debated, we were repeatedly told that there was no evidence for that. There is evidence—UCAS produced statistics, unfortunately just a few days after the previous debate on the subject. They clearly show that applications to Scottish universities are down by 4.5 per cent., that applications from England to Scottish universities are down by 4.1 per cent. and that those from Northern Ireland are down by 5.5 per cent.

*It being Ten o'clock, the debate stood adjourned.*

*Motion made, and Question put forthwith, pursuant to Standing Order No. 15 (Exempted business),*

That, at this day's sitting, the Teaching and Higher Education Bill *[Lords]* may be proceeded with, though opposed, until any hour.—*[Mr. Jamieson.]*

*Question agreed to.*

*Lords amendment again considered.*

**Mr. Canavan:** For some universities, the situation is even bleaker. In the past week, my capable researcher telephoned some universities and has produced some interesting statistics. For example, applications to Aberdeen university from England are down by 6 per cent. Applications from England and Wales to Dundee university are down by 13 per cent. and those from Northern Ireland are down by 22 per cent. Applications to Glasgow Caledonian from England are down by 13 per cent. Applications to Robert Gordon university from England are down by 39.4 per cent. Those from Wales are down by 47.6 per cent. and those from Northern Ireland are down by 5.45 per cent. At Strathclyde university, applications from England are down by 14 per cent.

If that trend continues, there is a genuine and justifiable fear for the viability of some of the four-year honours courses and the Scottish tradition of a broad-based education.

**Mr. Swayne:** Can the hon. Gentleman not see that there is an agenda here? The statement that A-level students and advanced students from England can enter at the second year contains the inevitable implication that the first year is remedial. That is the death knell for the distinctive Scottish four-year degree system.

**Mr. Canavan:** I would never describe the first year of a four-year honours degree course as remedial, but Scottish universities fear that if the trends in the statistics that I have quoted continue, there could be a long-term threat to the viability of the four-year honours course.

**Mr. Jim Murphy:** I should like to query two of my hon. Friend's points. I do not in any way wish to cast

aspersions on the ability of his researcher. However, the Minister gave figures that are not in dispute when he spoke about a drop of 4 to 5 per cent. in applications from England to Scottish institutions. My hon. Friend has spoken about drops of 12 to 25 per cent. In which institutions have applications gone up, and do my hon. Friend's figures add up? His aggregate seems to be 12 to 25 per cent., but the actual figure is 5 per cent.

**Mr. Canavan:** My hon. Friend can get his own research team to prepare his speeches. I have quoted the work of my researcher, whom I trust very much.

The fear for the future of the four-year honours course at Scottish universities was exacerbated by the Minister in the previous debate on the issue. He said:

"For some people, three-year degrees are right, and they are wasting their time doing six years at school and four years at university. I do not accept the idea that to maintain some bogus tradition, it is inherently better to spend 10 years at that stage of one's life in education than eight or nine years."—[*Official Report*, 8 June 1998; Vol. 313, c. 794.]

I appreciate that the Minister of State re-explained his remarks tonight, and that may be helpful. However, his use of the phrase "bogus tradition" in the previous debate caused deep offence in many Scottish universities.

I heard Ministers and hon. Members saying that students from England can go straight into the second year. That may be possible in some cases, for some individuals and for some courses, but it is not universally applicable. I have also heard Ministers say that Scots students go to university a year earlier than their English counterparts.

I heard the Prime Minister insinuating that this afternoon. He, of course, has some experience of Scottish education. He was educated at Fettes college, which is not exactly a typical Scottish comprehensive school; it is more like an English public school. He was nevertheless correct to draw a distinction between Scottish highers and English A-levels. Because Scottish pupils normally sit their highers in the fifth year, some have university entrance qualifications after five years' secondary education. Therefore, it is true that many Scottish students have university entrance qualifications at an earlier age than their English counterparts, but that does not necessarily mean that they go to university a year earlier.

I think of my experience, for example, both as a pupil and as a teacher. I left school at the age of 15 with university entrance qualifications. I was not particularly bright; it was just that I was kicked out of primary school a year early because the teachers were probably fed up with me asking too many awkward questions. I left school at 15, but I did not immediately go to university and, in retrospect, I am glad that I did not.

Later, when I was a teacher, many pupils—not just a few—aged 16 and 17 had university entrance qualifications after five years of study at secondary school, but, in general, my advice to them was to stay on at school for a further year and to do the certificate of sixth-year studies before going to university, because that sixth year would give them the chance to mature, to develop a habit of independent study and to do all the other things that help young people to make a success at university and in later life. However, my fear now is that the financial implications of the abolition of maintenance grants and the imposition of tuition fees will mean that some potential students may not go to university at all, and that others may, because of financial circumstances, go too early for their own good.

I come to the cost of the amendment. During the debate in the other place, the Minister seemed to pluck out of thin air this figure of £27 million. I do not think that it was mentioned in this House during the previous debate. Obviously, the civil servants have been working hard to try to justify the Government's stance in the other place, and that figure of £27 million was repeated by the Prime Minister last week—it is the amount required to meet the fees for all United Kingdom students on the fourth year of degree courses, at all universities throughout the UK.

That is not, with respect, comparing like with like. In England, a four-year degree course is exceptional, but in Scotland the four-year honours degree is the norm, rather than the exception. Besides, the Government's proposal will not cause a situation in any college or university in England, Wales or Northern Ireland whereby students from some parts of the UK have to pay more than students from another part, so the Scottish anomaly is unique. I understand that there is some difference of opinion about the technicality of the amendments and so on, but there would be a broad welcome if the Government were to give a signal that they would consider the uniqueness of the Scottish anomaly and think again.

About 3,500 non-Scottish UK students are in the final year of four-year honours courses at Scottish universities. If they were all paying full fees, the cost to the Treasury of getting rid of the anomaly would be £3.5 million. However, if we assume that, as the Government keep telling us, 30 or 40 per cent. of students are exempt from fees, and that another 30 per cent. pay only partial fees, the total cost would be about £2 million—as I said in the previous debate. I am pleased that the Government have since confirmed that figure as a fair estimate.

The cost would of course be split between three Departments—the Department for Education and Employment, the Welsh Office and the Northern Ireland Office. I fail to understand why my hon. Friend the Minister of State has drawn the short straw, by being lumbered with the responsibility of trying to explain the Government's policy. It would have been more appropriate for Ministers from the Department for Education and Employment, the Welsh Office and the Northern Ireland Office to try to justify the policy. My hon. Friend—to give him his due—said fairly early, even before the Bill was published, that he would ensure that the Scottish Office paid the final-year fees for students domiciled in Scotland. I do not know why his counterparts in the other Departments cannot do the same for students from south of the border, Wales and Northern Ireland.

**Miss Melanie Johnson:** This is a very interesting argument, and I should be interested to hear my hon. Friend's comments on this. If he is arguing that English students should have their fourth year at a Scottish university paid for—I understand that argument very well—what does he say about Scottish students attending English universities? Does he believe that they, too, should have their fourth year paid for—even if they are doing a three-year course? Whichever way one looks at the matter, in either direction, is there not an anomaly?

**Mr. Canavan:** I thought that I had already dealt with that point. I said that the four-year honours course in

*[Mr. Canavan]*

Scotland is the norm rather than the exception, whereas four-year honours courses in England are not the norm. A Scottish student who attends university in England—whether it is for four years or whatever—will pay exactly the same fees as his or her counterpart from England, Wales or Northern Ireland, whereas a student from England attending a Scottish university will have to pay more than his or her Scottish counterpart. That inequity creates the—

**Miss Johnson:** Will my hon. Friend give way?

**Mr. Canavan:** No. I have dealt with the point twice already, and I shall not go on repeating myself.

The Minister seemed to argue that the main beneficiaries of the Lords amendment will be students from well-off backgrounds. He came out with some alleged facts about students from places such as Eton, Harrow, Winchester and Wellington at Edinburgh university. I wondered about that. I certainly do not recall that, while I was at Edinburgh university in the 1960s, there were huge numbers of public school boys or public school girls in my class. I got the impression that there were more working-class students with wellington boots than upper-class wallies from Wellington school. I should have thought that, in this day and age, Edinburgh university and St. Andrews university would be even more egalitarian.

**Mr. Jim Murphy:** Will my hon. Friend give way?

**Mr. Canavan:** No, I have already given way to my hon. Friend.

Even if it is true that well-off students will benefit most from a Government concession, that is equally true of the original concession—on students domiciled in Scotland—which was announced so generously by my hon. Friend the Minister.

**Mr. Murphy:** It is not true.

**Mr. Canavan:** We are asking only for equity. It is true.

**Mr. Murphy:** It is not true.

**Mr. Canavan:** It is true. If the hon. Gentleman cannot see that, he should go back to school—*[Interruption.]*

**Mr. Deputy Speaker:** Order. The hon. Member for Eastwood (Mr. Murphy) must be quiet. He does not stand a very good chance of being called to speak in the debate if he continues with sedentary interventions.

**Mr. Canavan:** It is a nonsense to claim that only rich students, or students from rich families, will be paying fees. Most students will have to pay fees in whole or in part. Anyone with a residual income of £16,000 per annum or more will have to pay some fees—and £16,000 per annum is not exactly filthy rich. I fail to understand the argument that it is only students from rich backgrounds who will benefit from the Lords amendment. I cannot understand why the Government are behaving in such an intransigent and apparently arrogant way. It is not good enough for Ministers to say that the House of Lords is in favour of the amendment and the Tory party is in favour of the amendment, so we ought to be against it. That is knee-jerk reaction politics at its worst.

10.15 pm

Let us look at the merits of the amendment, rather than the source of the amendment. *[Interruption.]* I am glad that my hon. Friend the Minister agrees with me. I can remember that not all that long ago, my hon. Friend was on the same side as the Tory party and the House of Lords when he helped to destroy the last Labour Government's proposals to set up a Scottish Parliament. Anyway, I do not want to go into that at this time of night—and I want to abolish the House of Lords completely and have no second Chamber at all, whether through heredity or patronage. In fact, I believe that the abuse of patronage might be even worse than heredity, but I do not want to go into that.

**Mr. Deputy Speaker:** Order. It does not matter whether the hon. Gentleman wants to go into that, because we have a different motion before us.

**Mr. Canavan:** In conclusion, it is rather ironic that on this issue even the reactionary House of Lords takes a more enlightened view than the Government. I am sure that if we were given a free vote in this House, this House would be like minded. I therefore appeal to hon. Members to consider the merits of the case.

If the House accepted the Lords amendment, we would be doing the Government a great favour, by saving them from the embarrassment of an almost certain defeat in the European Court of Justice. I have been informed that a Member of the European Parliament has already complained to the European Commission and has demanded that the Commission look into this discriminatory matter of tuition fees to see whether any European directives have been contravened. Even if the existing European directives have not been contravened in the opinion of the Commission, it would of course be open to any individual to take a test case to the European Court of Justice.

I appeal to my hon. Friend the Minister: surely it should not require court action to convince the Government to think again. The previous Government suffered the humiliation of one court defeat after another, and we do not want to have to go through that, either in the courts in this country or in the courts of the European Union.

**Mrs. Margaret Ewing** (Moray): I shared many teaching experiences with the hon. Gentleman. Does he agree that the Government might find themselves having to pay legal bills amounting to more than the £2 million that he mentioned earlier?

**Mr. Canavan:** I am grateful to my hon.—I almost said "my hon. Friend". I mean my former honourable teaching colleague, but she is my honourable friend in the sense of the teaching profession because she and I taught in the same very good school. I am grateful to her for her intervention. The £2 million is surely a very modest sum in the context of total Government expenditure.

If a student from France, Germany or Italy pays the same as a Scottish student because France, Germany and Italy are in the European Union, surely students from England, Wales and Northern Ireland are entitled to the same treatment because they are also in the European Union. It is a simple matter of equity and justice. I urge the Government, even at the 11th hour, to do the honourable thing and ensure a fairer deal for all students who choose to study at Scottish universities.

**Mr. Boswell:** Perhaps for the first time in my political experience, I very much endorse the remarks of the hon. Member for Falkirk, West (Mr. Canavan). I speak as a former Minister responsible for higher education, with a residual and somewhat obsolescent knowledge of the regulations. I concentrate on those rather than the wider issues of justice, as I believe that the Government are skating on very thin legal ice. I have no precise legal expertise in these matters, but I am convinced by my experience that they should reconsider their decision.

Like their predecessors since the 1980s, the Government are constrained by the Gravier judgment, which prohibits discrimination against students from the European Union or the European economic area in respect of tuition fees. In other words, if most UK domestic students are currently exempted from tuition fees by mandatory awards, the same facility must be available to European students.

I am interested in the argument that I believe the Government are deploying—that the judgment applies only in a single-market sense, in that it prevents artificial distinctions between citizens of different member states, but is silent on whether a Government may discriminate between citizens of their own state, as is happening tonight.

I am slightly surprised that the Government have not fallen back on the argument that universities are private institutions that are not formally or strictly absolutely obliged to charge fees, although of course the system is set up so that they must do so. Perhaps it is arguable that universities discriminating in their fees policies might themselves risk legal challenge. Beyond that, it is extremely unlikely that any court would not look beneath the surface at the reality behind the legislation. It is legal thin ice indeed.

Even if Gravier applies only at the macro level, between citizens of member states, it is arguable whether the Government can sustain discrimination between citizens of different parts of the United Kingdom. It is one thing to charge fees on the basis of the institution and to require that all those studying there should be subject to the same regime, just as those who live in a particular place are liable to the taxes that apply there. In this case however, the question whether fees are charged will be determined by an entirely contingent factor—where the student happens to live. There is no basis within a single state—the United Kingdom—for discrimination along those lines. I suspect that such discrimination would be under direct attack through the European convention on human rights and probably also through the European Court of Justice, in respect of any British citizen who happened to live south of the border.

The Minister of State conspicuously failed to answer the point that I put to him in an intervention, in respect of the position of a student who is a national of another EU country, but happens to have a parental home or a normal place of residence in England, Wales or Northern Ireland. The Minister said that it was a normal administrative matter and that it would be a matter of determining whether that student would be exempt from Scottish fees or treated as an English student for that purpose. Either way, the Government would be in severe difficulty. If they decided that a German student resident in Carlisle or Bolton should be treated as a Scottish student as he was attending a Scottish university, and exempted him from fourth-year fees, it would then be arguable that an English student attending a Scottish university should also benefit from that decision. If they decided that such a person were an honorary Englishman although he was a German national, how would they reconcile that decision with the Gravier judgment? I do not think that they could do it. They have either to act in a hybrid manner in English law, by treating two residents of England in different ways, or they have to break the principles of the European Union.

**Mr. Ian Bruce:** Will my hon. Friend give way?

**Mr. Boswell:** I fear that I shall not, as I want to conclude in two minutes' time.

The Minister said that he was relatively unconcerned about this minor matter, which he sought to minimise. I do not believe that he would claim to have come into politics to allow discrimination or unfairness on the grounds that it was peripheral or minor. One case of discrimination or unfairness would be not only a legal affront, but politically unacceptable.

I am also concerned that if the anomaly persists, it will drive a wedge between the English and Scottish university systems, to their mutual detriment. Before that happens, if the Government persist in their petty little proposals and if the House is not prepared to reject them, the Government will go down in the courts and even the petty little saving that they seek will not be available. The whole matter will be swept up in legal fees and recriminations, which they could easily have avoided.

**Mr. Jim Murphy:** I am pleased to participate in the debate. I believe that I am the most recent scholar of a Scottish university in the House, although I am happy to be corrected if another hon. Member has different information.

**Ms Sandra Osborne** (Ayr): Me.

**Mr. Murphy:** My hon. Friend suggests that she might beat my record, but until half-past 2 in the morning of 2 May last year, I was a student at Strathclyde university. Only my election to this place interrupted that study.

**Ms Osborne:** I stand corrected.

**Mr. Murphy:** I understand that I have only a few moments, but I shall allow the hon. and learned Member for Orkney and Shetland (Mr. Wallace) to intervene if he wants, as I said earlier.

Claims have been made by hon. Members on both sides that supporting the Lords amendment would in some way challenge elitism. I do not believe that the votes of hereditary peers in the House of Lords represent a move

*[Mr. Murphy]*

towards the end of elitism. I fail to understand why such a significant number of hereditary Tory peers got so excited over a small number of students. I guess that if we were dealing with 2,000 or 3,000 students who were not from better-off backgrounds in the greater public schools of England, the hereditary peers in the House of Lords would not be so overly exercised. I am not comfortable with that.

My hon. Friend the Member for Falkirk, West (Mr. Canavan) suggested that there was no difference between the social make-up of Scottish students at Scottish universities and those from England. That is not correct. Some 48 per cent. of students from Scotland studying in Scottish universities are from skilled backgrounds, whereas 73 per cent. of English students studying at Scottish universities are. I am not proud of the additional fact that only 1 per cent. of English students studying at Scottish universities come from unskilled working-class backgrounds. I have nothing against that 1 per cent. The figure should be higher, but we need to reform our education system lower down to achieve that. I do not believe that the Government, with their emphasis on providing opportunities for many more people, should provide a subsidy to the 1 per cent. who want to study at Scottish universities.

**Mr. Hayes** *rose—*

**Mr. Murphy:** I apologise to the hon. Gentleman, but time is not an ally.

There are income thresholds throughout the system. If English students wants to study in a Scottish university, good luck to them. I wish them well. I shared that experience with many colleagues and friends at Strathclyde university. We are saying simply that there should be an income test and an examination of an individual's ability to pay.

Between 5,000 and 6,000 English students studied at Scottish universities in 1996. When one discounts the 10 per cent. who will not study an honours degree, the one third who will not have to pay any fees whatever and the many other facts and figures, one is left with about 2,000 students paying £1,000 over four years. That works out to be less than 69p for each day's study at a Scottish university. If the individual comes from a family earning £35,000 a year or more, I think that they can afford the price of a can of Irn Bru and a *Daily Record*.

10.30 pm

**Mr. Donald Gorrie** (Edinburgh, West): I would like the Minister to clarify one or two points. Does he agree that the Lords amendments in no way suggest removing fourth-year fees from all universities in England? If so, his argument about the £28 million is totally irrelevant. Will he clarify whether the Lords amendments propose a level playing field in Scotland, so that the English, Welsh and Irish will not pay more than the Scots, and propose a level playing field in England, so that the Scots will not benefit and will pay fourth-year fees like anyone else?

Will the Minister clarify whether the fees will at all help the universities financially? As I understand it, grants to universities fall commensurately as the fees go up. So, there will be no increase in the universities' revenues, merely assistance to the Treasury. Will the Minister favour us with his knowledge of which Scottish university principals are in favour of the Labour proposal, as he implied? *[Interruption.]*

**Mr. Deputy Speaker:** Order. I appeal to the House once again to come to order. It is bad manners to conduct private conversations while an hon. Member is addressing the House. The hon. Member for Bromsgrove (Miss Kirkbride) is having a conversation just now. She should not be doing that.

**Mr. Gorrie:** The Minister pleads in support of his argument the whole cause of devolution. Devolution and diversity represent the right and the excellence of different systems in different parts of the United Kingdom; a Scottish course may be different from an English, Welsh or Irish course. The Minister is not proposing such diversity. He is proposing that students from different parts of the United Kingdom, who are in the same lecture hall, taking the same course, be treated differently. That is not diversity; that is gross unfairness.

The Minister tried to defend his line on bogus tradition by the fact that there had been a recent increase in the number of students taking honours as opposed to ordinary degrees. Does he agree that there is a long Scottish tradition—of 250 or 300 years—of a breadth of education which has been developed in different ways in different courses?

The first year of the four-year degree is an absolutely critical part of that strong tradition. People who went straight into the second year would miss that. In addition, most Scottish courses do not allow people to enter in the second year. There is much evidence from universities that students who do so go back to the first year because they cannot make it, or give up altogether. Often, going straight into the second year is not clever.

The Minister delivered his litany about how we would not help students in Elgin or West Lothian if we pursued the amendment—but we would. It is in the interests of students from Elgin, West Lothian and other parts of the Scotland that there are viable first-year courses in Scottish universities. His measures will undermine that. We would be supporting future opportunities in Scottish universities.

The Minister is busy promoting a cause of "higher still", which will mean that more Scottish students stay on to the sixth form. My hon. and learned Friend the Member for Orkney and Shetland (Mr. Wallace) made it clear that the argument that all Scots go from the fifth year into university is complete rubbish. The Minister's arguments are totally flawed, and he should give way gracefully.

**Mr. Welsh:** I congratulate the hon. Member for Falkirk, West (Mr. Canavan) on his speech in which we heard the true, honest voice of what used to be the Labour party. He read out the early statistical effects of the policy—a very damning educational ragman's roll—which was created and implemented by the Government and will have cumulative effects on Scottish education.

Tonight the House again has an opportunity to resolve the anomaly whereby Scottish and European Union students at Scottish universities will have their fourth-year tuition fees paid, but non-Scottish resident UK students will not. The Scottish National party has from the start

highlighted that flaw, among others, in the Government's higher education policy. After asking a series of parliamentary questions, I secured an Adjournment debate on the subject in January. Since then, hon. Members from all parties and a majority in another place have joined me in my opposition to the Government's policy.

The Government's proposal is nothing short of discrimination against English, Welsh and Northern Irish students for no other reason than nationality. In *The Scotsman* newspaper today, it was again suggested that this policy contravenes the European convention on human rights and that the Government could be challenged under European law.

In a written answer, the Under-Secretary of State for Education and Employment, the hon. Member for Pontypridd (Dr. Howells), said:

"The EC Treaty requires Member States not to discriminate on grounds of nationality against nationals of other Member States, on matters within the scope of the Treaty. However, EC law does not intervene in internal matters and requires each Member State to treat all its own nationals in exactly the same way."—[*Official Report*, 1 December 1997; Vol. 302, c. *10*.]

In other words, because European law does not prevent the Government from discriminating against their own citizens on the ground of nationality, the Government can do as they please. Following that logic, the Government could justify apartheid to themselves, if to no one else.

The policy is not only unfair to students from other parts of the United Kingdom; it will have adverse effects on Scottish institutions, Scottish education and the wider Scottish economy. English, Welsh and Northern Irish students will be deterred from coming to Scotland. Already, applications from the rest of the UK are down by 4.5 per cent. Some Scottish universities, such as Dundee and Abertay, have seen a substantial drop in applications, particularly from Northern Ireland. The final result of the Government's policy will not be known until the autumn when the more important admissions figures will be released.

Any drop in numbers of students from other parts of the United Kingdom will force Scottish institutions to downsize their diverse range of courses. There is also the danger that Scottish universities will be forced to consider abandoning the four-year honours degree and replacing it with a three-year course, so as to compete on a level playing field to attract non-Scottish resident UK students. Universities are being forced to redesign courses to suit second-year entrants for financial, not educational or academic, reasons.

The broad-based four-year degree is gaining admiration and popularity in other countries. Yet the Minister for Education and Industry has disgracefully described it as a bogus tradition. University is not and should never be a case of simply rushing people through and giving them a certificate at the end. It is a learning process and should be treated as such.

The policy will have economic repercussions, causing a reduction in the £210 million spent in Scotland each year by students from other parts of the UK.

Through written questions, I have secured pledges from the Scottish Office, the Department for Education and Employment and the Northern Ireland Office that they will monitor the effects of tuition fees and this anomaly on student numbers. I ask the Minister for an assurance that if there is any substantial drop in the number of English, Welsh or Northern Irish entrants to Scottish institutions this autumn, fourth-year fees for such students will be at least immediately reviewed and at best waived. I seek guarantees that the Government will monitor their policy and take action if it proves to be deleterious, as many of us fear it will be.

The Government must listen, not only to the views expressed tonight by hon. Members on both sides, but to the voice of students, lecturers and principals. The Government's policy is opposed by the Association of University Teachers, the National Union of Students, the Scottish Ancients, the Committee of Scottish Higher Education Principals and the Committee of Vice-Chancellors and Principals of the Universities of the United Kingdom. The Government are on their own. The new Labour Government think that they know better, but if they are so confident of the wisdom of their policy and the strength of their argument, why will they not trust their own Members of Parliament to support them and allow a free vote tonight? We can be sure that they will not do that.

The Scottish Minister is left without credibility on this issue. He says that he is widening choice, but he is, in fact, restricting student choice. He says that he wants to follow the Dearing report, in his own words, "to the letter", but he is not so doing. Tonight, he praises the four-year honours degree, having previously called it a "bogus tradition". Faced with a 4.5 per cent. drop in non-Scottish UK students, he is reduced to semantics about percentages. All we have heard from the Minister is debating tricks and vitriol, which cannot disguise the weakness of his DFEE colleagues who have let him down in respect of their policy. The tuition fees policy is simply discriminatory. It is unnecessary and it could easily be remedied if there were any willingness in other Government Departments to do something about it.

The Labour Government have got it wrong. For a limited cost, the English, Welsh and Northern Irish education departments could sort out the anomaly, restore fairness and end this blatant discrimination against English, Welsh and Northern Irish students at Scottish universities. The Government should do that and, for their failure to act, they will rightly be judged.

**Mr. Dalyell:** May we hark back to the persistent, pertinent, but unanswered questions put by the hon. Member for East Antrim (Mr. Beggs)? It is part of the business of the House of Commons to think policies through, and I want, first, to ask a direct question of my hon. Friend the Minister. What happens in court when a student from Belfast—they are a litigious lot there—decides to take court action in relation to that student from Dublin who is paying £1,000 less? That is not a possibility whipped out of the air; as certain as certain can be, there will be legal action. When I interrupted his opening speech, my hon. Friend the Minister said, "I would not be at the Dispatch Box unless all those things had been taken care of," but I fear that I have experience of too many Ministers of different parties going to the Dispatch Box and saying, "Yes, we are legally watertight—all is well," and, some time later—usually sooner rather than later—coming back, with the proverbial egg on their face. I repeat the question: what is the legal advice?

The hon. Member for Daventry (Mr. Boswell), a former Minister with responsibility for higher education, knows very well that there is massive Government lawyer legal

*[Mr. Dalyell]*

advice available to any Minister. Are we to take it that that advice has not been forthcoming? Either it has not been forthcoming, or the House of Commons deserves to be told tonight what that advice is. Many of us, from different angles, think that we are going to get into great difficulty with the European, and possibly the UK, courts. Will the Minister say something about that?

Secondly, on the question of elitism, 30 per cent. of the students at Heriot-Watt come from England. That is not elitism—it is a very real problem for the Scottish universities. Thirdly, among many letters that I have received is one from a Labour party member in Kirkby Lonsdale, Mrs. Rodd, who says:

"What infuriates many people is the obvious injustice of someone from Bordeaux or Brussels paying the Scottish rate, but those from Berwick or beyond to the south on this island, being alienated by this discriminatory fee practice. This is to say nothing of the effect on the universities themselves and the stoking up of the separatist movement that this sort of action is fuelling."

That is the view of a prominent Labour party member from the north of England. How are we supposed to answer that?

The hon. Member for Angus (Mr. Welsh) alluded to a number of organisations, including the Association of University Teachers. The last paragraph of a letter that it sent to all Scottish Members of Parliament states:

"Scotland will be the poorer if English, Welsh and Northern Irish students are discouraged from attending our traditionally culturally diverse universities. It cannot be right that a student from Carlisle should be treated significantly worse than a student from Cologne when studying in Scotland and we ask that Scottish MPs reconsider this issue and vote against the Government amendment, which we hope, even at this late stage, may be withdrawn."

That is the considered view of the AUT.

10.45 pm

Finally, as I see the Whip looking at his watch, I should like to say that I was taught by the late Aneurin Bevan, as were many of my generation, that one should always take the strongest argument against one. In this case, it is the figure of £27 million. I put that case to Stewart Sutherland, vice-chancellor of the university of Edinburgh, for a considered opinion, which was this:

"The main counter-argument to parity of treatment for all UK students studying in Scotland is that the cost would be far greater than the estimated £2 million. It is argued that the thin end of the Scottish wedge would lead to an increase in the number of students on four-year courses in England. This surely is a matter on which the Secretary of State's advice and"—

**Mr. Deputy Speaker:** Order. I have told the hon. Gentleman on previous occasions that I do not want him to read letters from outside organisations in full. He knows how to paraphrase a letter better than I do, so I hope that he will not get into the practice of reading them into the record.

**Mr. Dalyell:** I would disagree with you on only one thing, Mr. Deputy Speaker, and that is that I could do that better than you. I am sure that you would do it better.

The gist of the letter is that the vice-chancellor of the university of Edinburgh, who has some say in the matter, is convinced, along with his colleagues—I think that he is speaking for the vice-chancellors—that we should reflect carefully before going ahead.

**Mr. Damian Green** (Ashford): At the end of this debate, there is only one real question left: what was the exact mixture of incompetence, malice and pig-headedness that put the Government in their current hole? Just look at the coalition that is assembled against them. It is not merely my right hon. and hon. Friends, but the Liberal Democrats, the nationalists, the Cross-Bench peers and men and women of principle on the Labour Benches.

Outside this House, the Committee of Vice-Chancellors and Principals, the Scottish universities and the National Union of Students are all lined up against the Government. Outside the Government ranks, no one thinks that their policy is fair and right.

The reason for such an all-embracing coalition opposing the Government is richly illustrated by the appalling mess that the Prime Minister and other Ministers have got themselves into when trying to argue that the measure is not making Scottish universities less attractive. First, the Minister says that applications are down; secondly, the Prime Minister says that they are up; thirdly, the Prime Minister says that, when he said up, he meant down, but not down as much as other applications. Truly, that is Orwellian; it is "Nineteen Eighty-Four", new Labour newspeak—up means down and black means white.

Behind that—whether one believes what the Minister said last week, what the Prime Minister said last week, or what the Prime Minister said this week—there is even greater confusion. When I asked the Department for Education and Employment for its projected application figures, the Under-Secretary of State, the hon. Member for Pontypridd (Dr. Howells), said that the Department did not publish them. When asked a straight question, the Government answers "Yes," "No," and "We do not know." Any student applying to a Scottish university will have to do better than that.

It is important to nail some myths that the Government have propagated this evening. The first is that their policy is having no effect on applications. The Universities and Colleges Admission Service has said that applications from England to Scottish universities are 4.1 per cent. down on last year. The trend has been steadily rising, but it is now going down because of the Government's policy.

Let me nail another myth—that English students can easily, after A-levels, pick up a Scottish course in the second year. There are various problems with that, not least the fact that they do not and cannot. Last year, 8 per cent. of English students at Scottish universities started their courses in the second year. The Association of University Teachers has said that, even at that manageable level, anecdotal evidence from its members and from students shows that many students find the transition too difficult and either drop down into the first year or have to retake the second year. The idea that English students are sufficiently capable to swan in in the second year without needing the four-year course is completely at variance with the facts.

Even if it were true that English students could easily begin the course in the second year, that assumes that English students will all have done A-levels. From a Government who are supposed to be encouraging vocational qualifications and different types of learning, that assumption is particularly perverse. What about students from other European countries, many of which also have completely different education systems? Why are those students entitled to privileges that students from England, Wales and Northern Ireland do not have?

The Minister was reduced to complete absurdity when he tried to defend the policy on the "World At One". He was asked why a youngster from France would pay £3,000 when a youngster from England would pay £4,000. "Ah," said the Minister, "it's because France is in the European Union"—to which the interviewer responded: "Isn't England?" That sums up the Government's confusion as well as anything.

Among the opposition that is clear, concise and principled is that from the National Union of Students. I pay tribute to the current leadership, because it consists of that increasingly rare breed—independent-minded Labour politicians. I dare say that many of them are ambitious to sit in the House with their Labour colleagues. Indeed, the principled Labour Members who will vote against the Government tonight should include former presidents of the NUS, of whom there are five on the Labour Benches. I ask them which way they will vote. Will the hon. Member for Eastwood (Mr. Murphy), for example, defend the interests of students or the interests of his career?

I contrast how I suspect many of the ex-presidents of the NUS will vote with the principled stance taken by the hon. Member for Falkirk, West (Mr. Canavan). I do not want to embarrass him by complimenting him too much; I merely observe that, in return for his principles, it has been decided that he is unfit to be a Labour candidate for the Scottish Parliament. The Labour party is right in that—men and women of principle are not what it requires on its benches in the Scottish Parliament.

The Minister said that he is acting on the best legal advice. He should consider the European convention on human rights; the Human Rights Bill has not yet been enacted but, when it is, it will have a serious effect on the Government's policy.

In *The Scotsman* today, Dr. Dennis Farrington, a law lecturer at Stirling university and the author of "The Law of Higher Education", said that a student would be able to challenge the Government's policy through the British courts. If the lawyers are telling the Minister that everything is okay, my friendly advice to him is to go and find some new lawyers. One can always find lawyers to give a new opinion, and the advice from Government lawyers is probably wrong.

The Minister made palpable his dislike of many of the most distinguished Scottish universities. He had gone to the trouble of researching where the students came from so that he could sneer at them. It is a matter for him whether he dislikes English public schools so much that he wants to denigrate them and the students they send to Scottish universities, but if he sneers at English public schools he may end up sneering at Scottish public schools such as Fettes, which might prove disadvantageous to his career.

It is ill advised to sneer at well-off students from England but to assume that well-off students from all other countries are okay. The Minister had a go at alliteration. Why is his policy okay in Motherwell or Munich, but not in Manchester? The hon. Member for North-West Norfolk (Dr. Turner) presented an extraordinary argument on Europe. He was right to say that the Scottish system is fundamentally different. That is why the Government's argument that the change would cost them £27 million, rather than the £2 million for the purely Scottish exemption, is completely spurious. The Government picked that figure of £27 million out of the air and cannot justify it in any way.

The heart of our argument is not statistical: it concerns fairness. Students from North Berwick and from Berwick-upon-Tweed should be treated on the same basis in the same universities, be they in England, Scotland, Wales or Northern Ireland. Both the changes that the Lords want to make would achieve that equality—the first for students at English and Welsh universities and the second for those at Scottish universities—and would not commit the Government to that spurious £27 million.

The Government have made no case at all. Hon. Members can vote against the Government, safe in the knowledge that they are on the side of both justice and rational argument. If they have a spark of decency and a sense of fairness—whether they are old Labour, new Labour, Liberal Democrat, nationalist or Conservative—hon. Members will vote against the Government's mean-spirited little proposals.

**Mr. Deputy Speaker:** I call Mr. Brian Wilson.

**Mr. Wilson** *rose—*

**Mr. Swayne:** On a point of order, Mr. Deputy Speaker. The House has already endured more than 45 minutes from the Minister. We would have expected the Secretary of State to explain this farrago. My point of order—

**Mr. Deputy Speaker:** Order. I called the Minister, and the hon. Gentleman is challenging my judgment.

**Mr. Wilson:** The more perceptive among my colleagues may have heard generous tributes paid by Opposition spokesmen to men and women of principle on the Government Benches who will join the great coalition of Tories and nationalists in support of the House of Lords. *[Interruption.]* A briefing sent out by the hon. Member for Havant (Mr. Willetts) to Tory Back Benchers says—*[Interruption.]*

**Mr. Deputy Speaker:** Order. It is not a good thing for the Chair to have to intervene, but hon. Members must be quiet when an hon. Member is addressing the House.

**Mr. Wilson:** Thank you, Mr. Deputy Speaker.

My hon. Friend the Member for Falkirk, West (Mr. Canavan) was held up as a paragon of principle by the hon. Member for Ashford (Mr. Green). The Tory briefing says:

> "Our immediate tactics tonight are to encourage as many Labour MPs as possible to rebel against the Government. This is good politics."

Government Members are talking not about playing political games but about the proper funding of higher education, reversing the damage done by 18 years of Tory rule, and widening access to higher education. We will not be diverted by little ploys by Conservative Members.

My hon. Friend the Member for Linlithgow (Mr. Dalyell) asked about the legal advice. I always think that, when people's arguments are in trouble, they send for the lawyers, so let me give the legal advice precisely. It is not contrary to EC law for Scottish legislation to treat students from England, Wales and Northern Ireland

*[Mr. Wilson]*

differently from Scottish students. That is a purely internal situation concerning United Kingdom nationals, and EC law is not concerned with such matters.

**Mrs. Browning** *rose—*

**Mr. Deputy Speaker:** Order. The Minister is not giving way.

**Mr. Wilson:** I am defending the distinctiveness of the Scottish education system. I am also defending the principle of subsidiarity.

My hon. Friend the Member for Falkirk, West said that people with a residual income of £16,000 would pay fees, and that that was not filthy rich. I ask my hon. Friend, and other hon. Members who try to give the impression that people who cannot afford to pay fees will be asked to pay them, why they are misleading people. In the case referred to by my hon. Friend, the fees would be £50. Does my hon. Friend, or any other Member, believe that £50 over a period of four years will be the decisive factor for someone who, having taken every other factor into consideration, opts for a four-year degree course in Scotland rather than a three-year degree course elsewhere? I do not think that my hon. Friend was suggesting that, but he should not convey misleading messages about what is proposed. Indeed, no one should do so.

I know many pupils whom my hon. Friend taught. Some of them are my best friends, some went on to be very good footballers, and one is now rector of Edinburgh university. I think that my hon. Friend and I should unite on this point. In his inaugural address, the rector of Edinburgh university—my hon. Friend's former pupil, John Colquhoun—pointed to the school that, although it is within a stone's throw of the university, has never sent a single pupil to the university. Let us redress that inequality, and let us worry about access to universities.

**Mr. Canavan:** During our last debate on the Bill, we addressed that injustice through my amendment, which aimed to maintain grants for students from low-income families, but the Minister—and every other Minister—voted against it.

**Mr. Wilson:** Let me finish on that point. [HON. MEMBERS: "Answer."] I will answer. *[Interruption.]*

**Mr. Deputy Speaker:** Order. Mr. MacKay, I expect better from the Front Bench.

**Mr. Wilson:** Let me answer directly.

The problem for the Opposition is that every statistic works against them, rather than for them. Since the introduction of student loans as a better way—in the last Government's view—of financing student maintenance, the number of students coming from England to Scotland has not decreased; it has greatly increased.

We must all review our past positions. We must all accept that numbers have risen, and that giving more money to higher education is the way to reverse the damage of 18 Tory years.

*Question put:—*

*The House divided:* Ayes 327, Noes 183.

**Division No. 323]** **[11.3 pm**

AYES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Banks, Tony
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Bennett, Andrew F
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Cann, Jamie
Caplin, Ivor
Casale, Roger
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Church, Ms Judith
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Rt Hon Robin *(Livingston)*
Corston, Ms Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cummings, John
Cunliffe, Lawrence
Cunningham, Rt Hon Dr John *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Drew, David
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Galbraith, Sam
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Gilroy, Mrs Linda
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Hepburn, Stephen
Heppell, John
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Home Robertson, John
Hoon, Geoffrey

Hope, Phil
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McLeish, Henry
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
Mallaber, Judy
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Martlew, Eric
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Singh, Marsha
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

**Tellers for the Ayes:**
**Mr. Jim Dowd and**
**Mr. Robert Ainsworth.**

**NOES**

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Ashdown, Rt Hon Paddy
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Ballard, Jackie
Beggs, Roy
Bell, Martin *(Tatton)*
Bercow, John
Beresford, Sir Paul
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brake, Tom
Brand, Dr Peter
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burnett, John
Burns, Simon
Burstow, Paul
Butterfill, John
Campbell, Menzies *(NE Fife)*
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Curry, Rt Hon David
Davey, Edward *(Kingston)*
Davis, Rt Hon David *(Haltemprice)*
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Ewing, Mrs Margaret
Faber, David
Fabricant, Michael
Fearn, Ronnie
Flight, Howard
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Hayes, John
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Key, Robert
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*

Lidington, David
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, Rt Hon David
Maclennan, Rt Hon Robert
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Oaten, Mark
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Salmond, Alex
Sanders, Adrian
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Tonge, Dr Jenny
Townend, John
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Wallace, James
Walter, Robert
Wardle, Charles
Webb, Steve
Wells, Bowen
Welsh, Andrew
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wigley, Rt Hon Dafydd
Wilkinson, John
Willetts, David
Willis, Phil
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

**Tellers for the Noes:**
**Mr. Stephen Day and**
**Mr. Nigel Waterson.**

*Question accordingly agreed to.*

*Resolved,*

That this House insists on its amendment in page 14, to leave out lines 31 to 49, to which the Lords have disagreed and disagrees to the amendment proposed by the Lords in lieu of that amendment.

*Motion made, and Question put,*

That this House insists on its amendment in page 22, to leave out lines 31 to 39, to which the Lords have disagreed.—*[Mr. Wilson.]*

*The House divided:* Ayes 325, Noes 185.

**Division No. 324]** **[11.16 pm**

**AYES**

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Banks, Tony
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Bennett, Andrew F
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Cann, Jamie
Caplin, Ivor
Casale, Roger
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Church, Ms Judith
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Rt Hon Robin *(Livingston)*
Corston, Ms Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cummings, John
Cunliffe, Lawrence
Cunningham, Rt Hon Dr John *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Drew, David
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Galbraith, Sam
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Gilroy, Mrs Linda
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Hepburn, Stephen
Heppell, John
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*

Liddell, Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McLeish, Henry
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
Mallaber, Judy
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Martlew, Eric
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Singh, Marsha
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

**Tellers for the Ayes:**
**Mr. Robert Ainsworth and Mr. Jim Dowd.**

**NOES**

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Ashdown, Rt Hon Paddy
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Ballard, Jackie
Beggs, Roy
Bell, Martin *(Tatton)*
Bercow, John
Beresford, Sir Paul
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brake, Tom
Brand, Dr Peter
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burnett, John
Burns, Simon
Burstow, Paul
Butterfill, John
Campbell, Menzies *(NE Fife)*
Canavan, Dennis
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Curry, Rt Hon David
Davey, Edward *(Kingston)*
Davis, Rt Hon David *(Haltemprice)*
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Ewing, Mrs Margaret
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Hayes, John
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Key, Robert
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, Rt Hon David
Maclennan, Rt Hon Robert
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Oaten, Mark
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*

Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Salmond, Alex
Sanders, Adrian
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Tonge, Dr Jenny
Townend, John
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Wallace, James
Walter, Robert
Wardle, Charles
Webb, Steve
Wells, Bowen
Welsh, Andrew
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wigley, Rt Hon Dafydd
Wilkinson, John
Willetts, David
Willis, Phil
Wiltshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

**Tellers for the Noes:**
**Mr. Stephen Day and**
**Mr. Nigel Waterson.**

*Question accordingly agreed to.*

*Motion made, and Question proposed,*

That a Committee be appointed to draw up Reasons to be assigned to the Lords for disagreeing to the amendment proposed by the Lords in lieu of the amendment in page 14, to leave out lines 31 to 49, and insisting on the amendments in page 14, to leave out lines 31 to 49, and page 22, to leave out lines 31 to 39.

That Mr. Damian Green, Mr. David Jamieson, Mr. Tony McNulty, Mr. Phil Willis and Mr. Brian Wilson be members of the Committee; that Mr. Brian Wilson be the Chairman of the Committee; that three be the quorum of the Committee; and that the Committee do withdraw immediately.—[*Mr. Jamieson.*]

11.30 pm

**Mr. Eric Forth** (Bromley and Chislehurst): Mr. Deputy Speaker—

**Mr. Deputy Speaker:** Order. Before the right hon. Gentleman speaks, I should say that I shall be very firm in insisting that the rules of debate are observed. He may speak purely to this motion, and to this motion alone. If he deviates from the rules, I shall quickly be on my feet to remind him of them.

**Mr. Forth:** I would expect no less, Mr. Deputy Speaker. I assume that you would not always assume that the House would wish to nod through any motion, no matter how routine it may seem. It would therefore be useful to the House if we were to hear just a little bit more from the Government not only about the rationale for establishing the Committee—it is, after all, a debatable motion—but about the qualifications of the Committee membership, and, perhaps more specifically, about why the person suggested in the motion to serve as the Committee Chairman should be considered to be the ideal person to serve in that capacity.

It is possible that someone who might be thought to be more neutral should be appointed to serve as Chairman of the Committee, so that it might discharge its very important responsibilities in the most even-handed manner. Some reasoning for the proposed Committee membership and nomination of Chairman would be helpful to the House.

The other matter that would be worth clarifying in establishing the Committee is when the Committee might sit. In the past such Committees may well have sat immediately; I think that that is my recollection of such Committees.

**Mr. Deputy Speaker:** Order. The right hon. Gentleman does not have to discuss that matter—the motion says "immediately".

**Mr. Forth:** I have a concern about that, Mr. Deputy Speaker. We have heard quite a lot recently about the need for the House to sit reduced hours. Some anxiety has been expressed—by no less a person than the Leader of the House herself—that late-hours sitting is good neither for the House nor for the quality of our deliberations.

**Mr. Deputy Speaker:** Order. That has absolutely nothing to do with the motion. It is another matter, which has been put before the Leader of the House.

**Mr. Forth:** Mr. Deputy Speaker, you have said that the motion says that the Committee should sit immediately. I am querying that—I want to debate it—because the motion is debatable. I am seeking to enter into a debate on the advisability of the Committee meeting at this late hour, as I should be worried about the quality of the Committee's decision making if it meets at this late hour. I am setting that worry in the context of the remarks made recently by the Leader of the House. She has apparently said that she believes that the House should not sit at late hours. I assume that part of her reasoning—although we have not yet heard it in any detail—is that the House's quality of decision making might well be prejudiced if such decisions are made so late and if such Committees meet at such a late hour.

**Mrs. Browning:** My right hon. Friend will be aware that this debate started extremely late, as we were waiting upon the attendance of the Minister for Education and Industry, Scottish Office—

**Mr. Deputy Speaker:** Order. I have already stated that what has gone before has nothing to do with the motion. I will not have a discussion entered into about previous business that has been decided.

**Mr. Forth:** Indeed, Mr. Deputy Speaker, I am looking very much to the future and to the quality of decision making in the future. Looking at the clock, I see that it is a moderately late hour, so the House may wish to consider deferring the decision or deferring the setting up of the Committee until it can deliberate in a more reasoned way at a more respectable hour. These are perfectly rational points. I raise them because, from time to time, we find that apparently innocuous motions are brought before the House—perhaps not always at an hour such as this, but at a more reasonable hour—and there is an expectation that they should simply be nodded through.

Increasingly, I find that the concept of nodding motions through is a denial of the role of the House of Commons. It would be better if we were to hear more of a case put in favour of such motions. The Government Whip told the House what he was proposing in respect of the membership of the Committee, its chairmanship and so on, but we are entitled to a more in-depth explanation.

**Mr. Nick St. Aubyn** (Guildford): Is my right hon. Friend worried that if we simply nod through such

motions, the credibility of the Committee's decisions will in some way be undermined in another place, and that unless we give due deliberation to the points that he has raised, in another place the Committee's decisions will not have the effect and persuasiveness that this House requires?

**Mr. Forth:** I am grateful to my hon. Friend for making those points. He might wish to elaborate on them if he were to catch your eye, Mr. Deputy Speaker. He raises those points in the context of our not having had a full explanation of the Committee's role. It would be useful if a member of the Government were to give us more of an explanation of the role envisaged for the Committee, and how it would provide a link between the proceedings of this House and the other place. Surely, that is vital to the proper progress of the business in hand.

**Mr. Deputy Speaker (Mr. Michael Lord):** Order. The role of the Committee is clearly stated in the motion.

**Mr. Forth:** The Order Paper refers to

"Consideration of a Lords Amendment in lieu of a Commons Amendment and of a Reason for disagreeing to a Commons Amendment."

That does not explain to me the role of the Committee. I should have thought that those words meant that we were considering the words spoken by the Government Whip in explaining the background to the Committee, but he did not elaborate on the nature of the role of the Committee, were it to be set up at this late hour and with the membership and Chairman that he proposed.

**Mrs. Eleanor Laing** (Epping Forest) *rose—*

**Mr. Forth:** I shall give way to my hon. Friend the Member for Epping Forest (Mrs. Laing); then I want to conclude my remarks.

**Mrs. Laing:** On the point about the proposed Chairman of the Committee, given that the Reasons Committee is a Select Committee of the House, does my right hon. Friend agree that it would be more reasonable if the Chairman whom the House is about to appoint had some impartiality on the subject before the Committee? The proposed Chairman—the Minister for Education and Industry, Scottish Office—has shown himself to be anything but impartial.

**Mr. Forth:** Again, that is a very important point. It is perhaps not for me to elaborate on it at this stage. I see that my hon. Friends have given much thought to the motion—more perhaps than I have been able to. Perhaps they will want to expand on these points if they catch your eye, Mr. Deputy Speaker.

The House might want to reconsider the chairmanship of the Committee, to which I alluded briefly when I began, for exactly the reason that my hon. Friend the Member for Epping Forest has given. I am grateful to her for bringing to my attention and to that of the House the fact that the Committee would have the status of a Select Committee. That is an important new fact. Given that a number of Select Committees are chaired by people other than Labour Members or Ministers, there must surely be a strong case—

**Mr. Deputy Speaker:** Order. The hon. Gentleman must not embark on a dissertation on Select Committees. The motion before the House is very specific, and I would be grateful if he would address it.

**Mr. Forth:** I am grateful for your guidance, Mr. Deputy Speaker, but the Whip read out the proposed members of the Committee, including the proposed Chairman—the Minister for Education and Industry, Scottish Office—who took part in the debate and can hardly be described as impartial. It is just possible that, for the sake of giving the fullest credibility to the Committee, which forms a key bridge between the proceedings of the House and those of another place, the House may want to consider a different candidate for its chairmanship.

**Mr. Geoffrey Clifton-Brown** (Cotswold): Is my right hon. Friend aware that until his present appointment, and particularly in opposition, the Minister for Education and Industry, Scottish Office had no educational appointments whatever—

**Mr. Deputy Speaker:** Order. Mr. Forth.

**Mr. Forth:** I might have guessed that the Minister had no previous educational experience, but I am grateful to my hon. Friend for confirming that.

In conclusion, the House must consider the matter seriously. We cannot take such decisions on the nod at this late hour. I am asking the Government for further elaboration—

**Mr. Gerald Bermingham** (St. Helens, South): On a point of order, Mr. Deputy Speaker. The right hon. Gentleman has been a Minister—albeit a bad one—and knows the rules. He knows full well that it is normal procedure to appoint a Committee of the House. It has always been that way, so why is he delaying the Bill's progress?

**Mr. Deputy Speaker:** That is not a point of order for the Chair.

**Mr. Forth:** Indeed. I hope that the House will not accept the arrogance shown by that point, which assumes that a matter which is properly debatable can be swept to one side and taken as read and that we can proceed with business. Surely the point is that the motion is properly debatable in the House. I wish to initiate a short debate on it so that the Government can elaborate on the points that I have sought to raise. I hope that at least I will have succeeded in that.

11.41 pm

**Mr. St. Aubyn:** I wish to elaborate on the point on which my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) asked me to comment.

I understand that, as the Bill started in another place, if the amendments that we are asking Members of another place to consider are rejected by them and they are

*[Mr. St. Aubyn]*

minded to refuse the will of this House, it could fail entirely in the current Session. It is particularly important that the constitution and credibility of the Committee is beyond reproach. If it is not, and if in another place many independent minds address themselves to the points that have been raised, the will of the House, as expressed tonight, will fail. Therefore, the points that my right hon. Friend raised are not delaying tactics; they go to the heart of the matter—whether or not the House is serious about the arguments put forward this evening; whether it is serious about trying to influence another place; and whether it seriously cares whether the Bill, which started in another place, is completed this Session.

You will advise me, Mr. Deputy Speaker, but I believe that we should consider whether it is material that the Bill should be completed this Session.

**Mr. Deputy Speaker:** That is not what we are debating now.

**Mr. St. Aubyn:** I am grateful for your guidance, Mr. Deputy Speaker.

My right hon. Friend has made the important point that we do not have an impartial Chairman and, given the independence of mind of those in another place, that will not help the passage of the Bill.

11.44 pm

**Mr. Wilson:** The right hon. Member for Bromley and Chislehurst (Mr. Forth) asked why the Reasons Committee was being set up. The House has twice voted overwhelmingly to reverse Lords amendments and send business back to the Lords. As he may have gleaned during his years in the House, that is done by referring the issue to the Reasons Committee. It is the norm that the Minister who has spoken in the debate chairs the Committee. The issue is as simple as that. I do not think that the right hon. Gentleman suffers from any particular problems of comprehension. His behaviour is entirely up to him, but I suggest that the charade that he has initiated is not in anyone's interests and that we should now get on with the business of the House and appoint the Reasons Committee.

11.46 pm

**Mr. David Wilshire** (Spelthorne) *rose—*

**Mr. Deputy Speaker:** The Question is—

**Mr. Wilshire:** On a point of order, Mr. Deputy Speaker. I was trying to catch your eye—

**Mr. Deputy Speaker:** We have moved on from that.

**Mr. Forth:** On a point of order, Mr. Deputy Speaker. My reading of the Order Paper suggests that the matter can be debated until any hour. Although the Minister has spoken early in the debate, it should be quite proper for other hon. Members to seek to catch your eye. There is no time limit on the debate. The fact that the Minister has spoken surely cannot bring the debate to an end.

**Mr. Deputy Speaker:** I call Mr. David Wilshire.

**Mr. Wilshire:** Are your calling me on a point of order, Mr. Deputy Speaker, or are you calling me to speak?

**Mr. Deputy Speaker:** I am calling the hon. Member to speak.

**Mr. Wilshire:** Thank you, Mr. Deputy Speaker. I am most grateful to you for giving me the opportunity to speak.

Labour Members should not believe that we are not prepared to have a constructive debate on an important matter. We have had a contribution from the Minister, but I was not clear whether he was intervening on my hon. Friend the Member for Guildford (Mr. St. Aubyn) or whether my hon. Friend had finished and the Minister was making his speech. Will the Minister answer the legitimate questions that my right hon. and hon. Friends have asked and the questions that I would like to ask? I shall be happy to give way if someone would like to give me an assurance that we shall hear a constructive contribution from the Government in response to the points that have been made.

The Minister did not tell us why the particular names have been proposed. I understand why my hon. Friend the Member for Ashford (Mr. Green) is to be on the Committee, if the House approves it, but I do not understand the reasons for the selection of the other names. I should be most grateful if someone could explain why each of those hon. Members has been selected and why they are considered the experts who can draw up a list of reasons on behalf of the whole House that we can send to the other place.

I am also interested to know not only why those hon. Members have been chosen, but why others have been rejected. Many Labour Members have great knowledge of the issues that have been debated. It is important for us to be told whether those who have been chosen represent a balanced ticket.

**Mr. St. Aubyn:** Does my hon. Friend agree that the Minister's cursory remarks will undermine the credibility of the Committee in the eyes of another place? We are seeking a more detailed response and analysis—

**Mr. Deputy Speaker:** Order. The hon. Gentleman has already made that point more than once.

**Mr. Wilshire:** My hon. Friend the Member for Guildford is absolutely right. It is important that, when justification is given for the names that the Government have put forward, it is explained whether the names constitute a balanced ticket. We have heard members of all parties express substantial reservations about the arguments advanced by the Government Front-Bench team. It is important that somebody like the hon. Member for Falkirk, West (Mr. Canavan) should be on that Committee, because he seems to have a much stronger grasp of the problems than the Minister or, as far as I can see, any of the other Labour Members proposed.

**Mrs. Browning:** My hon. Friend will be aware that I sat in the Chamber throughout the previous debates,

although I did not speak. Does he believe that the hon. Members on the Committee should at the very minimum have heard tonight's debate?

**Mr. Wilshire:** I am sure that my hon. Friend is absolutely right. Perhaps I should add that to the list of questions, so that we may make absolutely certain that everyone who serves on the Committee has sat through the entire debate and knows about all the issues that must be addressed. I should be very grateful for an explanation about the names.

There is one other issue with which we need to deal: the Chairman. It has been asked whether the Minister for Education and Industry is the right person for the job, because he is tired. Is he tired? The poor hon. Gentlemen has been dragged all the way back from Inverness. He was late getting here, he has been under a great deal of stress, and I worry for his health. I worry that he might be clapped out and, therefore, somebody else should be chosen.

**Mr. Deputy Speaker:** Order. I remind the hon. Gentleman that the procedures that we are adopting are routine for such an issue. The reasons that he is giving for not agreeing with the motion are, as far as I can see, rather thin.

**Mr. Wilshire:** I understand exactly your point, Mr. Deputy Speaker. Although the matter can very easily be seen as routine, it is far from it when the person proposed to chair the Committee has been dragged back from Inverness. I suspect that this might even be a unique occasion. The matter needs some consideration. I hope that someone on the Government Front Bench will be able to assure us that a Minister who has had a tiring day and has worked hard can, just before midnight, chair a Committee that must do a responsible job. I look forward to the answer to that.

We must also be told what issues the Committee intends to address. All sorts of issues have been raised tonight. We know what the two motions and the decisions were; the Committee has to draw up reasons. We need to be reassured that the Committee members have a grasp of every issue that was raised tonight—

**Mr. Deputy Speaker:** Order. That is not what we are talking about. The hon. Member is straying very wide of the point, and I should be grateful if he returned to the precise motion before the House.

**Mr. Wilshire:** I entirely understand your point, Mr. Deputy Speaker. May I therefore ask just one other question? We need to be told what will happen if the Committee gets it wrong. If its members have not grasped the issues, and they draw up a list of reasons—

**Mr. Deputy Speaker:** Order. That does not concern the motion before the House, to which the hon. Member must return precisely.

**Mr. Wilshire:** I thought—

**Mrs. Laing:** Will my hon. Friend give way?

**Mr. Wilshire:** Of course.

**Mrs. Laing:** Might my hon. Friend consider proposing—[HON. MEMBERS: "Face the Chair."] Might he consider proposing that, rather than the Chairman of the Committee being the Minister for Education and Industry—

**Mr. Deputy Speaker:** Order. No, he may not. It is not possible for the hon. Member for Spelthorne (Mr. Wilshire) to make such decisions.

**Mr. Wilshire:** I again understand your point, Mr. Deputy Speaker. I wish to co-operate not only with you but with the entire House. My hon. Friends have asked a list of questions, to which I have added. I hope that, in the spirit of constructive debate, which we Opposition Members have observed, we shall not witness the Government ignoring the sensible points, rolling out their majority and hoping that the matter will go away. These are serious and important points and legitimate questions that the Government need to answer. I look forward to hearing what they have to say.

**The Parliamentary Secretary to the Treasury (Mr. Nick Brown)** *rose in his place and claimed to move,* That the Question be now put.

*Question put,* That the Question be now put:—

*The House proceeded to a Division—*

**Mr. Deputy Speaker:** There seems to be some delay in the No Lobby. I would be grateful if the Serjeant at Arms would investigate.

*The House having divided:* Ayes 269, Noes 11.

**Division No. 325]** **[11.54 pm**

AYES

Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Atkins, Charlotte
Banks, Tony
Battle, John
Bayley, Hugh
Bermingham, Gerald
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnett, John
Butler, Mrs Christine
Byers, Stephen
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Cranston, Ross
Crausby, David
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Dean, Mrs Janet
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Drew, David
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*

Ellman, Mrs Louise
Ennis, Jeff
Ewing, Mrs Margaret
Fearn, Ronnie
Fisher, Mark
Fitzsimons, Lorna
Follett, Barbara
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harris, Dr Evan
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Doug *(Newcastle N)*
Hepburn, Stephen
Heppell, John
Hill, Keith
Hodge, Ms Margaret
Hoon, Geoffrey
Hope, Phil
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Kidney, David
King, Andy *(Rugby & Kenilworth)*
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
Mallaber, Judy
Marsden, Paul *(Shrewsbury)*
Marshall–Andrews, Robert
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moore, Michael
Moran, Ms Margaret
Morgan, Alasdair *(Galloway)*
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Öpik, Lembit
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salmond, Alex
Savidge, Malcolm
Sawford, Phil
Singh, Marsha
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Truswell, Paul
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tyler, Paul
Vaz, Keith
Vis, Dr Rudi
Wallace, James
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
Welsh, Andrew
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Willis, Phil
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

**Tellers for the Ayes:**
**Mr. Jim Dowd and**
**Mr. Robert Ainsworth.**

**NOES**

Amess, David
Clifton–Brown, Geoffrey
Howarth, Gerald *(Aldershot)*
Johnson Smith, Rt Hon Sir Geoffrey
Laing, Mrs Eleanor
Lewis, Dr Julian *(New Forest E)*
Maclean, Rt Hon David
Robertson, Laurence *(Tewk'b'ry)*
Ross, William *(E Lond'y)*
St Aubyn, Nick
Widdecombe, Rt Hon Miss Ann

**Tellers for the Noes:**
**Mr. Eric Forth and**
**Mr. David Wilshire.**

*Question accordingly agreed to.*

*Main Question put accordingly, and agreed to.*

*Reasons for disagreeing to a Lords amendment and insisting on certain Commons amendments reported, and agreed to; to be communicated to the Lords.*

## ESTIMATES

*Motion made, and Question put forthwith, pursuant to Standing Order No. 145 (Liaison Committee),*

That this House agrees with the Report [25th June] of the Liaison Committee.—*[Mr. Pope.]*

*Question agreed to.*

## Housing Costs (Welfare Benefits)

*Motion made, and Question proposed,* That this House do now adjourn.—*[Mr. Pope.]*

12.9 am

**Mr. David Kidney** (Stafford): I am pleased to start this short debate on housing costs and the reform of welfare benefits. The Government's review of housing benefit has been on-going for some time, and I want tonight to tease out of the Minister some suggestion of the review's likely conclusions.

My starting point is the Treasury Select Committee's report into this year's Budget. It said:

"We are concerned about the number of families remaining on a high marginal rate of tax, and hope that reviews of housing benefit and Council Tax benefit will contribute to a reduction in the incidence of high marginal rates."

That was said in the context of the new working families tax credit, which makes a significant contribution to the Budget's redistributive nature. It is a far superior benefit to the existing family credit, as it gives a greater allowance—£2.50 more than currently—for children under 11, it generously helps with child care costs and credit begins to be withdrawn at £90 rather than £79. Moreover, the rate of withdrawal of the credit for every extra £1 of net income—the so-called taper—is at 55p, rather than 70p, in the pound.

Those on housing benefit still have an overlap, whereby they face an effective rate of tax of 89 per cent. If they also receive council tax benefit, the rate is as high as 95.3 per cent. Some 260,000 families still face marginal rates of tax of more than 70 per cent., and more than 1 million families face a marginal rate of more than 60 per cent.

I welcome the Government's response—published today—to the Select Committee report. It said:

"The Government will continue to take work incentives into account in the comprehensive spending and welfare reform reviews."

It has taken the Labour Government to end marginal rates of tax of more than 100 per cent., which were shameful and endured for far too long.

I recognise that the review of housing benefit, the new working families tax credit and the comprehensive spending review will have to interact to reach a whole and satisfactory outcome. I am hopeful that, when the results of the comprehensive spending review are announced, housing will be a major beneficiary, and that there will be a welcome boost to investment in the building of more social housing and the renovation of housing of all tenures.

This debate on housing benefit reform is timely, as it falls in the shadow of the announcement of the review's results. Moreover, two significant reports have been issued this week: first, Steve Wilcox's report for the National Housing Federation, whose title is, I believe, "Unfinished Business"; and secondly, Peter Kemp's report for the Joseph Rowntree Foundation, which is called "Housing Benefit: Time for Reform".

I believe that the key objectives in housing benefit reform should be: first, to reinforce the Government's message that work pays; secondly, to support the excellent new working families tax credit; and thirdly, to avoid unrealistic demands on public spending. On the first objective, 50,000 families will be floated off housing benefit altogether through the very generous working families tax credit, which will remove them from the pernicious poverty trap—indeed, 70,000 people will also be floated off council tax benefit. Working families tax credit will help low-paid owner-occupiers as well as tenants. However, for tenants, the overlap of housing benefit still means that families are caught by high marginal tax rates—the generosity of the working families tax credit means that it will catch more people higher up the income scale. It could be said that the poverty trap becomes slightly less deep but much wider.

Working families tax credit is an exciting new support for working families, but if changes are not made to housing benefit, the two systems will continue to overlap, with high marginal tax rates well up the income scale. That confusing overlap and the high marginal rates will distort the Government's message that work pays. A harmonised system offers opportunities to deliver that message clearly, and could create savings in administration costs and reduce the scope for fraud.

Housing benefit already costs this country £12 billion a year; within a budget of that size there is scope for radical reform without extra expenditure. Helping people back to work means fewer benefit claimants and greater income tax and national insurance receipts. Helping people in work to earn higher wages means lower benefit payments and, again, greater income tax and national insurance receipts. It would be a tremendous additional benefit if a new scheme could bring help across housing tenures and end the system of poor council tenants paying what is now a total of £1.3 billion a year to help the poorest tenants with their rents.

The previous Government's shift in support from bricks and mortar to personal benefit payments went too far: so far that cuts had to be made. The local reference rent was introduced, restricting the amount of rent that was eligible for housing benefit support, as were the single room rent for under-25s, and a tight means test that hit pensioners with modest savings.

The local reference rent has already caused a 12 per cent. reduction in the number of housing benefit claimants: 130,000 people and their families with private sector tenancies no longer claim. Without reform, there is a danger that more and more people will be let down, with social exclusion increasing instead of decreasing.

There is scope for action to stem the steep rise in rents that has gone alongside the increase in the use of housing benefit to take the strain. Social housing grant rates for housing associations could be used, there could be better support for local authorities, and we could rein in the private sector consumption of public money, especially in the area of fraudulent claims.

Since 1990, the grant to housing associations for new build has reduced from 75 per cent. to 54 per cent. Rents have, of course, risen in consequence. Three quarters of all new housing association lettings of two-bedroom properties in England are at rents of more than £50 a week, and 45 per cent. are at more than £60. Seven out of every eight lettings of three-bedroom houses are at rents of more than £50 a week, and 70 per cent. at more than £60.

*[Mr. David Kidney]*

The Minister for Local Government and Housing wrote to the Housing Corporation in August 1997:

"I am looking for a reduction in the average level of rent charged over a 3 year period of about 4% in real terms. Rents on new schemes have now reached a level where it is questionable whether they are affordable to those in low-paid employment without assistance from HB."

The Government will have to contribute to such a commendable strategy through their decisions on social housing grant rate. If they hold it at the present 54 per cent., it could benefit tenants by £5 a week. They should especially bear in mind the argument about interest rates, which have risen over the past year, whereas they argued that the last reduction in housing association grant was partly because the rates had fallen.

An answer to a parliamentary question earlier this Session showed that the net cost of a 10 per cent. reduction in council rents was estimated at £100 million a year. That is surely a modest cost for a rent restraint that would bear directly on family concerns about moving from benefit to work. There might also be a case for trying over time to achieve a more coherent structure for council and housing association rents.

As for private lettings, I accept that there is no prospect of direct rent controls in the future, but the Government are spending a good deal of public money on buying private rented accommodation for families. Surely there ought to be some scope for using that buying power to secure localised standards in such areas as health and safety, safeguards against fraud and, perhaps, rent levels that housing benefit will support.

There are currently some good examples of public-private partnerships in housing, partly owing to the good work done by the Empty Homes Agency in prompting councils and private landlords to work together. Stafford borough council, for instance, now has very good arrangements for co-operation with all housing stakeholders. That council, along with the university accommodation office and private landlords, has a scheme for agreed standards on safety, energy efficiency and inspections of properties. For tenants who cannot afford to pay deposits, there is a rent assistance scheme, as well as fast-tracking of housing benefit applications.

Important decisions are about to be made about housing benefit. I hope that we can remove the messy overlap of scheme tapers that currently produces the worst-case poverty trap. There is a strong case for combining policies on rent restraint and benefit harmonisation. I believe that any changes should ensure that the system of support with housing costs helps those in need, eliminates fraud as far as possible, makes work pay, and supports the Government's new working families tax credit.

I hope that I have contributed to an important debate about housing costs and welfare benefit in the future.

12.21 am

**Mr. Steve Webb** (Northavon): I congratulate the hon. Member for Stafford (Mr. Kidney) on obtaining the debate, and thank him for allowing me to speak briefly.

So far, housing has not been integrated into the new working families tax credit. The hon. Gentleman made a number of sensible and perceptive points about rent levels, and about the importance of such integration. I think that part of the reason why the tax and benefit system for low-paid workers is in such a mess is that it has developed in a piecemeal way over decades. It would be regrettable if the Government made the same mistake—if they introduced a tax credit, and then dealt with housing quite separately.

In the spirit of what the hon. Gentleman said, the Liberal Democrats—and I personally—would welcome the inclusion of rent in the working families tax credit system. For example, a £20 credit would knock £20 off the amount of rent giving eligibility for housing benefit, would reduce the number of people on housing benefit and would reduce the overlapping tapers to which the hon. Gentleman referred. It would be interesting to hear from the Minister whether the Government are thinking of such action.

The hon. Gentleman rightly said that low-paid owner-occupiers would benefit from the tax credit, but nothing in the tax credit relates explicitly to their mortgage interest costs. Earlier this week, I heard the Minister for Local Government and Housing say on the radio that she wanted building societies to provide mortgage insurance for times when such people are unemployed. That may well be laudable, and appropriate for some; but it underlines the fact that such people, when they take a job, should not suddenly lose all assistance with their mortgage costs.

If the Housing Minister is successful and unemployed people's mortgage costs are paid in full, they could amount to £400 or £500 a month. If those people then benefited from a tax credit that involves no allowance—because they are buying, and buying is the majority tenure—that would constitute a serious gap in the benefits system, and one that survey evidence suggests is a barrier to moving out of welfare and into work.

I would be grateful if the Minister could tell us whether a rental credit is likely to be included in the working families tax credit, and, more important, whether he would consider introducing an owner-occupiers' mortgage interest credit.

12.23 am

**The Parliamentary Under-Secretary of State for Social Security (Mr. Keith Bradley):** I congratulate my hon. Friend the Member for Stafford (Mr. Kidney) on obtaining the debate. It is clear from his speech that he takes a keen interest in the issues, and his speech raised a number of important matters—as did that of the hon. Member for Northavon (Mr. Webb).

The easy response to the rapidly escalating housing benefit bill of recent years would be to embark on a series of piecemeal cuts, as did the last Administration. My hon. Friend clearly identified those cuts.

That has not been our response. Instead, we have recognised the need for joined-up solutions to joined-up problems. We recognise the key interrelationship between housing benefit and the housing policy that it underpins. That is why we have embarked on a joint review with the Department of the Environment, Transport and the Regions. The first stage of that review was to put the existing scheme under the microscope to identify where the faults lay. In fact, the microscope analogy is not a good one as many of the problems are all too clear to the naked eye.

I shall concentrate my response on four main problems, but I shall carefully consider other points raised in the debate and shall respond more fully if I do not cover them tonight. First, instead of easing the transition from welfare into work, housing benefit frequently acts as an insurmountable barrier to people taking up job opportunities. Secondly, benefit recipients rarely have any shopping incentive to choose the most appropriately sized property, or to find better value housing. Thirdly, there are stark inequalities between the treatment of private and social tenants. In recent years, private sector recipients have borne the brunt of measures introduced to make savings in the escalating housing benefit bill. Finally, while some local authorities administer the benefit well, others perform badly. The resulting inconsistencies and delays compound the work incentive problem, and cause difficulties for tenants and landlords alike.

I described those as the main problems, which implies that there are others. I want to mention two: the estimated £1 billion of housing benefit lost to fraudsters every year, and widespread misunderstanding of the housing benefit system.

First, widespread fraud deflects money from the people who really need it and contributes towards the poor image that most people associate with the scheme. There can be no doubt that the present hotch-potch of rules, combined with inefficient links between the Benefits Agency and local authorities, provides a fertile breeding ground for fraud.

Secondly, the widespread misunderstanding surrounding the details of the benefit means that many claimants are simply unaware that housing benefit is payable to people in low-paid work, and that contributes to the work incentive problem that so many commentators have highlighted.

These problems are not new, but it would be wrong to continue our analysis without pausing to reflect on the good points of housing benefit. It offers a high degree of security for individuals and families. Although the British scheme has operated primarily as an instrument of income maintenance, it also enables most people to afford acceptable accommodation. Overall, however, it is easier to criticise the current scheme than to find ways of overcoming all its difficulties while still retaining the good points.

I attended the launch yesterday of "Housing Benefit: Time for Reform", a report written by Professor Peter Kemp, and of Steve Wilcox's report "Unfinished Business", both of which were mentioned by my hon. Friend the Member for Stafford. I was particularly impressed by Professor Kemp's exploration not just of the problems of the current scheme but of a comprehensive range of possible solutions. His analysis of alternatives to the current scheme ranged refreshingly wide, and went beyond the deceptively simple solution of simply reducing rents.

My hon. Friend drew attention to the importance of work incentives and the part that housing benefit can play in improving them. This must be a linchpin for any reforms. We have already begun the task of changing expectations, to make sure that a welfare pension for life is not an option for those who can work.

Secondly, we have started to address the ignorance of housing benefit that prevents some people from taking up work because they are unaware of the in-work help that is available. One of the speakers at yesterday's conference highlighted the need to give tailored advice if we are ever to deal with ignorance.

The new deal has replaced the old, mass-produced benefit delivery with a more flexible, personally tailored service. Participants are given help and advice on the full range of benefits that they could claim and how much they will get when they move into employment. We have recently launched a comprehensive advertising campaign targeted at lone parents and other low-income families to highlight the full range of benefits and assistance available to people in work.

My hon. Friend the Member for Stafford is right to draw attention to the importance of the new working families tax credit, which was also mentioned by the hon. Member for Northavon. This, combined with other measures announced in the Budget, will increase the rewards of work. The changes already announced mean that the number of people on deduction rates of more than 90 per cent. will reduce from 130,000 to 26,000. However, a small number of tenants in receipt of housing benefit, council tax benefit and the new tax credit could still lose up to 95p in the pound of any additional earnings. There is clearly scope for improving the part that housing benefit plays in supporting low-income workers.

Some commentators suggest that integrating housing support with the new housing tax credit would

"create clear water between benefit and work".

They also point out the danger of making it harder for claimants to leap between the worlds of welfare and work. It is certainly a very interesting proposal and one that has already been put to the review team, but we must strike a note of caution about creating different systems of support for tenants in and out of work. Even if a housing credit was anchored to both tenure and place of residence, it might still make life on benefits seem more secure compared with a credit that cannot be guaranteed to meet individual rent liabilities.

Giving tenants a direct stake in the cost of their housing, either through a gap scheme such as those operated in many other countries or through a notional rent contribution for council tenants, could be one way to tackle the gulf between welfare and work. As my hon. Friend the Member for Stafford made clear, the key message must be that work pays. All those matters will be given careful consideration.

There are finely balanced sets of pros and cons for the different schemes, and we must consider them as our reforms come forward, but reform aimed at giving tenants an interest in their rent would not take place in a vacuum. One aspect of the background canvas painted by Professor Kemp in his report is that basic social security benefits are unusual internationally in making no provision for housing cost. That is a problem that we have to continue to grapple with. We must also recognise that some vulnerable tenants may be unable to shop around or haggle with their landlords. Alternatively, the costs of giving tenants some slack to make up any rent shortfall could be substantial. There is also the danger that a gap scheme would prove to be equally complicated to run and even more opaque for claimants to understand than the current system.

That brings me to improved administration. There can be no doubt that standards of administration are patchy across local authorities. Numerous changes have been

*[Mr. Keith Bradley]*

bolted on to the original scheme, leaving us with a benefit confusing even for the best local authorities to administer, let alone for claimants to understand. As my hon. Friend the Member for Stafford rightly said, the Public Accounts Committee report majored on the complexity of housing benefit, referring several times to the

"60 deductions, premiums, allowances and disregards"

involved in calculating entitlement. They relate largely to the structure that housing benefit shares with income support and overlook probably the biggest headache in housing benefit administration—the way that rent is assessed.

Again there is no easy solution; the complexity in the system has mostly been built in to save money, to protect tenants in vulnerable circumstances, such as young people who have been in care, or to prevent fraud and abuse. Nevertheless, the case for reducing some of the worst complexities is extremely robust. We will also continue to build on the verification framework and the findings of the benefit fraud inspectorate to disseminate good practice and to raise standards.

I should also like to address the issue of cost. Many commentators assume a backdrop of cost-cutting or restraint. If savings are to be squeezed out of the social security budget, housing benefit initially looks like a prime candidate. After all, it has shown the second fastest rate of growth after sickness and disability benefits in recent years.

Despite spending on housing remaining broadly constant, benefit spending has rocketed, from around £5.3 billion in 1988 to around £11.4 billion today. While we are aiming to restrain growth in the longer term, the review is not a cost-driven exercise. I made the same point yesterday morning at the launch of Professor Kemp's report, and a number of people in the audience immediately assumed that that was a politician's doublespeak and that I was actually on the verge of announcing cuts in housing benefit. Let me reiterate that the review is not about cuts. For the immediate future, we are more interested in streamlining the rules and in making the benefit more work-friendly.

Finally, my hon. Friend mentioned the balance between bricks and mortar and personal subsidy. I can see that this approach has its attractions, but lowering rents in the social housing sector is no panacea in itself. Rent reductions do not, for instance, increase the supply of accommodation or improve the quality and maintenance of the existing stock.

In conclusion, some of the general points are worth reiterating. There are features of the current system that go against the grain of the Government's determination to refashion a modern welfare state. In particular, housing benefit can undermine work incentives and prevent tenants from taking responsibility for housing consumption. Any changes must be designed to simplify the benefit rules, to ensure that the benefit acts in concert with other in-work support and to design out fraud wherever possible. We must always remember that many people rely on benefit for their security, and that any change will not be brought in without sensitivity, in order to ensure that existing claimants have what I call a soft landing.

I warmly congratulate my hon. Friend and the hon. Member for Northavon again on their contributions to the debate. The points raised will be considered carefully as the review progresses. I hope that we can build support both for the principles of general welfare reform and for tackling the specific design faults of the housing benefit system that have been so clearly identified tonight. I am sure that, if we work together in that way, we can produce a better housing support system than the one with which we are currently grappling.

*Question put and agreed to.*

*Adjourned accordingly at twenty-three minutes to One o'clock.*

# House of Commons

*Thursday 2 July 1998*

*The House met at half-past Two o'clock*

PRAYERS

[MADAM SPEAKER *in the Chair*]

## PRIVATE BUSINESS

LLOYDS TSB BILL *[Lords]*

*Order for Third Reading read.*

*To be read the Third time on Thursday 9 July.*

## AGRICULTURE, FISHERIES AND FOOD

*The Minister was asked—*

### Cattle Ear Tagging

1. **Mr. Desmond Swayne** (New Forest, West): What representations he has received from animal welfare organisations in connection with his Department's new ear tagging arrangements for cattle. [47156]

**The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley):** The new arrangements for double tagging of cattle result from European Union, not national, rules. Welfare organisations were included in the consultations on the new arrangements.

**Mr. Swayne:** The Minister will be aware that the tags have to be affixed to both ears of a calf during its first week of life. For some breeds, particularly Dexters, the tags will be larger than the calf's ears. For all breeds, those tags will snag and tear the soft flesh of the ear. Will the Minister review the system and take up the matter with his European Union colleagues to obtain an electronic and more humane alternative?

**Mr. Morley:** The welfare issues relating to double tagging are very important. I should emphasise that the two tags do not have to be in the same ear—there can be one in each ear. We have managed to secure agreement that small breeds of cattle, such as Dexters, can wear a smaller second tag, which should take into account some of the welfare concerns. Welfare organisations and bodies such as the Dexter Cattle Society have been consulted on double tagging.

**Mr. Lindsay Hoyle** (Chorley): I congratulate the hon. Member for New Forest, West (Mr. Swayne) on taking a courageous view, for a Conservative Member, on animal welfare. I welcome that revised attitude to animal welfare, and I hope that he will be as sympathetic on the subject of hunting with hounds.

**Mr. Morley:** Hunting with hounds is not a matter for me, but welfare issues are important. That is why we want to progress such advances as electronic tagging—trials are currently taking place and will be completed by 2000. There are a whole range of animal welfare issues, and the Government should be congratulated on their progress in improving all kinds of animal welfare.

### Rabies

2. **Mr. Robin Corbett** (Birmingham, Erdington): When he expects to receive the report of the independent panel of scientists into alternatives to quarantine to combat rabies. [47157]

**The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. Jeff Rooker):** The advisory group on quarantine is expected to report to Ministers in the summer or early autumn.

**Mr. Corbett:** I remind my hon. Friend that most continental European countries have bad records in the enforcement of animal welfare regulations, and a sustained improvement in that performance needs to be demonstrated before we can lower our quarantine defences. Will he quickly implement his new powers to enforce higher welfare standards in quarantine kennels, and close those kennels where the regulations are breached?

**Mr. Rooker:** My hon. Friend is right. As the House knows, the expert advisory group is comparing five options with the current system. We have asked it to present any option that is as good or better at protecting this country from rabies than the status quo. If it comes up with such an option, we shall fully consult the wider public, including pet owners and non pet owners, and there will be discussions in the House, after which we shall take actions accordingly.

On my hon. Friend's specific question, he is right about welfare in kennels. I congratulate my hon. Friend the Member for Newport, West (Mr. Flynn) on successfully piloting through the Animal Health (Amendment) Act 1998, which allows the Government to make statutory rules for welfare in quarantine. We are having discussions with the kennel owners and the welfare societies about implementing those rules at a very early date.

### Farm Incomes

3. **Mr. John Bercow** (Buckingham): If he will make a statement on farm incomes in the year to 1 May 1998. [47158]

**The Minister of Agriculture, Fisheries and Food (Dr. John Cunningham):** Total income from farming is estimated on a calendar year basis. In the last year for which figures are available, 1997, total income from farming fell by 37 per cent. in real terms.

**Mr. Bercow:** I thank the Minister for his answer, but I hope that he does not underestimate the damage that is being inflicted by current policies. What has he to say to Mr. Godfrey Caldwell, who runs a grass-drying business in my constituency? The strength of the pound has slashed the prices of his products by 40 per cent. over the last year, has cut a quarter of a million pounds from his

turnover although the same amount of work has been undertaken, and has caused him to make a loss for the first time in his 42-year career in the industry. Does the Minister understand why Mr. Caldwell considers him to be the worst occupant of his high office in living memory?

**Dr. Cunningham:** I understand—as, I think, does every hon. Member—that the strength of sterling causes problems to farmers, and, for that matter, to manufacturing industry. I also understand—as the hon. Gentleman was a special adviser to the Chief Secretary to the Treasury in the last Conservative Government, I hope that he recalls this—that two thirds of the increase in the strength of sterling happened under that Administration, and not once was one penny of agrimonetary compensation paid.

**Mr. Lawrie Quinn** (Scarborough and Whitby): My right hon. Friend will know that the incomes of many farmers have been suppressed because of the legacy of the BSE crisis. Is he in a position to update us on the cattle traceability scheme, which I think will do much to help farmers in my constituency?

**Dr. Cunningham:** I am grateful to my hon. Friend. It is certainly true that, in addition to the strength of sterling, lower commodity prices have impacted adversely on farm incomes. It is for that reason, among others, that we announced £85 million of agrimonetary compensation earlier this year, and it is also for that reason that the Government have invested £30 million in the establishment of the cattle traceability scheme, which is located in Workington. I shall visit it tomorrow with the president of the National Farmers Union to get an on-the-spot update on progress, but I can tell the House that we are on course for the scheme to be fully operational in September.

**Mr. Charles Kennedy** (Ross, Skye and Inverness, West): Following our exchanges at our last agriculture Question Time about the continuing crisis in farm incomes, and the related increase in the number of farmers and their families who are now receiving various social security benefits, does the Minister share my surprise at what was revealed yesterday by the answers to my written questions to the Department of Social Security?

Those answers reveal, that the Department has no reliable data on either the number of farmers involved, or the percentage who are in need of state benefits. They also reveal that the Department's figures do not correlate with the Ministry's census figures in regard to the number of farmers in the country.

Will the Minister undertake an urgent inquiry to try to rectify the position? As he is meeting the president of the National Farmers Union tomorrow on other business, will he take this opportunity to tell us in the House—as a means of approaching the farm incomes crisis—whether he shares the NFU leadership's view that early entry into European monetary union would help to alleviate many of the current difficulties?

**Dr. Cunningham:** In answer to the hon. Gentleman's last point, let me say that the Government have made their position clear. It is interesting to note that the National Farmers Union shares the Government's view of the importance of this issue to farmers—unlike the Conservative Opposition, whose policy continues to be extremely damaging to Britain in general and to farmers in particular.

As for the first part of the hon. Gentleman's question, I have not seen the answers that he has received from my right hon. Friend the Secretary of State for Social Security, but I give him an undertaking that I will consider them urgently. If there is any need to improve the liaison between my Ministry and the Department for Social Security—I acknowledge that there are always opportunities to improve the way in which we perform—we shall certainly do so.

**Mr. Alan W. Williams** (East Carmarthen and Dinefwr): Does my right hon. Friend agree with the analogy of bringing a supertanker to a halt, as suggested by my right hon. Friend the Secretary of State for Health? The Government took over an industry that was devastated by the BSE crisis, with farm incomes plummeting since March 1996, and it takes time to stop such a precipitious fall. The decline has now halted and we can look forward to recovery and subsequent growth in farm incomes in the final years of this Parliament.

**Dr. Cunningham:** My hon. Friend is absolutely right. Farm incomes were in steep decline at the time of the general election. The previous Administration did nothing about it, and certainly never paid any agrimonetary compensation. I share my hon. Friend's hope that we can turn round the disastrous circumstances affecting farmers, and especially livestock farmers and the beef industry, as a consequence of the Conservative Government's abysmal policy failures.

**Mr. James Paice** (South-East Cambridgeshire): Is not it time that Ministers stopped blaming BSE for the crisis in agriculture and recognised that BSE has nothing whatever to do with the collapse in milk, sheep or grain prices? Does he recall the Parliamentary Secretary saying at a previous Agriculture Question Time that 50 per cent. of farmers have borrowings? Why, then, do all the agriculture managers of the major banks say that the figure is between 70 and 90 per cent., and that those borrowings are going up by about 8 per cent. overall and 16 per cent. in Scotland? Is it any wonder that farmers throughout Britain think that the Government do not know and do not care?

**Dr. Cunningham:** The hon. Gentleman's synthetic anger is misplaced. If he talks to beef farmers, he will find that they really do think that the ban on their product resulting from the previous Government's failures is one of the biggest problems that they face; they say that repeatedly. The information that we get from the banks is very different from the figures that he has just cited.

## Sea Levels (South-east)

4. **Mr. Andrew Mackinlay** (Thurrock): Pursuant to his answer of 4 June 1998, *Official Report*, column *341*, on sea levels in the Thames estuary and River Medway, if he will carry out surveys relating solely to projected sea level rises. [47159]

**The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley):** It is not the Ministry's responsibility to undertake such surveys. The Environment Agency is responsible for undertaking surveys and studies as part of its flood defence functions; in doing so, it takes into account Ministry guidance on sea level rise.

**Mr. Mackinlay:** Like many others, I am concerned that this is a question of falling between stools. The Government need to take the initiative and examine the impact on coastal regions of rising sea levels, because the evidence suggests that there will be significant flood tides on the Thames and Medway over the next quarter of a century, which will necessitate increasing use of the Thames barrier and involve a danger of its being overtopped. The problem should be addressed by the Government on behalf of all hon. Members who represent coastal regions.

**Mr. Morley:** I can reassure my hon. Friend that the projected rises in sea level are taken into account in Environment Agency surveys and in our flood defence calculations. It is not considered that the flood defences in my hon. Friend's constituency are at risk. I know that there has been some press speculation that he has offended the Prime Minister in some way, but I assure him that there is no danger that his constituency will be obliterated as a result.

## Common Agricultural Policy

5. **Mr. John Wilkinson** (Ruislip-Northwood): What assessment he has made of the impact of the German Government's proposed reduction of its national contribution to the EU budget upon the common agricultural policy. [47160]

**The Minister of Agriculture, Fisheries and Food (Dr. John Cunningham):** One key reason why the German contribution is so high is the cost of the common agricultural policy. The best way of keeping member states' contributions to affordable levels is to ensure firm control of the Union's spending. That necessitates policy reform. We hope that Germany will join us in pressing for fundamental reform of the CAP, which will bring savings in the longer term.

**Mr. Wilkinson:** Is it not the case that neither German electioneering nor the right hon. Gentleman's empty rhetoric have done anything to modify the burgeoning growth of the common agricultural policy? How can he countenance £1 billion ecu in subsidy for tobacco growing? How can he approve of £857 million ecu for wine production up to 2003? Is not the CAP a protection racket for booze and fags?

**Dr. Cunningham:** I share some of the hon. Gentleman's concerns about the cost of the CAP but I do not share his attitude towards persuading our colleagues in Europe to change it. I also share his view about the tobacco regime; Britain is one of the minority of five member states that do not grow tobacco. Ten members do grow tobacco, and that is why there is a tobacco regime. We can change the situation only by sensible and reasonable negotiation, and not by using the kind of language employed by the hon. Gentleman.

**Mr. Tam Dalyell** (Linlithgow): Once the German elections have passed, are there any plans for serious discussion of what will happen when new member states begin to make demands on the CAP pool?

**Dr. Cunningham:** My hon. Friend raises the important need to reform CAP as part of the process of enlargement. It is untenable to suppose that the policy as presently constituted and financed could be acceptable when there is a significant increase in the member states of the European Union.

**Mr. Ian Bruce** (South Dorset): The Minister must know that he has allowed the presidency of the EU to go by without his placing those important matters on the agenda. Is that why he has not bothered to go to a single agricultural show during the United Kingdom presidency? There are rumours that when he does turn up for one, it will have to be specially policed so that farmers can be kept away from him.

**Dr. Cunningham:** We can conclude from that question that the hon. Gentleman slept through the UK presidency. In reality, the Agriculture Council unanimously approved conclusions that were adopted at the Cardiff summit. Work on those conclusions will be continued by the Austrian presidency. The hon. Gentleman could not be more wrong.

## Genetically Modified Organisms

6. **Mr. David Drew** (Stroud): If the Government will organise an independent investigation into genetically modified organisms, with particular regard to *(a)* labelling and *(b)* segregation. [47161]

**The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. Jeff Rooker):** We have no current plans to do as my hon. Friend asks, but the Government will hold public consultation on biotechnology in the near future in order to inform future policy.

**Mr. Drew:** I thank my hon. Friend for that answer. Responsibility for GMOs is shared jointly with the Department of the Environment, Transport and the Regions. Will the Minister acknowledge the unprecedented level of interest in GMOs, ranging from the Prince of Wales to *The Express*? Will he reconsider his earlier reply, and consider an investigation into labelling and segregation of GMOs to ensure consumer confidence and choice?

**Mr. Rooker:** The widespread interest in how our food is produced, marketed and labelled should be welcomed by everyone. We ask, however, that people consider the science. I could nitpick about *The Express* article on Monday, which contained inaccuracies. From September, compulsory labelling of genetically modified soya and maize will begin. Several other products are already voluntarily labelled to show that they are genetically modified. We cannot force segregation of crops

internationally as we would have a problem with the World Trade Organisation, but the Ministry of Agriculture, Fisheries and Food produced a list of 48 suppliers of non-genetically modified soya and maize a few weeks ago. Others have since been added to the list, which now names 57 suppliers. The more information available, the better for all concerned.

**Mr. Anthony Steen** (Totnes): Can the Minister explain why acres of genetically modified soya have been planted just 100 yards from the largest organic farm in the west country without any consultation with the organic farmer about the effect on his livelihood? How can 841 acres of genetically modified trials, approved by MAFF, be allowed only 100 yards from an organic farm?

**Mr. Rooker:** It is not MAFF that approves that. [*Interruption.*] No, it is not. It is right that more than one Government Department is involved. In terms of crops, the Department of the Environment controls the releases to the environment through its advisory committee. It is important that it is not MAFF, the food-sponsoring Ministry, which plays that role. If I have the location of the farm mentioned by the hon. Gentleman correctly in mind, there are few acres of genetically modified crops within the total of the experimental acres and the genetically modified crops are 2 km away from the organic farm.

**Dr. Ian Gibson** (Norwich, North): Does my hon. Friend agree that scientists are often regarded as arrogant, distant and uncaring, and that they, too, must win the argument with the consumer?

**Mr. Rooker:** I endorse what my hon. Friend said. Many scientists wish to be as open as possible. Obviously, sometimes confidentiality and peer group discussions present difficulties. Nevertheless, it is in the interests of science that it is as open as possible and it is in the interests of us all that we keep scientists on tap, not on top.

## Agrimonetary Compensation Payments

7. **Mr. Christopher Gill** (Ludlow): If he will reconsider his decision not to make agrimonetary compensation payments. [47162]

**The Minister of Agriculture, Fisheries and Food (Dr. John Cunningham):** I announced on 3 February our decision to pay £85 million in agrimonetary compensation to the UK beef and sheepmeat sectors. This is the first occasion on which a UK Government have paid such aid.

**Mr. Gill:** Is not the real reason why the Government refuse to pay the full amount of agrimonetary compensation because they are trying to browbeat individual farmers into abandoning their opposition to the single currency? [*Laughter.*] I am talking about the views, not of the National Farmers Union which the Minister has already articulated, but of individual farmers. In many respects, the views of the NFU are as different from the views of individual farmers, and as out of touch with them, as the views of the Government are out of sympathy with public opinion.

**Dr. Cunningham:** Even for the fevered anti-European imagination of the hon. Gentleman that one is a tall story. As I have already told the House, the reality is that this is the first Administration ever to pay agrimonetary compensation to farmers and—

**Mr. Gill:** A tiny amount.

**Dr. Cunningham:** We have paid 95 per cent. of the total available to sheep farmers and 75 per cent. of the total available to beef farmers.

## Fishing

8. **Mr. Austin Mitchell** (Great Grimsby): When he next proposes to meet the National Federation of Fishermen's Organisations to discuss the regulation of fishing. [47163]

**The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley):** Frequent meetings are held with the National Federation of Fishermen's Organisations on a wide range of fisheries issues. No firm date has been set for a future meeting, but I last met them on Monday of this week.

**Mr. Mitchell:** I know that my hon. Friend makes unprecedented efforts to keep in touch with the industry and, in particular, to come to its natural home in Grimsby and consult the industry there. At the same time, he is imposing an unprecedented diet of change and now the possibility of charges on the hard pressed industry. Will he undertake, first, to introduce changes and charges only by consent and after consultation and, secondly, to impose no more restrictions or charges on the British industry than its European competitors face? We need a genuinely level fishing ground where regulations are not imposed and enforced in this country while they are blithely ignored across Europe.

**Mr. Morley:** My hon. Friend knows as well as I do that, when we came to power over a year ago, we inherited a fishing industry in utter shambles. That is why a great many changes in regulations and procedures have been introduced. It is correct to say that, as part of a comprehensive spending review, we have been considering all options, including whether there is a case for charges. That is an academic exercise, and we have made available to the industry the results. I assure my hon. Friend that proposals will not come forward without full and proper consultation with the industry and without taking into account what other European countries are doing in relation to such things as charges.

**Mr. John Townend** (East Yorkshire): Is the Minister aware of the great disappointment that, under the proposed regulations, Bridlington will not be a designated port? Is he aware that the reasons that he gave me in his letter of 17 June—that there were no auction facilities and no fisheries office—are not acceptable? It is not acceptable that such decisions are made for bureaucratic convenience. My fishermen see this as further evidence that this is a Government of deregulation and I hope that he will reconsider that decision.

Even more worrying to my fishermen is the fear that in future the regulations for designated ports might be extended to those dealing with pelagic varieties, which would severely affect Bridlington. Can the Minister give an assurance that there will be no extension?

**Mr. Morley:** Designated ports have been introduced to try to improve fisheries enforcement. Whether we like it

or not, there is a problem of enforcement and blackfish. This is a national issue for which we are responsible. In addition to the reasons given in the letter to which the hon. Gentleman referred, Bridlington was not included because of the number of over-20 m boats which operate from there. We have received representations from Bridlington and they will be considered as part of the consultation exercise. However, I emphasise that the restriction applies only to over-20 m vessels and it simply requires them to give only four hours notice on their way to port or in port to give us the option of having a seafish inspector on the quayside to ensure that everything is in order.

**Mr. Andrew George** (St. Ives): What assurance can the Minister give the House that Britain's 6 and 12 mile fishing limits can be protected after the reform of the common fisheries policy in 2002?

**Mr. Morley:** I can certainly assure the hon. Gentleman that we take the issue seriously. The 6 and 12 mile limits are a derogation from the common fisheries policy and must be renewed by a majority vote in the Council of Ministers. However, the value of the 6 and 12 mile limits has already been emphasised in a letter to my right hon. Friend the Prime Minister from the President of the Commission. I am confident that the value of the 6 and 12 mile limits, which other countries also acknowledge, means that they will continue after 2002. That certainly will not be part of the conspiracy theories against Europe that we have heard today in the House.

**Mr. Bob Blizzard** (Waveney): Fishermen in my constituency feel that my hon. Friend has done well since the election in his support for the fishing industry, but they never stop telling me that the fishing regulations are just not enforced as strictly by some European countries as they are by Britain. Does my hon. Friend agree and, if so, what steps is he taking, and what steps can he take, to ensure a level fishing ground—words taken out of my mouth earlier by my hon. Friend the Member for Great Grimsby (Mr. Mitchell)?

**Mr. Morley:** I can assure my hon. Friend that his fishermen are right to be concerned that measures are not enforced equally and fairly by all member states. It was for that reason that, under our presidency, we introduced a new draft directive which addresses the issues of enforcement and control, common definitions and common standards of enforcement, which all member states at the Council of Ministers agreed was important and should be introduced. I am confident that those issues will be properly addressed.

**Mrs. Margaret Ewing** (Moray): Has the Minister given consideration to the implications of the EU working time directive, particularly for the catching sector? Given the complexities of the implementation of the directive and how it will affect that vital sector, particularly in my area, is it the Government's recommendation that the catching sector should be excluded?

**Mr. Morley:** MAFF accepts that the working time directive is not appropriate for the working pattern of share fishermen. We have had representations from fishermen's organisations and they have raised the issue with the Department of Trade and Industry.

**Mr. Patrick Nicholls** (Teignbridge): What confidence can the fishing industry have in the Minister's willingness to stand up in Europe to oppose further regulations such as the working time directive, the extension of logbook regulations and species recording when he is unilaterally planning, without reference to Europe, to introduce designated landing ports? Is it not time that he stopped contributing to the blizzard of overregulation that fishermen must undergo and did something positive, in Europe and in this country, to oppose it?

**Mr. Morley:** This is about national competence and the Government accepting our responsibility for the problem of over-landings and black fish. We had to introduce regulations such as designated ports because of the utter failure of the previous Administration to tackle the issue.

## Food Quality

9. **Mr. Barry Sheerman** (Huddersfield): What steps he is taking to ensure that British farmers co-operate with British supermarkets to ensure high–quality food. [47164]

**The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. Jeff Rooker):** The quality of British food is second to none. The Government continue to help our farmers and growers to develop their marketing expertise so that they are better able to supply their products with the consistency, and in the volumes, that the supermarkets say they need.

**Mr. Sheerman:** That answer may seem a little complacent to anyone who has sampled the diversity and richness of other countries' food. Does the Minister agree that we have some of the most efficient and effective but also some of the most powerful supermarkets in the world? The power that they wield against our farming industry is quite intimidating. Will my hon. Friend ensure that our Government play a role in evening the balance to give diversity, choice and a good price to British farmers?

**Mr. Rooker:** I do not think that the supermarkets are against the British farming industry. That is not my experience from visits around the country or my meetings in London. They have worked incredibly well over the past 12 months, on the farm assurance scheme in particular, so that there is some consistency and so that farmers are not played off one against the other between different supermarkets. MAFF's task force has helped more than 500 food businesses to improve their marketing techniques. Although we make every effort, we cannot, do not seek to, and are not qualified to do the industry's marketing job for it.

**Mr. Nick St. Aubyn** (Guildford): One of the finest products on supermarket shelves is traditional British brandy butter, made to a recipe tried and tested for more than 100 years. Does the Minister agree that a new EU directive that will make it illegal to market this traditional product as brandy butter is unreasonable? Will he do something to help brandy butter producers such as

Charles Gordon Associates in my constituency, which tells me that jobs are at risk from the directive? Will he help it to stop the directive preventing it from selling its traditional product in our shops?

**Mr. Rooker:** For traditional chilled butters with alcoholic content, if there is a minimum of 34 per cent. butterfat content, I presume that there is 66 per cent. rum or brandy. One wonders what else is in there if those quantities are not matched by the manufacturer.

**Mr. Mark Todd** (South Derbyshire): As someone who makes and consumes brandy butter, I am sympathetic, but can the Minister go back to the original question and address the relationship between supermarkets and the farming community? Many farmers are concerned that some supermarket chains choose to import goods that are produced to lower standards than those acceptable to our farming community or aware consumers. Steps should be taken to increase public information about such practices.

**Mr. Rooker:** I take my hon. Friend's point, but I can only repeat what I said earlier. This week, when I was at the spray and sprayers exhibition in Cambridgeshire—*[Laughter.]* Well, many thousands of other people were there as well. I see that people find that a laughing matter, but that is a serious and important part of the industry. In discussions with representatives of farmers, supermarkets, the agrochemical industry and women's institutes—the whole food chain—it was clear that people were seeking to work together to ensure good-quality British food. We claim that it is the best, and that people should buy British, not just because it is British but because it is the best. People are working together in a way that they have never done before. We would encourage and embrace that, but people have to be free to import products. It comes down to nothing more or less than consumer choice, but food will not be allowed to go on sale in this country unless it conforms to the food safety legislation.

**Mr. Cynog Dafis** (Ceredigion): Surely the Minister must understand that there is a growing realisation that the powers of the supermarkets, their domination of the food chain and the way in which they dictate terms to farmers and suppliers are a cause for concern. Is it not a grotesque fact that one of the most effective farmers' co-operatives, Milk Marque, is under investigation while the supermarkets are able to exercise considerable dominance without being questioned? Is it not important that farmers be encouraged to combine and co-operate to achieve countervailing power? Do not the Government and the development agencies have a role in facilitating and encouraging that?

**Mr. Rooker:** Yes, indeed. I agree with the hon. Gentleman. We are encouraging farmers' co-operatives, but food producers, especially supermarkets, are always subject to the Office of Fair Trading restrictions. They are not out there as completely free agents.

**Mr. Michael Jack** (Fylde): It may be a shade early to talk of Christmas, but my hon. Friend the Member for Guildford (Mr. St. Aubyn) mentioned brandy butter. May I draw it to the attention of the Minister that another Christmas favourite, beef on the bone, remains banned? He knows that we have consistently opposed that ban, and in today's *Financial Times* and *Evening Standard* there is a ray of hope in the indication that the Prime Minister is calling on the Minister of Agriculture to lift the ban. May I congratulate him on recruiting the Prime Minister to our cause? In the light of that information, may I now ask the Minister when he intends to stop pursuing people in the meat trade—caterers, butchers and others—in terms of prosecution? When will he repent like a sinner who has made a mistake, apologise for imposing this unnecessary ban and get it lifted?

**Mr. Rooker:** We are not the prosecuting authority, as the right hon. Gentleman is aware. We are not pursuing anyone. The law is the law and it will take its course. I am not prepared to comment on cases that are currently before the courts.

## Abattoirs

10. **Mr. Ross Cranston** (Dudley, North): What assessment he has made of the effect of the publication of hygiene scores for abattoirs. [47165]

**The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. Jeff Rooker):** The publication of individual hygiene scores for licensed abattoirs and cutting plants is one of several measures designed to drive up standards in the meat industry. Although measurable improvements have been achieved and they have been substantial, we accept that more remains to be done, and we continue to push the industry to make further improvements and to eliminate bad practices.

**Mr. Cranston:** I thank my hon. Friend for that reply. Will he confirm that Britain is the only country in Europe that publishes individual scores? With the aim of propagating that information more widely, will he tell us where the best and worst abattoirs in the country are?

**Mr. Rooker:** There has been a considerable improvement in the past 12 months. Hygiene scores above the 65 mark in April 1997 were 61 per cent., and in March 1998, were 94 per cent. That must have something to do with the fact that, since January this year, for each abattoir and cutting plant, the scores have been published. The two plants with the lowest hygiene score according to latest figures for June are Heaney meats of Woolwich and Cruisedeal of Manchester—both cutting plants—with a hygiene assessment score of only 50, which is unacceptably low. The two plants with the highest score were Knowles and Son of Bury and Mid Glamorgan Provisions of Bridgend—both stand-alone cutting plants—with a hygiene score of 100.

**Miss Anne McIntosh** (Vale of York): What are the Government doing to ensure that imported meats meet the same high hygiene standards as meat in this country has to meet?

**Mr. Rooker:** I can honestly say to the hon. Lady that we are doing a lot more than her party did when it was in government—[HON. MEMBERS: "Come on.] Oh yes. On Friday, we saw as a matter of public record that, in 1992, the previous Prime Minister instructed a previous Minister of Agriculture, Fisheries and Food to go easy on hygiene standards in abattoirs in this country. We are doing far

more than that. Meat will not be allowed into this country from abroad to be sold unless it meets the standards demanded of the meat industry by the Labour Government, which are much higher than those demanded by the previous Government.

### Drift Nets

11. **Mr. Martyn Jones** (Clwyd, South): What is the UK Government's present policy regarding the use of drift nets. [47167]

**The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley):** The Government have promoted an EC agreement on ending the use of high seas drift nets in order to protect dolphins and other non-target species.

**Mr. Jones:** My hon. Friend will be aware of the problem of drift netting for migrating salmon off the coast of Ireland, which is devastating the salmon population in Welsh rivers. That is affecting tourism in Wales and, in the long term, it will affect the drift netting of salmon off the coast of Ireland. Will he do everything in his power, at the Council of Ministers and elsewhere, to make sure that that practice is limited to a sustainable level?

**Mr. Morley:** My hon. Friend makes a serious point. Atlantic salmon stocks have declined dramatically. Irish salmon netting is beyond our national control, but I can assure my hon. Friend that, in our representations to Ireland, we shall draw attention to our concern about the impact of netting on salmon stocks.

## ATTORNEY-GENERAL

*The Attorney-General was asked—*

### Crown Prosecution Service

29. **Sir Sydney Chapman** (Chipping Barnet): When he last had discussions on the Crown Prosecution Service with *(a)* the Secretary of State for the Home Department and *(b)* the Commissioner of Police of the Metropolis. [47146]

**The Attorney-General (Mr. John Morris):** I frequently discuss matters of mutual interest with ministerial colleagues, including my right hon. Friend the Home Secretary. Officials from the Crown Prosecution Service likewise have frequent discussions with representatives of the Association of Chief Police Officers. Those discussions promote co-operation and effective joint working between agencies in the criminal justice system and are a key feature of the Government's commitment to improving the efficiency and effectiveness of the criminal justice system generally.

**Sir Sydney Chapman:** Now that we have had an opportunity to read the Glidewell report following the statement made in the House by the Attorney-General on 1 June, does the right hon. and learned Gentleman agree that if there is to be an improvement in the efficiency and effectiveness of the Crown Prosecution Service, it is absolutely essential that there should be better co-operation and co-ordination between that service, the police forces and the Court Service? Will he encourage the new Director of Public Prosecutions, as a matter of priority, to hold discussions with the Home Secretary and the Metropolitan Police Commissioner and to ensure that that becomes a reality in London, where, in my opinion, there is a desperate need for less centralisation and less bureaucracy?

**The Attorney-General:** The hon. Gentleman is absolutely right. The need for better co-operation goes to the heart of the matter. A great deal has been done in recent years and many of the 75 recommendations that Sir Iain Glidewell made deal precisely with that issue. The issue goes wider than my own Department and wider than the CPS, so the Government as a whole, including my right hon. Friends the Home Secretary and the Lord Chancellor, will be looking at all 75 recommendations as a matter of urgency. The document is now out to consultation and I should be grateful for any observations drawn from the experience of the hon. Gentleman in respect of London. As he knows, there are particular proposals for London.

**Mr. David Winnick** (Walsall, North): Arising from the discussions that my right hon. and learned Friend has mentioned, can he confirm that the Crown Prosecution Service has not closed the files on the murder of Stephen Lawrence—the brutal racist killing that took place in April 1993? Will he confirm that, when the inquiry is ended, every effort will continue to be made to ensure that the murderers of Stephen Lawrence—or at least some of the murderers of the 17-year-old—are brought to justice? Is he aware that Stephen's parents will never give up their fight for justice? Those who murdered their son should be put in the dock and, if found guilty, serve a life sentence.

**The Attorney-General:** I fully understand the sentiments expressed by my hon. Friend; that is what the inquiry under a distinguished former judge is all about. Thereafter, of course, it will be a matter for the police, in the first instance, and if there is evidence, a matter for the Crown Prosecution Service. We have to take it in stages.

**Mr. Edward Garnier** (Harborough): When the right hon. and learned Gentleman next meets the Secretary of State for the Home Department to discuss the Crown Prosecution Service, will he discuss the Lord Chancellor's proposals to open up rights of audience for employed solicitors within the CPS to the higher courts? Will he attempt to reconcile the Lord Chancellor's views on that subject with those that he himself expressed at the Bar conference not long ago, when he said that the independent Bar was one of the bastions of a democratic society? Are the views of the Attorney-General and the Lord Chancellor reconcilable on this matter—or on any other matter?

**The Attorney-General:** The views of my right hon. and noble Friend the Lord Chancellor on the independence of the Bar are precisely the same as mine. I have spelt them out time after time—but repetition is important, and a good thing. The Lord Chancellor includes in his consultation paper words almost to the same effect, which have exactly the same meaning.

## Serious Fraud Trials

30. **Mr. Ross Cranston** (Dudley, North): What analysis he has made of the use of juries in serious fraud trials. [47147]

**The Attorney-General:** In February my right hon. Friend the Home Secretary launched a consultation exercise seeking views on whether an alternative method of trial should be available in serious and complex fraud cases, and on the viability of various options for change. The Government have not reached a conclusion on whether the ending of jury trials in serious fraud cases is desirable in principle, or formed an opinion on any particular options for change, and will not do so until the consultation process is complete.

**Mr. Cranston:** I thank my right hon. and learned Friend for that reply. Is he aware of the view recently expressed by the head of the Serious Fraud Office that some fraud trials are incapable of being handled by a jury? In considering that view, will he weigh against it the idea that technological developments have made it possible to simplify cases so that they can be more easily expressed to a jury, thereby making it possible to retain the jury in many fraud cases?

**The Attorney-General:** I fully recognise the technological changes, which are an invaluable tool in some of the more complicated fraud trials. In her article, the director of the Serious Fraud Office made it clear that she was expressing her personal view. As the Home Secretary said in his consultation paper, the Government recognise that there are concerns that the present system for handling some major complex fraud trials is not working satisfactorily, and that there may be a case for considering some change to the system. Obviously, we shall take into account both the director's views and those of all who participate in the consultation exercise.

**Mr. Dominic Grieve** (Beaconsfield): Will the right hon. and learned Gentleman also bear in mind, in that context, the fact that, historically, one of the problems with serious fraud trials appears to have been a tendency to overload indictments and not to sever them? If simple matters are explained simply, in a way that will lead to a just verdict, most juries can understand them perfectly well.

**The Attorney-General:** The hon. Gentleman is right. The responsibility lies in the first instance on the Crown, likewise on the defence, and above all on the trial judge. The Court of Appeal has long spoken against overloaded indictments, but the hon. Gentleman will recall, in a famous case not so long ago, what happened with regard to the second trial.

**Mr. John Burnett** (Torridge and West Devon): Is the Attorney-General aware of the many misgivings at the possible replacement of juries in serious fraud trials? Is he aware of the public outrage in Israel at the recent acquittal, by a judge sitting alone, of numerous politicians charged with serious fraud and corruption?

**The Attorney-General:** I am not aware of that case. As far back as I can remember, there have been many views, both in favour of and against, the continuation of jury trials—not just in fraud cases but in some others, too. I for one, with a little experience of handling fraud trials, greatly value the role of the jury in deciding issues such as dishonesty. On the other hand, there are also other considerations in a small number of cases, such as the burden imposed on jurors of taking six months or perhaps a year out of their lives. Some might say that that was intolerable.

## Director of Public Prosecutions

31. **Mr. Desmond Swayne** (New Forest, West): What objectives he plans to set for the new Director of Public Prosecutions. [47148]

**The Attorney-General:** New objectives for the Crown Prosecution Service are being considered, taking into account the findings of Sir Iain Glidewell's review of the Crown Prosecution Service, the cross-cutting comprehensive spending review of the criminal justice system and the Crown Prosecution Service's own comprehensive spending review. The intention is that revised Crown Prosecution Service objectives will contribute to the Government's wider objectives for the criminal justice system as a whole.

**Mr. Swayne:** How does the right hon. and learned Gentleman propose to ensure a consistent prosecution policy across England and Wales?

**The Attorney-General:** We hope to continue the work already done by the CPS to ensure national standards and objectives. To be fair to the CPS, great steps have already been taken over many years in that direction. Provided such national standards are adhered to, a great deal of the responsibility for implementing them can be devolved to local police areas.

**Mr. Gordon Prentice** (Pendle): Does the Attorney-General agree that it is wrong that DTI inspectors should investigate allegations of insider dealing and report to politicians in the DTI who have the final say? Surely it would be better to transfer the responsibility for investigating insider dealing, under the Financial Services Act 1986, to an independent investigative body such as the CPS, with decisions on prosecutions being taken by the Director of Public Prosecutions.

**The Attorney-General:** These are matters for my right hon. Friend the President of the Board of Trade. Proposals on the future policing of the City have already been announced and are in the public domain.

**Mr. Humfrey Malins** (Woking): Will the Attorney-General ensure that the CPS is made fully aware of the fact that, under the Crime and Disorder Bill, the maximum sentence—in terms of custody to be served—available to a magistrates court will be six weeks? Will he give the CPS revised guidelines to ensure that more cases are tried in the Crown courts, where proper sentences can be imposed? Will he bear in mind the fact that many of us think that six weeks' custody is far too low a maximum for magistrates courts?

**The Attorney-General:** These matters are primarily for the Home Secretary, but I shall certainly consider the hon. Gentleman's point about the CPS. The latter has to decide on the right venue in which to prosecute each and every case; I believe that it does so to ensure that justice is done.

**Mr. David Lock** (Wyre Forest): Will my right hon. and learned Friend accept my congratulations on the recent appointment of a new chief executive to the CPS? What role does he see for the new chief executive, bearing in mind the new structure proposed for the CPS in the Glidewell report?

**The Attorney-General:** I am grateful for my hon. Friend's observations. We have already, as he knows, announced to the House the appointment of the chief executive. He is in post, familiarising himself with his brief. When he has done so, he will consider with the DPP and other relevant Departments how far the Glidewell proposals should be accepted. He will oversee the bringing together of the senior management team for the new structure and he will initiate the selection process for the 42 chief Crown prosecutors, whose actual selection will require the involvement of the new DPP.

### Crown Prosecution Service

32. **Mr. Ian Bruce** (South Dorset): If he will make a statement on the reorganisation of the Crown Prosecution Service. [47149]

**The Attorney-General:** I published the report of the review of the Crown Prosecution Service—the Glidewell review—on 1 June 1998. Its main thrust, which we accept, lies in proposals for reordering CPS priorities to focus more on the core business of prosecuting, greater separation of management from legal work, greater autonomy for the areas and better prospects for staff.

We immediately accepted the recommendation for the appointment of a chief executive, to which I have just referred, and work is already under way within the CPS and other Departments to consider the recommendations. I expect to provide the House with a progress report in the autumn.

**Mr. Bruce:** The whole House would respect the Attorney-General for the calm and charming way in which he answers questions in the House. However, if one looks back at the answers that he has given on the Crown Prosecution Service and at the criticism coming from both sides of the House, it is clear that that calm and charm masks a great deal of incompetence in his Department and possibly even on his part. Barbara Mills resigned, rightly, because of the way in which the Crown Prosecution Service was functioning. What about people in the Attorney-General's Department—or will we always be reassured that the CPS is working well, when clearly it has never worked well?

**The Attorney-General:** I am surprised at the hon. Gentleman's latter comments and grateful to him for his earlier words. We inherited a system that was appallingly bad. We published in opposition "The Case for the Prosecution." I immediately set in train the Glidewell review. It examined in detail what was wrong and produced a report within a very short time—one year—which we are about to implement. We are doing so because the palsied hand of the previous Administration did nothing at all.

## Business of the House

3.32 pm

**Sir Patrick Cormack** (South Staffordshire): May I wish the right hon. Lady a very happy birthday, and ask if she will give us the business for next week?

**Mr. Andrew Mackinlay** (Thurrock): Charmer.

**The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor):** Very calmly said. I thank the hon. Gentleman.

The business for next week will be as follows:

MONDAY 6 JULY—Estimates Day (1st allotted day).

There will be a debate on further education, followed by a debate on the Government's proposals for a freedom of information Act. Details will be given in the *Official Report*.

The Question will be put on the relevant estimates at 10 pm.

TUESDAY 7 JULY—Opposition Day (16th allotted day).

There will be a debate on the release of information to Select Committees on an Opposition motion.

Motion relating to the Social Security Amendment (Lone Parents) Regulations.

WEDNESDAY 8 JULY—Until 2 pm, there will be debates on the motion for the Adjournment of the House.

Remaining stages of the Competition Bill *[Lords]*.

THURSDAY 9 JULY—Debate on the national health service on a motion for the Adjournment of the House.

FRIDAY 10 JULY—Proceedings on the Landmines Bill.

The provisional business for the following week will be as follows:

MONDAY 13 JULY—Opposition Day (17th allotted day).

There will be a debate on an Opposition motion. Subject to be announced.

TUESDAY 14 JULY—Estimates Day (2nd allotted day).

There will be a debate on the UK beef industry, followed by a debate on the structure and funding of university research. Details will be given in the *Official Report*.

At 10 pm, the House will be asked to agree all outstanding estimates.

WEDNESDAY 15 JULY—Until 2 pm, there will be debates on the motion for the Adjournment of the House.

Proceedings on the Consolidated Fund (Appropriation) (No. 2) Bill.

Consideration of any Lords amendments which may be received to the School Standards and Framework Bill.

THURSDAY 16 JULY—Debate on the economy on a motion for the Adjournment of the House.

FRIDAY 17 JULY—Debate on NATO enlargement on a motion for the Adjournment of the House.

The House will also wish to be reminded that on Wednesday 8 July there will be a debate on the 1999 preliminary draft budget in European Standing Committee B.

Details of the relevant documents will be given in the *Official Report*.

*[Monday 6 July:*

*Estimates Day [1st allotted day]—Class IX, vote 1: Department for Education and Employment: programmes and central services in so far as it relates to further education. Relevant reports: the Sixth Report from the Education and Employment Committee, Session 1997–98, on Further Education (HC 264–I); the Department for Education and Employment's Departmental Report: The Government's Expenditure Plans 1998–99 (Cm 3910).*

*Class CVII, vote 1: Cabinet Office: Office of Public Service in so far as it relates to the Government's proposals for a freedom of information Act. Relevant reports: the Third Report from the Select Committee on Public Administration, Session 1997–98, on Your Right to Know: The Government's Proposals for a Freedom of Information Act (HC 398); the Fourth Report from the Select Committee on Public Administration, Session 1997–98, on Ministerial Accountability and Parliamentary Questions (HC 820).*

*Tuesday 14 July 1998:*

*Estimates Day [2nd allotted day]—Class IV, votes 1 and 2: Intervention Board executive agency and Ministry of Agriculture, Fisheries and Food in so far as they relate to the UK beef industry. Relevant reports: the Third Report from the Agriculture Committee, Session 1997–98, on the UK Beef Industry (HC 474); the Second Report from the Welsh Affairs Committee, Session 1997–98, on the Present Crisis in the Welsh Livestock Industry (HC 447).*

*Class V, vote 2: Department of Trade and Industry: Science in so far as it relates to the structure and funding of university research. Relevant report: the First Report of the Science and Technology Committee on the Implications of the Dearing Report for the Structure and Funding of University Research (HC 303).*

*Wednesday 8 July:*

*European Standing Committee B—Relevant European Community documents: (i) SEC(98)800 and (ii) COM(98)300, 1999 Preliminary Draft Budget. Relevant European Legislation Committee reports: (i) HC 155-xxx (1997–98) and (ii) HC 155-xxxii (1997–98).*

**Sir Patrick Cormack:** I thank the right hon. Lady for giving us the business for the next two weeks. We appreciate that. I thank her particularly for responding to the Leader of the Opposition's offer and providing Friday 10 July for consideration of the Landmines Bill. I reiterate that she will have the Opposition's co-operation on that measure. I thank her also for providing time to debate the Social Security Amendment (Lone Parents) Regulations on Tuesday next and for at last providing the debate that we requested on North Atlantic Treaty Organisation enlargement.

I draw the right hon. Lady's attention to the matter that the Opposition have chosen to debate on Tuesday next week and, in particular, to paragraph 6 of the second special report of the Foreign Affairs Select Committee, which states:

"The Committee considers that it is wrong in principle for the Executive to seek unilaterally to impose prior conditions on the release of information properly sought by a Select Committee in pursuit of the responsibilities given to it by the House. The views of the House are sought at an early date."

Is the right hon. Lady aware that our motion on Tuesday will reflect those words and that the Opposition will allow a free vote, treating this issue—as it should be treated—

as a House of Commons matter? Will the right hon. Lady respond in like spirit and ensure that, as the hon. Member for Thurrock (Mr. Mackinlay) has requested publicly, a free vote is held in the House on that matter?

Is the right hon. Lady in a position to tell us when we can expect statements on the strategic defence review, the comprehensive spending review and the integrated transport White Paper? Much concern is being caused in relation to the latter issue, and I would argue, with great respect, that the Deputy Prime Minister's kite flying is no substitute for a statement on integrated transport policy. Is the right hon. Lady aware that rumours are circulating that the Government's proposals for the North sea oil tax regime will be announced by means of a written reply to a written question? Can she assure me that that is not the case and that there will be a statement about that matter on the Floor of the House?

The right hon. Lady has circulated—as she properly should—her proposals for possible reform of the hours of the House, which she will put before the Select Committee on Modernisation of the House of Commons. I understand, Madam Speaker, that you have made your views known about the matter. Will the right hon. Lady seek your permission to make those views known to all hon. Members—not just those who serve on the Select Committee—so that there may be full consultation and people may know exactly what you think, as well as what the Leader of the House is proposing?

Is the Leader of the House yet in a position to say—I ask on behalf of the staff of the House who serve us so well and so selflessly—whether we shall sit in August?

**Mrs. Taylor:** The hon. Gentleman raised a number of issues, with which I shall deal in turn.

The hon. Gentleman mentioned the Landmines Bill. I am pleased that we have received sufficient co-operation to make progress on that legislation. There have been discussions through the usual channels with all parties in the House and I hope that we shall continue to make progress. We said all along that we were keen to move on that matter as soon as possible. Many hon. Members on both sides of the House suggested various non-sitting days on which we might consider the measure, and I am glad that we have agreed to use Friday 10 July.

I am pleased also that the hon. Gentleman acknowledges that we have been able to meet the requests for debate on the Social Security Amendment (Lone Parents) Regulations. I said some time ago that we were likely to debate NATO enlargement in July.

The hon. Gentleman mentioned some of the words that might appear in the Opposition's motion on Tuesday. I cannot possibly comment on that motion until I have seen it; although I am responsible for many things, I am, fortunately, not responsible for whipping arrangements. No one would discuss whipping arrangements before knowing what any particular motion said, although I might want to amend the Opposition's motion.

The hon. Gentleman asked about dates for various statements that may be made in the near future. I do not normally give dates of statements in advance, but there has been great speculation about certain important statements. I can confirm that some dates are pencilled in provisionally—the strategic defence review for Wednesday 8 July and the comprehensive spending review for the week after—although events sometimes mean that we have to alter the dates that we have in mind. The integrated transport White Paper is expected later this month, and I anticipate a statement being made to the House. I have not considered North sea oil tax revenues, so I cannot answer the hon. Gentleman on that point; at the moment, I do not have provisional plans for a statement on that before me.

I am glad that the hon. Gentleman has drawn attention to the memorandum that has been submitted to the Modernisation Committee. The Committee is in the early stages of drawing up ideas on potential changes to the parliamentary calendar and, as a whole, is anxious that all hon. Members should make their views known. We are taking steps to ensure that people are aware of that opportunity. I should be more than happy to make sure, with Madam Speaker's permission, that her views were available, and that is something that we can pursue.

Everyone is anxious to know when the recess will be, and, had I been able to announce the precise dates today, I should have been pleased. The most that I can say is that it is clear that the House will not rise before the end of July.

**Mr. Gordon Prentice** (Pendle): May we have an early debate on how insider dealing investigations are dealt with by the Department of Trade and Industry? May I say that, for a fact, Sir Nicholas Lloyd, has never been interviewed by Department of Trade and Industry inspectors in connection with the 1994 investigation concerning insider dealing in Anglia Television shares? Do we not need an early debate on that matter, because Sir Nicholas Lloyd has been held out publicly as the source of the tip to a certain well-known individual who traded in shares in January 1994 and made £77,000? We need an explanation.

**Mrs. Taylor:** My hon. Friend has been assiduous in raising issues of that kind at various Question Times. I am afraid that I cannot promise him the debate that he wants in Government time, but perhaps he will be fortunate and obtain an Adjournment debate.

**Mr. Paul Tyler** (North Cornwall): I hope that, if I add my felicitations on her birthday, the right hon. Lady will be even more co-operative than she has been on private Members' Bills. In the light of what she said last Thursday, is there any way to assist non-controversial private Members' Bill with all-party support not only to complete their passage through this House, but, if they are amended in the House of Lords, to complete their passage in the spillover section when they come back?

Will there be room in the next couple of weeks, or soon thereafter, for a comprehensive debate on arms sales? There is a general view that the Foreign Secretary's views on the Scott report are not fully reflected in the report on strategic export controls published yesterday. It is a timid report, and I hope that hon. Members on both sides of the House will have an opportunity to examine it.

Before next Thursday's debate on the national health service, will the Leader of the House ensure that there is an opportunity for the Prime Minister to correct the no doubt unfortunate and unintentional, but considerable, mistake that he made in his answer to my hon. Friend the Member for Winchester (Mr. Oaten) yesterday? The Leader of the House will recall that my hon. Friend asked

*[Mr. Paul Tyler]*

what the Prime Minister would do about the severe deterioration in the recruitment position of doctors, and the Prime Minister said:

"medical students are exempt from the new provisions on student finance."—[*Official Report*, 1 July 1998; Vol. 315, c. 355.]

That is simply untrue and I am sure that the Prime Minister will want an early opportunity to put the record straight. Under the new regime, medical, veterinary and dental students will have to pay extensive sums to support their studies in the first three years. An absurd anomaly is that in Scotland they will have to do so for the fourth year as well. Will the Leader of the House give an absolute undertaking that the Prime Minister will correct the record before next Thursday's debate?

**Mrs. Taylor:** I will check the hon. Gentleman's last point and get in touch with him about it.

On the two substantive points that the hon. Gentleman raised on private Members' Bills, I hope that some of the Bills before the House tomorrow will make progress. Many people think that they are important measures that command widespread support. As I pointed out last week, the House itself decides at the beginning of each Session how much time to give private Members' Bills, but some interesting suggestions have been made about how we could deal with private Members' Bills that need only a vote rather than further debate. The Modernisation Committee will look at that matter in due course. I am open-minded about what we might be able to do and will watch what happens to individual Bills.

I think that the hon. Gentleman was somewhat churlish in saying that no progress had been made on arms sales. The White Paper published yesterday is for consultation, and it takes us further forward. We are willing to listen to further suggestions on how the position might be improved. At the moment, there is clearly no time for a debate on that matter, but views are being sought and will be taken into account.

**Mr. Dennis Skinner** (Bolsover): Has my right hon. Friend noticed the speculation in the press in recent days about the possible collaboration between the Labour Government and the leader of the Liberal Democrats, and the possibility that he will get a job in a future Cabinet? The other daft idea being carted around is that the right hon. Member for Berwick–upon–Tweed (Mr. Beith) will be the next Speaker. May we have an early statement to put an end to all those rumours? While we are at it, will my right hon. Friend tell the others in the Cabinet that they should bury the report from Lord Jenkins about changing to proportional representation and tell him to stick to what he has always done—rushing about trying to find a posh table at a restaurant?

**Mrs. Taylor:** I am not sure that I can find time next week for the specific debate that my hon. Friend requests, interesting though it might be, especially to those of us who have been in the House for many years.

On my hon. Friend's specific point, I am not aware that there is any credibility in many of the stories that appear in the press. I am sure that you intend to be in your place for some time yet, Madam Speaker, so any speculation on that front is pretty worthless.

On jobs in Cabinet, I promise to bring my hon. Friend's recommendations to the attention of my right hon. Friend the Prime Minister.

**Mr. Peter Brooke** (Cities of London and Westminster): Given the pressure on legislative time revealed by the Landmines Bill, which I welcome, can the Government ensure that Ministers are available to take their business when it occurs so that we avoid the surrealist farce that we had last night of Labour Back Benchers filibustering on the Finance (No. 2) Bill while the Government allegedly retrieved the next relevant Minister from the highlands?

**Mrs. Taylor:** I think that the right hon. Gentleman is under some misapprehension. Two days for the Finance Bill was the time that we agreed to give, following discussions through the usual channels. If anyone was absent, it was Opposition Members.

**Mr. Peter L. Pike** (Burnley): May I draw my right hon. Friend's attention to early-day motion 651?

[*That this House believes that the Department of the Environment, Transport and the Regions should undertake an urgent review of the standard of motorway driving with a particular view to the need for all newly qualified drivers to undertake some form of motorway tuition and that urgent action should be taken to address the problems that exist and to secure a higher standard of proficiency of motorway driving and to help reduce the present motorway accident level.*]

I pay tribute to my constituent, Anne Ravenhill, who, for some years, has vigorously campaigned for motorway driving tuition. The early-day motion has 104 signatures. Anyone who drives on motorways will recognise that this issue is of concern. Does my right hon. Friend see any opportunity of discussing these issues at an early date?

**Mrs. Taylor:** My hon. Friend is an experienced Member of the House, and he knows ways of finding time in debates to raise issues that he wants to pursue. The Department of the Environment, Transport and the Regions is undertaking a comprehensive examination of driver training issues. My hon. Friend has made points about safety on motorways and about measures that need not penalise newly qualified drivers. That is an important issue, but he will understand that I cannot find time for a debate on it. With his ingenuity, I am sure that he can find other ways of raising this matter.

**Rev. Martin Smyth** (Belfast, South): Does the right hon. Lady join me in condemning the arson attacks on Roman Catholic chapels in Northern Ireland last night? Such actions are attacks not just on places of worship, but on communities, and they are to be deployed in any community that stands for civil and religious liberty.

Is the right hon. Lady able to tell us when the Northern Ireland constitution Bill will be introduced? Yesterday, we launched the assembly. It is like starting a marathon race without telling people where they are going.

**Mrs. Taylor:** I am sure that the whole House wants to be associated with the hon. Gentleman's comments about the arson attacks. Such behaviour unites everyone in the House, and, like him, we want to place our views on record.

Discussions are still taking place on the Northern Ireland constitution Bill, so I cannot give the hon. Gentleman a precise answer. He knows that we take Northern Ireland legislation extremely seriously. We have moved quickly to present such legislation when it has been necessary. Much work is being carried out at present, and discussions will continue through the usual channels. As soon as I can give the House information, I shall do so.

**Mr. Paul Flynn** (Newport, West): I welcome what my right hon. Friend said about tomorrow's Bills. Is it not a perversion of democracy that 74 Bills will come before Parliament tomorrow? The day has become known as the slaughter of the innocents, because many would-be King Herods can destroy those Bills by shouting a single word. It is wrong for the will of the House to be ignored. One of those Bills received a majority vote of 411, but it is unlikely to get through the system and become law. Bill No. 13 on the Order Paper seeks to tackle by far the worst case of drug misuse in this country, which is the over-prescription of neuroleptic drugs to the elderly in residential homes. We should have a debate on the system that allows Bills that have majority support not to get through Parliament and to be damaged or destroyed by malign or malicious individual Members.

**Mrs. Taylor:** We had a short debate on that subject last week. Points made in that debate will help the Modernisation Committee when it turns its mind to this subject.

**Mr. Wilkinson:** I thank the Leader of the House for letting us know that the statement on the strategic defence review will be made on Wednesday of next week. Does that not highlight the fact that, this year, we have had only one debate on one of the three services, the Royal Air Force? It is remiss of the Government not to have given more time to the armed forces. Will she guarantee that, before we rise for the summer recess—preferably in the next two weeks—we will have a two-day debate on the armed forces? If *The Times* is to be believed, they are likely to lose £1 billion of their budget, which will affect the career prospects of many service men.

**Mrs. Taylor:** I have said that it is likely, although not absolutely fixed, that that statement will be made on Wednesday.

On the hon. Gentleman's other point, we have had one defence debate—we discuss subjects for debate through the usual channels. I hope that we shall be able to have significant defence debates later in the Session, but I think that, as in other years, the bulk of that time may have to be in the spillover.

**Mr. Andrew Mackinlay** (Thurrock): Will the Leader of the House please consider the position of Her Majesty's Government in relation to the disclosure of information to Select Committees? The Opposition's zeal to criticise the Government is a grave matter for those of us who want to promote a bipartisan approach in Select Committee considerations. I urge her to lead discussions with other Government managers, and perhaps the Opposition, to establish whether the current impasse can be overcome.

Members of Select Committees should be able to approach matters without private interests or partial affections, so that they can seek the truth and fulfil their duty to oversee Government Departments. That is extremely important in relation to next Tuesday's debate—we must recognise that, if such an approach is to endure, it must be reflected in the vote on Tuesday evening. The debate needs to be treated as a so-called House of Commons matter, so that individual Members of Parliament can vote on the motion without fear or favour and without fear of intimidation by party Whips.

**Mrs. Taylor:** I think that my hon. Friend will have heard what I said to the deputy shadow Leader of the House, to which I do not have anything to add.

**Mr. Graham Brady** (Altrincham and Sale, West): May we have an early debate or statement to clarify the relationship between Health Ministers and local health authorities in the decision-making process? I ask that in the light of the astonishing events in Salford and Trafford on Tuesday, when the Secretary of State for Health intervened, using a legal directive procedure—it has been used only once before in the history of the national health service—to require the local health authority to withdraw a properly conducted public consultation exercise merely so that he could avoid adverse publicity when he visited Trafford general hospital on Sunday.

**Mrs. Taylor:** My right hon. Friend the Secretary of State for Health felt that there had been insufficient discussion with the neighbouring authorities before Salford and Trafford health authority issued its consultation document on 1 June. He believed that any proposed changes to children's services should be considered in the context of the establishment of health action zones rather than in isolation. He has a responsibility to take a position on such matters, and I am surprised that the hon. Gentleman should regard that as astonishing. I am also surprised at the implication of what he said—he seemed to imply that he wanted those beds to be lost and that ward to be shut.

**Mr. Denis MacShane** (Rotherham): Following on from what the Leader of the House said about next Tuesday's debate, will she find time to have an early debate on parliamentary scrutiny of the Executive? Many unpleasant comments are being made about the Leader of the Opposition, but, as someone who suffered from acute sinusitis as a boy, I wish him well—it is one of the most painful conditions that anyone can have. The lack of an effective Opposition gives rise to a fundamental problem, but is it not related to the fact that no fewer than 19 of the appointments that the right hon. Gentleman has made to the shadow Front-Bench team have lucrative outside interests? The most recent announcement is that the shadow President of the Board of Trade is taking money from Murray Financial, a financial firm dedicated to destroying building societies and mutual assurance companies. Is not the real problem that, until we have an effective Opposition, the Executive will not receive the scrutiny that it needs?

**Mrs. Taylor:** I said earlier that I was not responsible for whipping; thankfully, I am not responsible for the Opposition either.

**Mr. Alex Salmond** (Banff and Buchan): Is the Leader of the House aware that another important upcoming

*[Mr. Alex Salmond]*

anniversary is the 10th anniversary of the Piper Alpha disaster? Some of us have spent the afternoon in the precincts of the House watching a film by one of the survivors, Ed Punchard, which will be broadcast next week.

May I make a request, which I know will be supported by the hon. Members who represent Aberdeen, the hon. Member for Greenock and Inverclyde (Dr. Godman) and many others, for a debate on the full ramifications of the disaster, to examine whether we got to the bottom of the causes of the incident and how the Cullen changes have been working over the past 10 years?

In particular, we could discuss how the Government's proposals on corporate criminality are progressing—I believe that there is widespread support for such legislative change. As the Leader of the House will understand, many of us were extremely concerned when, in a civil action earlier this year, responsibility and blame were placed on two dead people who had no chance of representing themselves. The issue of corporate liability has never been fully explored.

Will the Leader of the House take my comments on board? Does she accept that only if we have such a debate will we discharge our responsibility not just to those who died on Piper Alpha, but to the many thousands who still work in the North sea?

**Mrs. Taylor:** I well understand the hon. Gentleman's concern, which is echoed by my hon. Friends. I did not know about the film that is to be shown next week, but of course I remember the incident, as many others will.

I will take on board the hon. Gentleman's comments. I cannot guarantee him the debate that he wants in the next few weeks, but I assure him that I will draw what he has said to the attention of all Ministers who are concerned with the matter.

**Mr. John McDonnell** (Hayes and Harlington): My right hon. Friend may have read reports over the past two weeks of the near-gridlock of air traffic over Heathrow airport as a result of chronic weaknesses in the air traffic control system. Heathrow is in my constituency, and I am extremely anxious for the safety of my constituents. The Government have acted promptly in launching an investigation. Will my right hon. Friend liaise with her colleagues in the Department of the Environment, Transport and the Regions, so that when the report of the investigation is completed, it is brought to the House promptly and an important issue of public safety can be debated?

**Mrs. Taylor:** I will certainly discuss the matter with my right hon. and hon. Friends.

**Mr. Michael Jack** (Fylde): The Leader of the House did not announce time for a debate in the next two weeks on the fight against bovine tuberculosis. As she will know, an important report—the Krebbs report—is being considered by the Minister of Agriculture, Fisheries and Food. May I ask her, in all seriousness, to talk to the Minister of State about the possibility of finding time for a debate on the report and on bovine tuberculosis? Many farms in the south-west are disrupted by the disease, and many people in the west midlands and Cheshire are fearful of its spread. It is important that the House should have a chance to debate the implementation of the Krebbs report before the die is finally cast.

**Mrs. Taylor:** My hon. Friend the Minister of State, Ministry of Agriculture, Fisheries and Food is present, and has heard the right hon. Gentleman's comments. As the right hon. Gentleman knows, we are considering how best to implement the recommendations made by Professor Krebbs last December. A good deal of work is going into the issue, and my hon. Friend the Minister of State has received many representations from Members whose constituents are extremely worried about the problem.

We are not in a position to make an announcement yet, but all contributions received during the consultation period have been considered carefully. Announcements will be made, but all the views of hon. Members will be taken into account first.

**Mr. Tam Dalyell** (Linlithgow): Does my right hon. Friend recollect that, before we were committed to going into Bosnia, there was a general indication that it would be for a limited time? In answer to the hon. Member for Ruislip–Northwood (Mr. Wilkinson), my right hon. Friend said that a debate on the strategic defence review would take place later in the Session; presumably, she has November in mind. May we have some reflection on giving an undertaking to the House—I do not ask my right hon. Friend to give it now—that, should there be military commitment in Kosovo or in the Gulf, the House of Commons will be recalled, whatever stage the recess has reached, before any decisions are put into cement?

**Mrs. Taylor:** I believe that I made the position clear last week, although it may have been two weeks ago. I said that I could not give an absolute undertaking that statements would be made in the House before any decision to deploy troops. However, I also said—and I can confirm—that, operational circumstances permitting, we would seek to keep the House of Commons informed first.

**Jackie Ballard** (Taunton): The Leader of the House will be aware that the Equal Opportunities Commission presented its annual report to the Secretary of State for Education and Employment on 15 June. One of its key proposals is to replace the Equal Pay (Amendment) Regulations 1983 and the Sex Discrimination Act 1975, which set up the commission, with an all-encompassing sex equality law. The report is called "Making Equality Work—the challenge for government". Will there be time in the coming weeks to debate the report and for the Government to say how they intend to respond to the challenge that it presents?

**Mrs. Taylor:** Important though that report is, I cannot find time for such a debate in the next few weeks. It is an interesting suggestion, and one which members of the Modernisation Committee might bear in mind as typical of the requests that we get for debates that would be non-partisan and useful to the House. The Committee is considering how we could find more time for such debates.

**Dr. Norman A. Godman** (Greenock and Inverclyde): I fully support the request made by the hon. Member for Banff and Buchan (Mr. Salmond).

The hon. Member for South Staffordshire (Sir P. Cormack) referred to the second special report of the Foreign Affairs Select Committee. My right hon. Friend can see at a glance that there were sharp divisions on it, as there were on the first report. I fully expect the Foreign Secretary to make an early statement following the publication of the Legg report, and I would also demand that he initiate a debate on Legg.

The Foreign Secretary should bear in mind the advice given in the ministerial code. Paragraph 28.j on page 12 states:

"Every effort should be made to avoid leaving significant announcements to the last day before a Recess."

That is what the other outfit used to do. I do not want the Government to follow that Conservative tradition. I fully expect the Foreign Secretary to come before the Foreign Affairs Select Committee, of which I am a member, to answer questions on the Legg findings. It is better for a Select Committee to cross-examine Ministers and officials than for us to attempt to do so in a debate.

**Mrs. Taylor:** On my hon. Friend's first point, I think that the whole House agrees with the concern that was expressed about Piper Alpha.

My hon. Friend is right to say that the Select Committee was sharply split on both reports. Other such matters may emerge in the debate on Tuesday, although we have not yet seen the motion. My hon. Friend asked for an early statement and a debate on Legg. My right hon. Friend the Foreign Secretary may well want to make a statement once the report is published. The inquiry is independent, and it is within the power of Sir Thomas Legg himself to determine the time scale, but I know that he understands the urgency of the matter, and I hope that we will not have to wait too long.

My hon. Friend will know that the most recent letter from my right hon. Friend the Foreign Secretary to the Chairman of the Select Committee made an offer to appear before it; he is still awaiting a reply.

**Mr. Patrick Nicholls** (Teignbridge): The Leader of the House will be aware of the concerns in the British fishing industry, especially in relation to regulation. Will she find time for a debate in the near future, if not next week, so that hon. Members of all parties can express the fact that the industry is concerned not only by the regulation imposed by Europe, and indeed the disparity of enforcement, but by the fact that Her Majesty's Government are now unilaterally imposing further restrictions? The Minister of Agriculture, Fisheries and Food would then have the opportunity, which he probably would not welcome, to explain what he is doing about it.

**Mrs. Taylor:** I am sure that Ministers would like many debates, but they are as much constrained as anyone else. There simply is not time in the immediate future for all the debates that we would like. I can only advise the hon. Gentleman to apply for an Adjournment debate.

**Dr. Brian Iddon** (Bolton, South-East): The highest priority for debate in the House is given to fiscal matters. However, the Government regard sustainable development as a high priority, too, and have set up the Select Committee on Environmental Audit, which published its second report today. May I draw my right hon. Friend's attention to just one of the report's many recommendations, which is that there should be a major debate on sustainable development on a Government motion relating to the Committee's annual report? I hope that that recommendation will be taken seriously.

**Mrs. Taylor:** I will certainly take that recommendation seriously. Clearly it will not be possible to provide time for a debate before the summer recess. I cannot say whether there will be time during the spillover period, but, if there is not, I can bear the subject in mind for debate in future parliamentary years. We attach great importance to that subject and will consider how to take into account the wishes of the Select Committee.

**Mr. John Bercow** (Buckingham): Will the Leader of the House find time for an early debate on the expenditure policies of North Lanarkshire council? That would give the House a chance to consider the specific and worrying case of a lollipop man who was paid at a rate equivalent to £17,500 a year for working 10 hours a week. Given the right hon. Lady's prodigious reading of the daily newspapers, does she recall that that fortunate individual told *The Daily Telegraph* on 4 June that he could not believe his luck? He was able to do up his flat, take his wife and kids on holiday and buy a new car as a result of the outrageous profligacy of that Labour council. Will the right hon. Lady enable the Secretary of State for Scotland to come to the House in the near future to defend or to condemn that typical record of an old Labour council?

**Mrs. Taylor:** I am surprised to learn that the main interest of the constituents of Buckingham is the activities of North Lanarkshire council. The hon. Gentleman knows that this Government, unlike the previous one, have acted quickly. We will not tolerate any failure or inefficiency in local government. It is a bit rich for a former adviser to Jonathan Aitken to raise matters of that kind.

**Mr. Andrew Stunell** (Hazel Grove): Will the right hon. Lady take account of serious concern on both sides of the House and among our constituents about the congestion of parliamentary business? Many matters will not be debated and considered, including private Members' business, Law Commission reports and Select Committee reports. There are also many Adjournment debates: I understand that Madam Speaker received requests for more than 50 such debates next Wednesday. Will the right hon. Lady put to the Modernisation Committee the urgent need to find other channels for conducting our business so that the work of the House is not impeded by the time constraints that beset us?

**Mrs. Taylor:** Demand for debates cannot always be met. That is the case in every parliamentary year. The hon. Gentleman mentions some areas in which there is particular pressure, and he knows that the Modernisation Committee has said that it will consider private Members' Bills in future. He is right to say that more could perhaps be done. We should use our imagination to come up with new ideas on how to resolve some of the problems, although I do not think that we will ever be able to satisfy every hon. Member, given the time available.

**Mr. Dalyell:** On a point of order, Madam Speaker. I do not wish to prolong our debate, but is there not

*[Mr. Dalyell]*

an old-fashioned code of conduct in the House? Before Members of Parliament attack particular councils, they should at least find out the facts. The intervention of the hon. Member for Buckingham (Mr. Bercow) relates not to my constituency, but to those of parliamentary neighbours. It is high time that the House was a bit more restrained in throwing around accusations under privilege against people who cannot defend themselves, when there is another side to the story. Would you care to reflect on the old code of conduct which was accepted as a convention, whereby Members of Parliament were careful before attacking councils and other elected bodies?

**Madam Speaker:** The hon. Gentleman's words are extremely wise. He has used them before, and on numerous occasions I have reminded the House that with our great privileges also come responsibilities. Before we launch into attacks on other people, we must get our facts absolutely right.

## ROYAL ASSENT

**Madam Speaker:** I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified Her Royal Assent to the following Acts and a Measure:

National Lottery Act 1998

Public Interest Disclosure Act 1998

Road Traffic Reduction (National Targets) Act 1998

National Institutions Measure 1998



# Orders of the Day

## Human Rights Bill *[Lords]*

[4TH ALLOTTED DAY]

*Considered in Committee [Progress, 24 June].*

[MR. MICHAEL LORD *in the Chair*]

### New clause 9

FREEDOM OF THOUGHT, CONSCIENCE AND RELIGION

'.—(1) If a court's determination of any question arising under this Act might affect the exercise by a religious organisation (itself or its members collectively) of the Convention right to freedom of thought, conscience and religion, it must have particular regard to the importance of that right.

(2) In this section, "court" includes a tribunal.'.—*[Mr. Straw.]*

*Brought up, read the First and Second time, and added to the Bill.*

### New clause 13

FREEDOM OF EXPRESSION

'.—(1) This section applies if a court is considering whether to grant any relief which, if granted, might affect the exercise of the Convention right to freedom of expression.

(2) If the person against whom the application for relief is made ("the respondent") is neither present nor represented, no such relief is to be granted unless the court is satisfied—

(a) that the applicant has taken all practicable steps to notify the respondent; or

(b) that there are compelling reasons why the respondent should not be notified.

(3) No such relief is to be granted so as to restrain publication before trial unless the court is satisfied that the applicant is likely to establish that publication should not be allowed.

(4) The court must have particular regard to the importance of the Convention right to freedom of expression and, where the proceedings relate to material which the respondent claims, or which appears to the court, to be journalistic, literary or artistic material (or to conduct connected with such material), to—

(a) the extent to which—

(i) the material has, or is about to, become available to the public, or

(ii) it is, or would be, in the public interest for the material to be published;

(b) any relevant privacy code.

(5) In this section—

"court" includes a tribunal, and

"relief" includes any remedy or order (other than in criminal proceedings).'.—*[Mr. Straw.]*

*Brought up, and read the First time.*

4.15 pm

**The Secretary of State for the Home Department (Mr. Jack Straw):** I beg to move, That the clause be read a Second time.

**The Second Deputy Chairman of Ways and Means (Mr. Michael Lord):** With this, it will be convenient to discuss the following: New clause 1—*Breach of right to privacy—*

'.—When a court finds that Article 8 (right to privacy) of the Convention has been breached and that save for the provisions of the Convention and this Act there is no other protection or remedy

available under United Kingdom law for the party complaining of the breach, the Court shall make a report to Parliament setting out the circumstances of the breach and the action which the Court proposes to take and proceedings shall be stayed until Parliament has debated the report.'.

New clause 7—*Convention rights under Articles 8 and 10*—

'. In any proceedings where a court has to adjudicate between—

(a) a claim that Convention rights under Article 8 (Right to respect for private and family life) have been infringed, and

(b) a claim for protection of Convention rights under Article 10 (Freedom of expression),

the court shall normally, and particularly where the right to impart or receive information about matters of public interest is at issue, give precedence to rights arising under Article 10.'.

**Mr. Straw:** With these new clauses we have an opportunity to debate the potential impact of the Human Rights Bill on the freedom of the press. The issue was debated at some length on different occasions in another place and in this House, particularly on Second Reading on 16 February. Today, I seek to explain to the Committee how Government new clause 13 fulfils the commitment that I gave on that occasion.

As the Committee will know, there was concern in some sections of the press that the Bill might undermine press freedom and result in a privacy law by the back door. That was not the Government's view. On the contrary, we have always believed that the Bill would strengthen rather than weaken the freedom of the press. In practice, the European convention on human rights has been used in Strasbourg to uphold press freedom against efforts by the state to restrict it. By virtue of clause 2 of the Bill, our courts will be required to take the Strasbourg case law into account. Therefore, we are bringing home not just the rights contained in the convention but the associated jurisprudence, including the importance that the European Court in Strasbourg over the years has attached to freedom of expression.

On Second Reading, I gave notice that I would place in the Library and make available to Opposition Members an abstract of various judgments made in the Strasbourg court, which spells out the extent to which that court time and again has come down in favour of press freedom as opposed to privacy and the right to family life. I know that Opposition Members will have read and digested the abstract and that that will elevate the standard of debate this afternoon.

We recognise the concerns expressed in the press. As I have made clear, for example in respect of the Bill's impact on the Churches, we are anxious, so far as is consistent with the framework of the Bill and, above all, with our obligations under the convention, to deal constructively with the concerns expressed about the Bill. In the light of those concerns, we decided to introduce a new clause specifically designed to safeguard press freedom. We thought long and hard about that, and Government new clause 13 is the result. It is an important new clause, and I shall go through its provisions in some detail.

Subsection (1) provides for the new clause to apply in any case where a court is considering granting relief—for example, an injunction restraining a threatened breach of confidence; but it could be any relief apart from that relating to criminal proceedings—which might affect the exercise of the article 10 right to freedom of expression. It applies to the press, broadcasters or anyone whose right to freedom of expression might be affected. It is not limited to cases to which a public authority is a party. We have taken the opportunity to enhance press freedom in a wider way than would arise simply from the incorporation of the convention into our domestic law.

Subsection (2) provides that no relief is to be granted if the person against whom it is sought—the respondent—is not present or represented, unless the applicant has taken all practicable steps to notify the respondent or there are compelling reasons why the respondent should not be notified. The courts are well able to deal with the first limb of that exception relating to whether all practical steps have been taken to notify the respondent, and, in the case of broadcasting authorities and the press, rarely would an applicant not be able to serve notice of the proceedings on the respondent.

The latter circumstance—compelling reasons—might arise in a case raising issues of national security where the mere knowledge that an injunction was being sought might cause the respondent to publish the material immediately. We do not anticipate that that limb would be used often. In the past, such applications have been rare, but there has been at least one recent case involving the Ministry of Defence.

As I made clear on Second Reading, the provision is intended overall to ensure that ex parte injunctions are granted only in exceptional circumstances. Even where both parties are represented, we expect that injunctions will continue to be rare, as they are at present.

Subsection (3) provides that no relief is to be granted to restrain publication pending a full trial of the issues unless the court is satisfied that the applicant is likely to succeed at trial. Among concerns expressed about the Bill's possible impact on freedom of the press, there was concern that interim injunctions—known in the trade as Friday night injunctions, as the hon. and learned Member for Harborough (Mr. Garnier) will confirm; I do not doubt that he has been present in the courts on many Friday nights earning an honest crust—might be granted simply to preserve the status quo, with a view to a full hearing of the application later. However, by that time the story that was to be published might no longer be newsworthy. As I said earlier, time and again the convention jurisprudence reinforces the freedom of the press against, for example, the assertion of rights under article 8. One example of that is part of the judgment of the European Court of Human Rights in the 1991 "Spycatcher" case. Dealing with the issue of interlocutory relief, the court said:

"news is a perishable commodity and to delay its publication for even a short period may well deprive it of all its value and interest."

Given that, we believe that the courts should consider the merits of an application when it is made and should not grant an interim injunction simply to preserve the status quo ante between the parties.

I hope that this provision will strike a chord with the hon. and learned Member for Harborough, who said:

"Reverting again to my own sphere of practice, the courts frequently have to balance the rights of a plaintiff who has been defamed or is about to be defamed and wants an injunction prior to publication, and the rights of the newspaper or potential defendant who says, 'I shall prove that what I say is true.' In those

circumstances, at an interlocutory stage, the judge says to the plaintiff, 'I am sorry, but the right to utter an untruth, if it proves to be so, takes precedence over your right to protect your reputation.' The injunction is not granted and the article is published."—[*Official Report*, 17 June 1998; Vol. 314, c. 426.]

The hon. and learned Gentleman was making the point that, even now, the courts are very reluctant to grant interlocutory relief preventing publication. I gather that in his experience, many more times than not, the courts will say, "I am sorry, but you will just have to take the alleged untruth on the chin and if you want relief later, you can seek damages."

**Mr. Edward Garnier** (Harborough): I am grateful to the Home Secretary for advertising my practice. I am always grateful for any such small crumbs. I hope that that quotation is an accurate reflection of law and of practical experience. Many potential applications for interlocutory injunctions, whether during the day or late at night, are simply not made because the lawyers advising the plaintiffs anticipate that the defendant newspaper will argue that what is being said is true or partially true or that there is some other substantive defence. They tell their clients not to waste their time going to court because they will lose and have to pay the costs.

**Mr. Straw:** That is helpful. The hon. and learned Gentleman anticipates me. I was going to say that in drawing attention to his sphere of practice, we might be breaching the Bar Council's code on advertising, but I think that we should allow ourselves an exception in this case. People on either side of a defamation action would be well advised to seek his advice. He makes the important point that it is already difficult to get interlocutory relief. We are in a sense reinforcing that difficulty, for good reasons that I wholly defend, because of the importance of protecting the right to freedom of expression against other rights.

**Mr. Peter Bottomley** (Worthing, West): I support the Home Secretary in what he is saying, but can he confirm that the provision will deal with the Maxwell abuse, where someone who has—or seems to have—a lot of money can intimidate others by the threat of interlocutory applications? Secondly, can he confirm that if there is a way for a potential plaintiff to serve notice on a publisher that what he is about to publish is untrue or in part untrue, it will be taken into account in post-publication action?

**Mr. Straw:** On the hon. Gentleman's first point about Maxwell intimidation, we believe that the new clause would protect a respondent potential publisher from what amounts to legal or legalised intimidation. We have already discussed the difficulty of getting interlocutory relief. It will be very difficult to get it unless the applicant can satisfy the court that the applicant is likely to establish that publication should not be allowed. That is a much higher test than that there should simply be a prima facie case to get the matter into court.

To paraphrase, the second point of the hon. Member for Worthing, West (Mr. Bottomley) concerned a respondent who succeeded in preventing an injunction at the interlocutory stage and then published but it turned out that there had been some breach of the law. He asked whether that could be weighed in the balance in respect of damages.

**Mr. Garnier** *indicated assent.*

**Mr. Straw:** The answer from someone much more learned than I is that it could be. We discussed exemplary damages in such situations earlier.

**Mr. Garnier:** And aggravated damages

**Mr. Straw:** I am grateful for my continuing education on the issue from the hon. and learned Gentleman. We should all be grateful for that advice because, after all, it is entirely free.

**Mr. Garnier:** Up to a point.

**Mr. Straw:** Up to a point, the hon. and learned Gentleman says.

I should at this point explain something that will not be known, with a bit of luck, to the hon. and learned Member for Harborough, but may be known to the two Liberal Democrat Members sitting below the Gangway. The existing law in this area in Scotland is different from that in England and Wales. The Scottish courts, in considering whether to grant an interim order restraining publication, will take account of the relative strengths of the case put forward by each party. A Scottish court would be unlikely to grant an interim order unless it was already satisfied that the applicant was likely to establish his case. Therefore, subsection (3) is technically unnecessary in Scotland. It remains true, however, that media activities cross the boundaries of the separate jurisdictions in the United Kingdom, as I rather famously know from my experience at Christmas. For that reason, and because it is right in principle, we believe that the safeguards for freedom of expression contained in the new clause should apply throughout the United Kingdom.

4.30 pm

Subsection (4) requires the court to have particular regard to the importance of the article 10 right to freedom of expression. Where the proceedings concern journalistic, literary or artistic material, the court must also have particular regard to the extent to which the material has, or is about to, become available to the public—in other words, a question of prior publication—and the extent to which publication would be in the public interest. If the court and the parties to the proceedings know that a story will shortly be published anyway, for example, in another country or on the internet, that must affect the decision whether it is appropriate to restrain publication by the print or broadcast media in this country.

Under subsection (4), the court must also have particular regard to any relevant privacy code. Depending on the circumstances, that could be the newspaper industry code of practice operated by the Press Complaints Commission, the Broadcasting Standards Commission code, the Independent Television Commission code, or a broadcaster's internal code such as that operated by the BBC. The fact that a newspaper has complied with the terms of the code operated by the

PCC—or conversely, that it has breached the code—is one of the factors that we believe the courts should take into account in considering whether to grant relief.

**Mr. Dominic Grieve** (Beaconsfield): I am sorry to take the right hon. Gentleman back slightly, but would he care to amplify on the definition of "the public interest", which is a critical phrase in subsection (4)(a)(ii) of the new clause?

**Mr. Straw:** I was hoping not to have my brain exercised in such a challenging way. The courts are well versed in making judgments about the balance between a private interest of an applicant before them and the wider public interest. That is inherent in any case in a clash between article 10 and article 8. It is also inherent in the way in which the courts until now have dealt with many issues surrounding proceedings for defamation. The European convention and the European Court of Human Rights have devoted quite a lot of time and effort to developing the concept of the public interest. Without being too tautologous, one of the points of the public interest is, to quote the words of the Strasbourg court in Handyside *v.* the United Kingdom in 1976, that

"freedom of expression constitutes one of the essential foundations of a democratic society, one of the basic conditions for its progress, and for the development of every man"—

and these days, I have no doubt, every woman. That is a brief sketch of a subject on which I have every confidence in the courts' ability to make good judgments in particular cases.

**Mr. Peter Bottomley:** I am grateful to the Home Secretary for allowing me to intervene a second time. On the subject of privacy codes, one of the interesting questions that need to be put to publishers, proprietors and editors is: what are their own standards that their own staff are supposed to meet? Obviously, there are times when, in the public interest, they have to investigate—to act like a vacuum cleaner and suck up the dirt—in order to discover what is right and justifiable to print. They do not have an easy job, but, instead of relying solely on the Press Complaints Commission code or the similar requirements for broadcasters, will the Home Secretary confirm that all such organisations ought to have their own standards about which their own staff and freelances know; that those standards should be made public; and that if, when challenged, it is shown that they have fallen below their own standards, as well as below the standards of the PCC or the broadcasting authorities, that would class as a "relevant privacy code" under the legislation?

**Mr. Straw:** First, the hon. Gentleman asserts that all those organisations ought to have their own privacy code. I understand his point, but I do not think that it is up to us to assert that an individual private newspaper ought to have its own privacy code. However, it is very much in newspapers' interests to have such a code, because otherwise they would not get the benefit of the relevant limb, which is subsection (4)(b) of the new clause.

Secondly, I would point out that national newspapers and those belonging to the regional newspaper associations are all members of the Press Complaints Commission; therefore, they have signed up to the PCC code, which, as far as I am aware, is the strongest and certainly the most public press code available. It may well be that other newspapers, both those within and those outside the PCC framework, have their own codes on staff conduct. Plainly, the higher the conduct required, the better for the public and—this is why the provision creates a virtuous circle—the better the defence available under the new clause to a newspaper, should it be subject to an application for relief, for example, under article 8.

**Mr. Martin Linton** (Battersea): While my right hon. Friend is still on the subject of subsection (4)(a)(i), I should be grateful if he clarified the exact meaning of the material that is, or is about to become, available to the public; and whether that word "public" would have a geographical limitation. This is a "Spycatcher" clause and the argument used in the "Spycatcher" case was that the material was available to the public in any country other than the United Kingdom. In the only similar case—the one involving my right hon. Friend, to which he referred—the argument used was that the material was available to newspaper readers in Scotland. However, if the term "public" was interpreted in a very narrow way, such arguments might fail.

**Mr. Straw:** There is no direct qualification to the word "public" in the new clause. Ultimately, it would be a matter for the courts to decide, based on common sense and proportionality. The fact that the information was available across the globe in very narrow circumstances would not be weighed in the balance. The fact that, in the situation in which I was involved at Christmas, the information was fully public in newspapers in Scotland and, by virtue of that fact, available in newspapers on sale at every London railway terminus and airport, made the notion of protection by an injunction issued in courts covering only England and Wales rather risible. The courts would be bound to take such facts into account. As I said earlier, they would also take into account the extent to which the information was available in another country or on the internet, but in each case, the courts would have to apply balance and proportionality.

The reference in the new clause to

"conduct connected with such material"

is intended for cases where journalistic inquiries suggest the presence of a story, but no actual material yet exists—perhaps because the story has not yet been written.

Subsection (5) provides that references to a court include references to a tribunal, and that references to relief include references to any remedy or order, other than in criminal proceedings. We drafted the amendment with civil, rather than criminal, proceedings against the media in mind. Without such an exclusion, judges wanting to impose reporting restrictions in a criminal trial would, for example, have to consider any relevant privacy code, although plainly it would not be appropriate in that context.

Nevertheless, as public authorities, the criminal courts will of course, in the same way as other courts, be required not to act in a way that is incompatible with articles 8 and 10 and other convention rights. The special provision that we are making in new clause 13 does not therefore exempt criminal courts from the general obligations imposed by other provisions of the Bill. However, had we included criminal proceedings under new clause 13, we would have made the running of criminal trials very complicated.

*[Mr. Straw]*

I hope that the Committee found that explanation useful. I shall now make some general points and then deal with the Opposition new clauses. Much of the debate on this issue in recent months has concerned the Press Complaints Commission. Indeed, amendments were tabled that would have exempted it from the public authority provisions of the Bill.

As the Committee will know, we did not consider that the idea of exempting any particular organisation from the provisions of the Bill would have been consistent with the scheme of the Bill. Indeed, it could have been inconsistent with the convention as well. In any event, new clause 13 seems to us a better and more thorough response to the concerns that have been expressed.

As the regulator of the newspaper industry, the PCC has an obvious interest in any amendment to safeguard the freedom of the press. As I explained on Second Reading, Lord Williams of Mostyn and I had been involved in detailed discussions about that with the chairman of the PCC, Lord Wakeham, and we reached an understanding on a framework for amending the Bill.

The new clause was drafted in consultation with Lord Wakeham and representatives of the national and regional press. They have given it a warm welcome, as Lord Wakeham made clear in a statement earlier today. I am grateful to him for having said:

"I warmly welcome it"—

the new clause—

"as I know does the newspaper industry—and am grateful for the skilful way the Government has dealt with the potential problems."

The Government have always made clear our support for effective self-regulation as administered by the Press Complaints Commission under its code of practice. We have also said that we have no plans to introduce legislation creating a general law of privacy. On the question of prior restraint, our intention, as I said in the House on 16 February, is that the thresholds that the new clause sets will mean that interlocutory injunctions should be granted ex parte only in the most exceptional of circumstances.

Similarly, on self-regulation, the new clause provides an important safeguard by emphasising the right to freedom of expression. Our intention is that that should underline the consequent need to preserve self-regulation. That effect is reinforced by highlighting in the amendment the significance of any relevant privacy code, which plainly includes the code operated by the PCC.

I am glad that we have been able to frame an amendment that reflects the Government's stated commitment to the maintenance of a free, responsible press, and the consequent need for self-regulation, while maintaining the protection of the convention that all our citizens should, and do, enjoy.

I have explained the effect that we want to achieve with our new clause. If, for any reason, it does not work as we envisage, and press freedom appears at risk, we shall certainly want to look again at the issue. I shall now deal briefly with the Opposition new clauses.

New clause 1 would provide that if a court finds a breach of article 8—the article concerning the right to respect for private and family life, home and correspondence—for which domestic law apart from the Bill provides no remedy, the court must give Parliament a report setting out the circumstances of the breach and the action that it proposes to take. The court proceedings would be adjourned until Parliament had debated the report.

4.45 pm

I assume that that is intended to discourage the courts from developing a law of privacy on the sole basis of article 8's being given further effect in domestic law. But I must tell the Opposition that there are several difficulties in such an amendment, although of course I understand why it has been put forward as a vehicle for a debate about the connection between the development of the common law and that of the statutory law.

First, such an amendment would not prevent the courts from developing a law of privacy through the existing common law, for example by developing the law on breach of confidence, which has advanced to quite a degree over the past three decades. Secondly, the requirement to adjourn proceedings pending parliamentary consideration of a court report would add to delays in the court system. Thirdly, there is no provision for what is to happen after Parliament has debated the report. In particular, there would be nothing to prevent the court from proceeding to grant a remedy for a breach of article 8.

Fourthly, and above all, I urge the Committee to recognise a profound error in the thinking behind new clause 7, which collides with a fundamental pillar of our constitution—the separation of powers between the judiciary and the legislature. It is one of the bases of the rule of law that the courts should be able to say whatever they want, even if that is inconvenient or unacceptable to Members of Parliament and Ministers. So long, but only so long, as the courts are willing to show that independence, can there be a democracy and the rule of law in this country, or in any other country.

To interweave the legislature and the judiciary would lead judges to think, "My intellect, wisdom and sense of public purpose require me to do one thing, but on the other hand I have Parliament looking over my shoulder suggesting that I do something else." That seems to me unacceptable, so I hope that the Opposition will not press that point too far.

New clause 7 would provide that in a case where a court had to decide between a claim under article 8 and a claim under article 10, it should normally give precedence to the article 10 rights. That would be especially so in connection with the right to impart or receive information about matters of public interest.

The difficulty with that new clause is that it goes further than the terms of the convention and Strasbourg case law. Nothing in the convention suggests that any one right is normally to be given precedence over any other right. The courts will need to balance the competing claims and come to a decision on the facts of each case, taking account of any relevant Strasbourg case law. Although the European Court of Human Rights has stressed the great importance attaching to the right to freedom of expression, it has not gone as far as new clause 7 would go.

I remind the Opposition that the same issue arose on the question of how far we could protect the position of the Church under new clause 9, which the Committee has

approved. Then, we said that where an issue of the exercise of religious freedom under the convention came up, the court should have particular regard to the importance of that right. That is exactly what we are saying in subsection (4) of new clause 13; we use the phrase "particular regard".

So far as we are able, in a manner consistent with the convention and its jurisprudence, we are saying to the courts that whenever there is a clash between article 8 rights and article 10 rights, they must pay particular attention to the article 10 rights. I think that that is as far as we could go, and I hope that, on consideration, the Opposition will think so, too. We must strike a balance, and we believe that in new clause 13 we have got the balance right.

I repeat that I am extremely grateful to Lord Wakeham and his colleagues for all the consideration that they have given to helping us to achieve what I believe is a proper balance.

**Sir Norman Fowler** (Sutton Coldfield): As the Home Secretary said, new clause 13 is important; as he also mentioned, we have tabled new clauses of our own on the same subject. I begin by declaring an interest, as I did earlier, as non-executive chairman of Regional Independent Media, which publishes newspapers in both Yorkshire and Lancashire.

The only difference between the Home Secretary and me concerns the relative merits of the *Lancashire Evening Post* and the *Lancashire Evening Telegraph*. I shall try to educate the right hon. Gentleman about the former; I know that he is familiar with the latter.

The new clause is not exclusively about newspapers. Just as important, it covers broadcasting and any other areas where the right to freedom of expression may be affected. This is not remotely to do with party politics. I acknowledge that there are differing views in both our parties—I say that to protect myself at the outset from my hon. and learned Friend the Member for Harborough (Mr. Garnier).

The Government have repeatedly said—this is my first general point—that they do not intend to introduce a general law of privacy. The Home Secretary has stated that the Government do not accept that there is a case for general legislation on the matter. Others would take a different view; as it happens, mine is the same as the Home Secretary's. There are hon. Members who believe that we need a new law—there have been a range of attempts to introduce one over the past 10 years. We can all agree—whatever our stance on a general law of privacy—that we should not like a new privacy law to come in by accident, by mistake, or by the back door.

It is one thing to set out proposals openly and for debate; it is quite another to slip through regulations without their full consequences being understood.

Clause 1 sets out the European convention rights that are given effect by the legislation—including article 8, which concerns respect for private and family life. That article states that a public authority should not, except in certain exceptional circumstances, interfere with the exercise of a right to that respect: in other words, it is the right of privacy.

Article 10, by contrast, sets out a right to freedom of expression and to publish information. Clearly, a balance must be struck between the two rights. The right to free speech and free reporting is, after all, basic in a democratic society.

When last we debated this issue in Committee, I offered the example of Mrs. Maclean, the wife of the traitor Donald Maclean who disappeared to Russia with Burgess. When she was left behind, the *Daily Express* watched her and was roundly condemned for that alleged intrusion on her privacy. In the end, however, she did exactly what the newspaper thought she would, and disappeared behind the iron curtain. That is perhaps an extreme example of the possible clash between the privacy of the individual and a newspaper's freedom to report.

That is why new clause 7 tries to inject some certainty, by stating that a court shall,

"where the right to impart or receive information about matters of public interest is at issue, give precedence to rights arising under Article 10."

That is a rather broad-brush approach, and I do not intend to press the new clause—but we wanted to set out our view.

My second general point is that clause 6 makes it unlawful

"for a public authority to act in a way which is incompatible with a Convention right."

The Home Secretary, not entirely without reason, glossed over this part of the debate. What is and what is not a public authority is crucial, but we have been subjected to a bewildering range of Government advice on that—*[Interruption.]* I note that the right hon. Gentleman is looking for his folder, so I shall give him time to look up what he needs.

On Second Reading in another place, the Minister, Lord Williams of Mostyn, said that he anticipated that the BBC would be a public authority, that Channel 4 might be one, and that commercial television might not be. Even more dramatically, the Lord Chancellor proceeded on the basis that the Press Complaints Commission was not a public authority and was therefore not covered.

According to *The Guardian*—the Home Secretary and I are both devoted readers—the Lord Chancellor dismissed with contempt any argument against his stance, in particular the protests of the Secretary of State for Culture, Media and Sport. He did so on the ground that the Secretary of State was only a layman, whereas the Lord Chancellor was an experienced lawyer. As it happened, the layman was right; I can only hope that his victory will serve him well in the forthcoming reshuffle. I doubt whether it will, but he deserves credit for being right on this issue.

**Mr. Straw** *rose—*

**Sir Norman Fowler:** The Home Secretary is coming to the aid of the Lord Chancellor.

**Mr. Straw:** As the Committee will know, even Homer nodded. It shows the Lord Chancellor's generosity of spirit that he came back and said that, on further consideration, his initial view had been incorrect, and there was

"a disposition on the part of the Courts to regard the PCC as a 'public authority'."—[*Official Report, House of Lords*, 24 November 1997; Vol. 583, c. 784.]

*[Mr. Straw]*

As to our interpretation of clause 6—the acts of public authorities—I can say without exaggeration that my postbag has been almost full of compliments for the exquisite clarity with which I presented an interpretation of how clause 6 would operate—

**Jane Kennedy** (Liverpool, Wavertree): Hear, hear.

**Mr. Straw:** I look forward to more such letters arriving by the hour. I believe that the right hon. Gentleman will ultimately accept that clause 6 is the best and more workable definition of public authorities that we could achieve.

**Sir Norman Fowler:** "Exquisite clarity" is not exactly the phrase that comes to my mind, but I acknowledge that the Lord Chancellor admitted that he had made a mistake. On 18 November, he said, having previously said precisely the opposite, that it was possible that the Press Complaints Commission would, after all, be held to be a public authority under the Bill when it became law. An opinion given to the PCC by David Pannick QC had persuaded him that it probably would be. That confirms, of course, that the Lord Chancellor made a spectacular legal U-turn.

Now, after several months of rather tortuous progress, we can all agree that the PCC is indeed a public authority and will be covered, joining other organisations such as the BBC.

That brings me to my third general point. The Government had two possible ways of extricating themselves. They could try to define which organisations were covered and which were not. In Committee, the Opposition tabled an amendment to have some light shed on that. Alternatively, the Government could table a new clause that sought to govern the operation of the legislation—which is what the Home Secretary has done today. I welcome that. The new clause tabled by the Home Secretary is important and takes us forward in the debate.

Government new clause 13 emphasises the importance of the convention right to freedom of expression. That was also the purpose of our new clause 7, so we welcome the Government's proposal. It is right that we should preserve the present position and guard the freedom of speech and freedom to report. It should be stressed that the new clause does not apply just to the press. We tend to conduct the debate as if only newspapers were affected, but it applies also to broadcasting organisations—television and radio.

**Mr. Garnier:** Should we not also bear in mind the fact that the debate also applies to ordinary members of the public, who have the right to express themselves?

5 pm

**Sir Norman Fowler:** Indeed; the debate goes very wide. It has tended to concentrate exclusively on the press. I am delighted that everyone thinks so highly of newspapers, but it should be recognised that other forms of media also report, expose and reveal. If we had named the Press Complaints Commission as an exempt body, that might have helped the press, but it would have done nothing for television or radio reporting. However, the Government and the PCC, which provided help, have found a useful way through.

The Government's new clause requires courts, when judging what is justifiable or unjustifiable, to take account of any relevant privacy code. I hope that the Home Secretary will confirm my understanding that although broadcasting and the press will be covered, they will not necessarily be covered by exactly the same rules, for the good reason that the privacy code operated by the Press Complaints Commission can be different in some respects from the code operating in broadcasting.

Perhaps that difference is more apparent than real. The PCC states:

"Everyone is entitled to respect for his or her private and family life, home, health and correspondence. A publication will be expected to justify intrusions into any individual's private life without consent."

The public interest is the exception, and includes

"detecting or exposing crime . . . protecting public health and safety."

Many of those conditions are repeated in the Broadcasting Standards Commission's code, which states:

"An infringement of privacy has to be justified by an overriding public interest in disclosure of the information."

It also mentions detecting crime, disreputable behaviour, protecting public health or safety, and so on.

I welcome the Government's proposal to tighten the law on interim injunctions. It cannot be right in principle, as my hon. Friend the Member for Worthing, West (Mr. Bottomley) pointed out, that a system can be used to prevent the truth from being told—I fear that that is sometimes intended—provided that a person is wealthy enough and legally well advised. I shall leave it to my hon. and learned Friend the Member for Harborough to elaborate.

Other questions need to be asked. Our new clause 1, which we shall not press, was designed to allow us to examine the possibility that a law of privacy will be developed by the courts in any event. I should prefer any such attempt to be straightforward and open. The Government do not favour a law of privacy. How will they respond if one is developed for them by the courts? It is predicted by none other than the Lord Chancellor that that will happen.

Another question arises from an interview given by the Lord Chancellor to the *New Statesman* in February. He advocated that the Press Complaints Commission should develop a mechanism for prior restraint—in other words, that the PCC should order a paper not to publish under certain circumstances. It is certainly not a power which the PCC wants; I could put that much more strongly. Will the Home Secretary take the opportunity to say that that is no part of the Government's plans?

Assuming that the Home Secretary can satisfy us on that, I am content with his new clause, which meets the concerns that we have expressed and were eloquently expressed in the other place. I share the right hon. Gentleman's belief in the system of self-regulation—for example, the Press Complaints Commission. We underestimate the effect that such a system, and the prospect of an investigation, has on the working journalist. That was true when I was a working journalist years ago, in the days of the Press Council, and it is true today.

It must always be remembered that the task of a newspaper is to reveal and expose. At the best, it exposes criminals and fraudsters. At the worst, it can reveal issues that seem to have no true public interest. Making a judgment against publication and about what is or is not in the wider public interest is full of peril.

In conclusion, I shall tell a story entirely against myself. In 1966, when I was a journalist, I was writing a series of articles on prisons for *The Times*. I visited Dartmoor prison, where there was nothing for me to do at lunchtime, so I went out on to the moors and ate my sandwich in one of the fields there. My attention was taken by a man working alone in a field near my parked car. He was a giant of a man. When I returned to the prison, I mentioned my lunchtime companion. There were knowing looks, and finally one of the senior staff said, "For goodness' sake don't report that. That's Frank Mitchell, the mad axeman. He has been in prison half his life, and we think we are getting him to the point when he can be released."

Mitchell had been sentenced to life imprisonment in 1958 for robbery with violence. He was only 29, and he had been under some form of restriction since the age of nine. I had a choice. I could have reported the story, and I guarantee that the rest of Fleet street would have followed it, or I could have taken the advice of the prison staff who knew Mitchell best, and whose view was that it would have done infinite harm to his rehabilitation for that to be reported. I chose not to report that story.

Ten weeks later, in December 1966, Mitchell escaped or, more accurately, was taken by several others. He was never seen again. Three years later, the Kray twins and several others stood accused of his murder. They were found not guilty, but one person was found guilty of helping the escape. The theory was that when the hue and cry got too hot, the man was killed. There is no question but that Frank Mitchell was killed and has never been seen since.

The totally detached journalist would have written the story and not concerned himself with the consequences. As it turned out, that would have been very much in the interests of the unfortunate Mr. Frank Mitchell. My conclusion is that function of the press is to report, to reveal and to expose. We will get into all kinds of difficulties if we interfere with the freedom to report. With that in mind, I welcome the Government's proposal. I shall certainly support the new clause.

**Mr. Clive Soley** (Ealing, Acton and Shepherd's Bush): I shall be brief. I am very interested in the proposed new clause 13, and I welcome it. The Home Secretary will know that we have worked long and hard to try to balance privacy with freedom of the press, and this is as good a chance of success as we are likely to get.

I welcome the Government's efforts, because we are beginning to piece together several laws that protect both freedom of the press and individuals' rights. The Data Protection Bill—which we shall consider later—protects the public by requiring accuracy in the press. Members of the public will have the right to view the files held on them by the press—which might result in some 650 Members of Parliament queueing outside editors' offices on the day that the legislation comes into force.

I do not share the Home Secretary's confidence that voluntary regulation will work—it has always seemed to me to be a triumph of hope over experience. However, as I should like it to work, I am more than willing to give it a shot. I am anxious about balancing articles 8 and 10 of the European Court and how they will deal with the ordinary cases that appear in the press. The Opposition spokesman, the right hon. Member for Sutton Coldfield (Sir N. Fowler), referred to such a case.

We often talk about privacy only in terms of how it relates to the late Princess Diana, a famous film star or a famous politician. The reality is that only a minority of complaints to the Press Complaints Commission deal with privacy. It is also important to appreciate that many of the most serious abuses involve ordinary people, not the rich and the powerful. I am fairly relaxed if a person in a powerful position who is used to dealing with the media gets a rough ride, not because that is necessarily just, but because it is difficult to intervene in such a case.

I shall describe several test cases. The first involves the helicopter winchman who, in January this year, rescued nine people from a sinking freighter off the Shetland Islands. Unfortunately, after he had landed the last sailor, he was swept to his death by a giant wave. That man's son was hounded by the press and surrounded by photographers, and he made a rather desperate plea to be allowed to grieve in peace. That is a classic case for enforcing article 8, which protects family rights, in order to allow the son to grieve properly.

The individual's rights must be balanced against press freedom, but I should have thought that a court would rule in favour of family rights in such a case. I ask the Minister not to reach a conclusion about that case, but to confirm whether I am correct in thinking that people who are the target of that sort of harassment and invasion of privacy would be able to go to a local court and invoke their right indirectly, through the human rights legislation—perhaps it may be necessary to provide legal aid in such cases—to stop that harassment and invasion of privacy during the grieving period prior to a funeral.

That first case is about expense and access to the courts by an individual who is caught up in tragic circumstances. The most typical cases of that type involve people who have been recently bereaved in rather dramatic circumstances and who are not public figures. They are the people about whom I am interested.

I have grouped together several other cases involving people who cannot act for themselves. On 5 May this year, the *Daily Mirror* published details of expenditure at a prison shop by a well-known notorious criminal, who is currently serving a sentence in Broadmoor secure hospital for a number of murders and is a recluse and a psychotic. The newspaper had obtained those details from another prisoner, which was, in itself, a questionable operation. Although the man did not spend very much money—he purchased bars of chocolate, toothpaste and things of that nature, which amounted to only a few pounds—the story concluded that, because the man was receiving benefit, like all patients in secure hospitals, all other benefits in his savings account should be taken from him and given to his victims.

Leaving aside the argument about whether we should put criminals in a particular category and not give them any benefits, the case involved a prisoner in a secure hospital, who was therefore a patient under the Mental Health Act 1983 and had a right to privacy. Who will intervene on a person's behalf and call into question the balance between articles 8 and 10 in such a case?

5.15 pm

There are equally difficult cases involving children. It is unacceptable that children are frequently caught up in similar situations. On 7 May this year, the *Daily Mail* named a four-year-old child, whose photograph appeared on the front page of that paper, in the context of a story about the child's grandmother who had had the child's mother sent to prison. From my understanding of the story, the grandmother probably took the right action: the mother was involved in drugs, and so on. However, I question the newspaper's judgment in putting the name and photograph of that child on the front page. As I have said before, the last thing that a small child needs is for a mass circulation tabloid to print his or her name and photograph on its front page announcing that the child's grandmother had sent the mother to prison.

Who will intervene in such cases? The grandmother was clearly not prepared to do so in that case—perhaps she was poorly advised about the role of the media in that situation. Children must receive some protection, and I believe that article 8 will address that problem. That protection must be balanced against press freedom and, as the right hon. Member for Sutton Coldfield said, it is a delicate balance.

I suspect that the Minister will respond by saying that the solution involves case-made law, and he is probably right. However, the purpose of my intervention is to flag the importance of ensuring access to the law by people who are often on low incomes, who may be inarticulate and who, above all, are not experienced in handling the media and do not know about available remedies. Those people need the protection of article 8, and the courts must look carefully at privacy and the needs of family life when judging such cases.

We should not confuse those cases—as has occurred too often in the past—with the rights of the great, the powerful and the rich to privacy and freedom of the press. We must focus on the everyday cases that appear in so many tabloid newspapers. At present, ordinary people cannot get protection of the type that I hope the proposed new clause will provide. I think that it will meet that need, but any information that the Minister can provide in his winding-up speech will be welcomed by those who might wish to consider this discussion if they find themselves in similar circumstances.

**Mr. Garnier:** I begin, as I did on another occasion, by declaring my interest as a practitioner at the Bar in this area of law. However, that is perhaps not necessary, given that my right hon. Friend the Member for Sutton Coldfield (Sir N. Fowler) and the Home Secretary have declared it for me. I fear that my colleagues in chambers will snigger when they read the *Hansard*—if they get around to it—and see the kind things that the Home Secretary and my right hon. Friend have said about my prowess as a lawyer. However, I shall leave it there and bask in the glory, for what it is worth.

The Home Secretary said at the outset that some people feared that the Bill would undermine press freedom, but he went on to say that proposed new clause 13 would enhance press freedom. He cited the agreement of my noble Friend Lord Wakeham, the chairman of the Press Complaints Commission, as evidence of that. The noble Lord has certainly welcomed the new clause, but whether it necessarily follows that it is a good thing is another matter altogether. I do not have any huge or principled objections to new clause 13. I suggest, rather offensively, that it may do a little good and some harm—although I accept not very much.

My main point is that I am not sure that the new clause is altogether necessary. I shall not encourage anyone to vote against it, if that assists the Home Secretary and my right hon. Friend the Member for Sutton Coldfield, but I sometimes become wary about undue cross-party cosiness when there are questions that should be tested with rigour. In the debate on the Crime and Disorder Bill, I made that point about anti-social behaviour orders, about which there seemed to be perfectly sensible cross-party agreement. I thought it right to tease out one or two issues then, and I hope that the Committee will forgive me if I have another go on this question.

The hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Soley), to give him his new title—

**Mr. Straw:** My hon. Friend represented Hammersmith, North when I was first elected.

**Mr. Garnier:** How times have changed. In those days, of course, many things were different, as the Home Secretary will no doubt remember.

The hon. Member for Ealing, Acton and Shepherd's Bush, in his own way, highlighted the point that the press often forget, find it convenient to forget, or fail to distinguish between two separate concepts: what is the public interest or in the public interest, and what is interesting to the public. From time to time, they defend stories that are of no genuine public interest but which they reckon will sell a lot of newspapers—stories that are interesting to the public. We should be aware of that point, and the hon. Member for Ealing, Acton and Shepherd's Bush put his finger on it by drawing certain cases to our attention.

We occasionally consider such cases in our pastoral role as Members of Parliament, when we assist our constituents, but when we come to Westminster and enter the Chamber, we suddenly put on a different overcoat—that of a very important person—and think that the press should pay particular attention to our rights. However, it is more important for Members of Parliament to protect the interests of their constituents—the small people who do not have access to expensive lawyers and who need us to protect their interests against the big battalions. I applaud the hon. Member for Ealing, Acton and Shepherd's Bush for making that point.

My right hon. Friend the Member for Sutton Coldfield and the Home Secretary said that this issue is to do with not only the press in the widest sense—I include within that ambit the electronic media such as television and radio—but the rights of expression of ordinary citizens, to which the hon. Member for Ealing, Acton and Shepherd's Bush referred. I hope that we can protect those rights, just as much as I hope that we can construct a suitable balance between the rights of the press, and our rights and the rights of other citizens.

I shall briefly outline what I think is the current state of the law with regard to libel and confidence. They represent the two most easily available courses of action available under the common law which the new clause attempts to bolster. In respect of libel, there are already rules of sufficient quality to protect defendants—potential

publishers—because, first, the plaintiff must show that what the defendant intends to publish is, with reasonable certainty, capable of being defined. The plaintiff could not go to a judge and say, "I fear that someone is going to say something nasty about me." He would have to persuade the court that particular defamatory allegations were about to be published, so, much as I would sometimes like it to be the case, there would not be, for example, a blanket injunction saying, "Don't talk about Edward Garnier in tomorrow's paper—that won't do."

Secondly, the plaintiff must show that what the defendant intends to publish is plainly defamatory of him. In that respect, the Home Secretary was kind enough to recount something that I said last week. If the defendant said to the judge, "I will justify it and prove it to be true," or said that he would rely on another substantive defence such as qualified privilege or fair comment, the judge would say, "That does not permit the granting of an interim injunction." It is my understanding that the blanket rule can be overcome only if the judge is persuaded at the interlocutory hearing that those defences—justification, or qualified privilege or fair comment—are bound to fail. Indeed, it is rare for a judge to reach a conclusion of that sort on affidavit. Such matters are normally left to the constitutional tribunal of fact—the trial.

Thirdly, the plaintiff must normally notify a defendant of his application and, if the defendant does not attend the hearing, should tell the court what he genuinely believes the defendant's position to be. I have been at this game for 20 or 25 years and, in my experience, it is unheard of for a person to go to a judge's house to try a Friday night job without expecting him to say, "What will the defendant respond to your application? Will he say that it is true, or that he does not intend to publish what you think that he is going to say?" The plaintiff would be tested, and I am not entirely convinced that new clause 13 does any more than is already provided.

With all the diffidence at my command, I suggest that the new clause adds nothing in practice, except perhaps the imposition of an obligation on the court to express a view about the ultimate merits of an application before trial. Indeed, the Home Secretary was candid enough to make that clear when he went through new clause 13(3), referring to the words:

"No such relief is to be granted so as to restrain publication before trial unless the court is satisfied that the applicant is likely to establish that publication should not be allowed."

He translated that into "likely to succeed at trial". Out of the mouth of the Home Secretary came a requirement on the tribunal to reach at an early stage—when evidence is broadly unformulated and the issues not entirely defined—a pretty firm conclusion about the result of the trial.

In respect of confidentiality, the current rules provide sufficient protection to a defendant because, first, a plaintiff must satisfy the court that what is intended to be published is confidential and, secondly, an injunction would not be granted if the public interest in disclosure was significantly strong or the information was already in the public domain. If the plaintiff discharges the first of those criteria, and the defendant cannot satisfy the court about the second, the injunction serves to protect the confidence until the trial, which can, in appropriate cases, be expedited.

When discussing the granting of an injunction in a confidence case, the former Master of the Rolls, Lord Donaldson of Lymington, deliberately used the pun, "Confidential information is rather like a block of ice: once it is exposed to the full glare of the sun, it melts." We should be careful about exposing potential plaintiffs' rights to the protection accorded to confidential information where such information would lose its value if publication were not restrained. That is the obverse of the Home Secretary's point about newsworthy stories: if such stories are restrained, they can lose their newsworthiness and the value of publishing can be lost over a few hours or a weekend. We have to do a little more than worry about the newsworthiness of newspaper stories and the concerns of editors to beat the competition to a particular exciting story. To come back to the point made by the hon. Member for Ealing, Acton and Shepherd's Bush, we are also here to protect the interests of the small man.

My third point on the question of confidentiality is that the new clause involves a full trial of the issues on the application, which in many respects can be practically impossible, and the risk is that the subject matter of the action will be destroyed before trial. It may turn out after a full investigation that the plaintiff was right all along. It will be little comfort to him in six months' time if the full trial agrees that the information was confidential and should not have been disclosed. What use is that to the plaintiff? By virtue of clauses 2 and 6, the court will, in any event, have to have regard to jurisprudence under articles 8 and 10 of the convention in dealing with such applications. Can the Home Secretary persuade me that the new clause does not conflict with article 8 by preventing the courts from protecting article 8 rights before trial? That matter concerns me a little, but I am sure that the Home Secretary can resolve my doubts in his usual way.

Mention was made of the existing law and of articles 8 and 10. I have not yet seen, as I should have, the paper that the Home Secretary has placed in the Library of the House, but if it is based on the learning in a text book written by Toulson and Phipps, I probably know what it says.

**Mr. Straw:** It is Deposit 6042, which I placed in the Library of the House on Second Reading. I have a copy before me and further copies are available in the Library.

5.30 pm

**Mr. Garnier:** I am amazed at the Home Secretary's command of command numbers—

**Mr. Straw:** It is a deposit.

**Mr. Garnier:** I shall not worry about the Home Secretary's deposits. I simply repeat my confession that I have not read it. However, if it says what I suspect that it says, it contains a lot of wise words.

Although the convention has not yet been domesticated—or, to use the Home Secretary's words, deposited—within British statute law, the courts are increasingly taking into account the jurisprudence of the European Court in so far as it deals with articles 8 and 10. The Home Secretary will know of the case of the Crown

*[Mr. Garnier]*

*v.* Khan and the wise words of the, sadly, late Chief Justice Lord Taylor. He said that from the authorities that he cited,

"it is clear that it is permissible to have regard to the Convention, which is of persuasive assistance, in cases of ambiguity or doubt. In the circumstances of the present case the position is neither ambiguous or doubtful; nor is it incumbent on us to consider whether there was a breach of article 8, and we do not propose to do so."

Thus, the Court of Criminal Appeal took a flexible and sensible approach to the jurisprudence of the European Court, despite the fact that it was not part of English domestic law.

In article 10 cases, the Court of Appeal in the House of Lords has again taken a sensible approach to making use of European Court jurisprudence. In the case of Rantzen *v.* Mirror Group Newspapers in 1986, Lord Justice Neill noted that the courts had no power to enforce convention rights directly, but might refer to the convention for assistance to resolve an ambiguity in English legislation or when considering the exercise of a discretion. He went on to say:

"Where freedom of expression is at stake, however, recent authorities lent support for the proposition that article 10 has a wider role and can be properly be regarded as an articulation of some of the principles underlying the common law."

As my hon. Friend the Member for Beaconsfield (Mr. Grieve) would be the first to admit, there is an awful lot of good in the convention, of which we need not be frightened, and I am not. All I am saying is that, by virtue of the sensible way in which our common law has developed with the assistance of the convention, we may not need new clause 13 because it does no more than what we are already doing. If the Home Secretary can persuade me that it is not simply a gesture—I see the Home Secretary shake his head disapprovingly. If he can persuade me that the new clause is not being inserted in the Bill simply to placate my noble Friend Lord Wakeham and the barons, big and small, of the press, I shall be grateful to him.

**Mr. Straw:** The Under-Secretary of State for the Home Department, my hon. Friend the Member for North Warwickshire (Mr. O'Brien), will wind up the debate. The new clause is no sense a gesture. Anyone who reads it can see that it provides important substantive and procedural safeguards for those seeking to rely on article 10 rights.

**Mr. Garnier:** I am always happy to take the Home Secretary at his word and, during the Bill's proceedings, my happiness to do so has increased. I accept his assurance that the new clause is not simply a gesture, although I am still not entirely sure that it is strictly necessary. I have no quarrel with the message underlying the new clause, even if it is not a gesture. If it is of any comfort to anybody, I shall not invite the Committee to divide on it.

I wish to anticipate some remarks that may be made by the hon. Member for Battersea (Mr. Linton). He was concerned about the use of the word "public" in subsection (4)(a)(i), which says:

"the extent to which . . . the material has, or is about to, become available to the public".

He may find help from the wise words of the noble and learned Lord Bridge in a case that involves his former employer, the publishers of *The Guardian*, in the "Spycatcher" case. Those Committee members who took an interest in that aspect of press freedom will remember that the House of Lords upheld the then Attorney-General's application for an injunction to restrain the publication of information that was confidential to the Government. However, Lord Bridge gave a powerful dissenting judgment. He was dealing with information that was made available to the public outside the jurisdiction of the court, and he said:

"I can see nothing whatever, either in law or on the merits, to be said for the maintenance of a total ban on discussion in the press of this country of matters of undoubted public interest and concern which the rest of the world now knows all about and can discuss freely . . . The maintenance of a ban, as more and more copies of the book *Spycatcher* enter this country and circulate here, will seem more and more ridiculous. If the Government are determined to fight to maintain the ban to the end, they will face inevitable condemnation and humiliation by the European Court of Human Rights in Strasbourg. Long before that they will have been condemned at the bar of public opinion in the free world."

Lord Bridge, although in the minority in the Judicial Committee in the House of Lords, was proved rights because the European Court disapproved of the injunction and awarded *The Guardian* and its sister newspaper, *The Observer*, £100,000, and *The Sunday Times* £100,000. That underlines the humiliation point and goes some way towards answering the concerns of the hon. Member for Battersea about information that is in the public domain but not necessarily confined to the jurisdiction of our courts.

That is quite enough from me. The Home Secretary is getting fidgety and obviously wishes to leave. It was polite of him to remain in the Chamber to listen to my warblings. I hope that the Under-Secretary can allay some of my gentle fears that the new clause is unnecessary, albeit well intended.

**Mr. Linton:** I rise to support new clause 13 as someone who has never seen what is wrong with a law on privacy. The Home Secretary says that he is not in favour of a general law on privacy—and I accept that—but this proposal is a law about privacy, because it incorporates in our law the words of article 8 of the European convention, which guarantees privacy in people's private and family life and in their correspondence.

The Bill may not be solely about privacy, but it deals with the subject as I imagined a privacy Bill would do. Crucially, it determines where the principle of privacy ends and freedom of the press begins. By saying that the court must "have particular regard" to article 10, the new clause establishes, in the fairest possible way, a balance between article 8 on privacy and article 10 on freedom of the press. New clause 7 would put undue weight on one rather than on the other. Subsection (2)(a) and (b) of new clause 13 solve the problem of Maxwell-type ex parte injunctions, and subsection (4)(a) deals with the "Spycatcher" issue to which the hon. and learned Member for Harborough (Mr. Garnier) referred. Subsection (4) brings the Press Complaints Commission within its ambit.

It has always surprised me that Lord Wakeham has been opposed to this measure. He has argued that self-regulation has been an unsung success story. Self-regulation of the press has been a success in the sense that it has defended the press against regulation for many years, but it has not been a success in protecting the public from the press.

I have never believed overly in self-regulation. Life is a jungle. I can conjure up a picture of the jungle in which it is decided that too many children from the neighbouring villages have been eaten by tigers and in which self-regulation is introduced. The high council of the jungle discusses how the restraint can be exercised. Baloo the bear says to Shere Khan, "Could you kindly eat a quota of babies next week? Do not eat too many. Restrain yourself a little."

The Press Complaints Commission is based on a similar principle, because it comprises the editors of several national newspapers, including the editors of the *Daily Mail*, until the recent death of Sir David English; *The Sunday Times*; *The Sporting Life*; and the *Sunday Mail*. In the recent past, it has included the editors of the *Sunday People* and the *News of the World*. I am not suggesting that any of those individuals are incapable of self-restraint, but the principle involved in self-regulation is strange, because it assumes that newspaper editors are the best people to protect the public against the press.

It also surprised me that Calcutt, at the end of his long inquiry, recommended against a privacy law, although he was in favour of a law against bugging, burgling and telephoto pictures. Eighteen months later, in the light of experience, when he reviewed his own report, he recognised that the Press Complaints Commission was not an effective regulator of the press and he recommended a statutory press complaints tribunal.

It is strange that many years after Calcutt came to that fair conclusion, so many people resisted that recommendation. Only 27 out of 3,023 cases before the PCC in 1996—the last year for which figures are available—were upheld. It cannot be maintained that such regulation is a success. I have been alarmed at the reluctance with which the press, and Lord Wakeham in particular, have conceded inch by inch that press regulation is inadequate. That has became more and more obvious, particularly in relation to events involving the royal family. A few days after the death of the Princess of Wales, Lord Wakeham said:

"Motorbike chases, stalking and hounding are unacceptable",

as though he had just been driven to that conclusion. The PCC amended the privacy code to make it clearer that it was over-zealous to hound someone on a motorbike.

5.45 pm

According to opinion polls, almost 90 per cent. of the public favour a privacy law. As *The Guardian*, my former employer, said, this is a type of privacy Bill: it is not solely about privacy, but while Lord Wakeham, as the watchdog, has been guarding the patio doors, a privacy Bill has slipped through the cat flap. I am very glad that it will be on the statute book.

I do not have an interest as such to declare, but I have an interest in that the hon. and learned Member for Harborough and I have been, respectively, night lawyer and night reporter on *The Guardian*, and on many occasions we have been at the sharp end of the ethical dilemmas with which the Bill is intended to deal. It is 30 years since I first joined a national newspaper as a reporter. I—and many of my erstwhile colleagues—believe that, in that period, the ethical standards of the press have deteriorated alarmingly. Journalists are often portrayed as having no interest in the ethical standards of the press. It is true that, individually, they have an interest in winkling out the facts, however damaging they may be to the person concerned, but journalists collectively have an important interest in ensuring that their professional standards are maintained and that people's privacy, especially the privacy of ordinary people, is not invaded for purely commercial interests.

Many of my former journalist colleagues will welcome the clarity of the new clause and the fact that it establishes the law of privacy as coequal with the freedom of the press. It is many years since the former Secretary of State for National Heritage said that they were nearly calling time at the last chance saloon. When he said that in 1991, he presumably meant that it was about 10.50 pm. Successive Secretaries of State have put back that deadline time and again, even though the problems of privacy and freedom of the press have deteriorated. By my reckoning, it is now about half-past five in the morning. I am sure that the Bill will be the moment at which we say, "Time gentlemen, please" in the last chance saloon.

**Mr. Grieve:** I find myself facing this debate with welcome surprise. At the start of the Bill's progress through Parliament, it seemed to me that this would be the great dust up. On Second Reading, there were expressions of great concern about the freedom of the press, the way in which the convention would impinge on it and the dreadful consequences that might flow for the historic liberties of the fourth estate that were thereby threatened. It seemed to exercise the minds of quite a few of my colleagues. In the light of the Government's response, I thought that I would have to comment on the fact that the Government were giving way to pressure from the fourth estate—of a kind other than the hon. Member for Battersea (Mr. Linton)—and were tinkering with the European convention on human rights by incorporating it in an undesirable fashion.

I am the first to be delighted that, in new clause 13, the Government have done nothing of the kind. Indeed, it seems that, for some magical reason, that tremendous canard—if I may use the phrase—has finally been dispelled. The convention—with or without new clause 13, as my hon. and learned Friend the Member for Harborough (Mr. Garnier) so perspicaciously identified—was never going to pose that extraordinary danger.

None the less, I welcome new clause 13, if only because it has succeeded in placating those who have made some of the more extreme comments about the way in which the convention will operate. The new clause is also wholly compatible with current practice, as my hon. and learned Friend correctly said. I do not think that it will tinker around with well-established principles—at least, I hope it will not.

The cosiness may be becoming too great, but I believe that, when the convention is incorporated—with the new clause to interpret it—it will provide a motor force for the gradual development of a law on privacy. I greatly welcome that, for precisely the reasons that have been cogently articulated by the hon. Member for Battersea and, in a very interesting speech, by the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Soley). Privacy rights need to be protected in this country, and we need to be able to strike a balance. That balance must preserve the freedom of the press to expose hypocrisy and criminal activity, but it must ensure that photographs of young children whose mother was sent to prison by the

*[Mr. Grieve]*

grandmother's denunciation are not put on the front page. Those are precisely the excesses of press activity which a civilised society should abhor.

I have never believed that we need a privacy law, as I have always believed that, once the convention is incorporated, such a law will develop gradually and of its own accord—it will assume a civilised, measured and proper form. If it does not, doubtless Parliament will keep it under review—we may be able to help it on its way as and when necessary. I hope that such legislation will not be necessary, and that incorporation will focus minds on the balance between articles 8 and 10, which need to be reconciled if we are to remain a civilised society that respects the rights of individuals not to have their privacy wantonly trampled on.

I do not intend to take up much of the Committee's time. As I said, I had rather expected that I should have to remind the Government not to tinker around with the convention, but I am delighted that I do not have to. The Home Secretary is to be commended on new clause 13, which is well crafted, well reasoned and seems to meet the objections that were previously being raised. We shall keep the matter under review—it will be a subject of abiding interest to me and, I dare say, to a number of hon. Members on both sides of the Committee. As time goes by, we shall have to see whether it is achieving the desirable aim that I believe it can achieve.

**Mr. Ross Cranston** (Dudley, North): I want to make a few remarks about the way in which the new clause reconciles the rights to freedom of speech and to the protection of private and family life. Both rights are important. Freedom of speech, in a way, encapsulates our vision of democracy; it is essential to our democratic procedures. If we do not have freedom of speech, we cannot operate our democratic mechanisms. The protection of private life involves a range of concerns—our rights, for example, to individual autonomy, to reputation, to the protection of private information and to an individual name. Those are important rights, but, like all rights, they have to be qualified both when considered alone and, in some cases—as we are considering today—when they conflict.

New clause 13 represents a sensible way in which those different rights may be reconciled. It suggests that they can be balanced in a number of ways—various criteria are identified. That is especially helpful. English courts develop the law pragmatically and incrementally, but it is sometimes useful that they should have some guidance. New clause 13 provides guidance on reconciling those rights.

Our courts can gain some insight into how rights may be balanced by considering the experience of other countries. Even in the United States, the right to freedom of speech is qualified, although, under the first amendment, a much more absolutist view is taken of the right. Some Supreme Court judges, such as Justice Black, have indeed taken an much more absolutist view of freedom of speech than is taken by the European Court of Human Rights, but they, too, have recognised that, in some cases, the right has to be qualified.

My right hon. Friend the Home Secretary has placed a brief summary of the European case law in the Library. The point that I think he was making with the case extracts is that, in most cases, the European Court of Human Rights has given primacy to the right to free speech. The extracts suggest, on the whole, that the article 10 right will trump other rights. We know that from the case law that has arisen from this country. *The Sunday Times* thalidomide case some 25 ago years showed that the contempt proceedings against the newspaper could not be upheld under article 10. In the "Spycatcher" case, which has been mentioned, the court made the important point that dangers were inherent in the prior restraint of freedom of speech. More recently, in the Goodwin case, the court made an important point about the protection of journalistic sources.

**Mr. Garnier:** I am listening carefully to the hon. Gentleman, but he will not want the Committee to conclude from his remarks that articles 8 and 10 do not allow for prior restraint. Paragraph 2 of article 10 and paragraph 2 of article 8 show that there are exceptions. Indeed, one of the problems of the convention is that it is as much a list of exceptions as it is of rights. I trust that the hon. Gentleman will not move from this point without addressing his mind to the exceptions—including the allowances to prior restraint—that are contained in the articles.

**Mr. Cranston:** The hon. and learned Gentleman is absolutely right—the rights are qualified. Indeed, as I said at the outset, rights are always qualified. We are considering how the new clause can deal with a conflict between two rights. I shall come back to some of his remarks, as I do not agree that the new clause achieves nothing.

We tend to ignore the jurisprudence of the German courts, but they have, for many years, balanced the right to free speech with the right to privacy.

My friend and former colleague Professor Markesinis has published some lengthy discussions of the German case law. He points out that the German courts have developed sophisticated methods of balancing the two rights. For example, they distinguish between speech that informs, and speech that is mere gossip. My hon. Friend the Member for Battersea (Mr. Linton) alluded to that distinction when he castigated some of his former colleagues.

6 pm

The German courts also distinguish between speech motivated by greed, and speech that is in the public interest. I see that the right hon. Member for Sutton Coldfield (Sir N. Fowler) has returned to the Chamber. I am not sure that the story he told does him any discredit; I think that all professionals should act with some concept of the public interest in mind, and I consider that the right hon. Gentleman acted in the right way all those years ago. We must balance those rights, and new clause 13 sets out a number of criteria.

I accept what the hon. and learned Member for Harborough (Mr. Garnier) said about ex parte and interim relief. I am not sure that new clause 13 adds a great deal to the existing law in that respect, but I think that it is valuable in that it refers to the public interest and to privacy codes. It is possible that the courts would have developed a deferential attitude to the privacy codes that exist. In judicial review, for example, the Datafin case

showed that our courts will defer to self-regulatory codes. In that instance, the takeover code was involved. The court said that the City operated the takeover code in a reasonably satisfactory way, that the panel was closer to the market than the court was and that it should, therefore, defer to its operation. In time, our courts may develop a case law that respects the decisions of self-regulatory bodies such as the Press Complaints Commission, but I am not certain that we can say at this point that they will automatically adopt such an approach.

It is also helpful that new clause 13 invokes the concept of the public interest. The hon. Member for Beaconsfield (Mr. Grieve) asked what the term actually meant, and he was right to do so, because it is a difficult concept—the concept of the unruly horse to which Lord Diplock referred all those years ago. Again, German case law is useful. In one of his papers, Professor Markesinis sets out a range of considerations taken into account by the German courts—in particular, the German constitutional court—in the definition of the public interest.

The German courts have considered, for instance, the motives of the publisher, whether the speaker will benefit financially, the extent to which the information has been disseminated, the breadth of the restriction that the plaintiff wishes to impose on the defendant's speech rights and the methods used. My hon. Friend the Member for Battersea referred to the legality of such methods as telephoto lenses.

Although I consider new clause 13 valuable in that respect, I must add that we are only at the beginning of our journey. Over the years, in a range of decisions, the courts will have to reconcile those two rights. Nevertheless, the new clause constitutes a valuable contribution to the start of the journey.

**The Parliamentary Under-Secretary of State for the Home Department (Mr. Mike O'Brien):** We have had a good debate, in which all hon. Members have welcomed new clause 13.

The new clause seeks to do what—as I think is generally recognised—could have been a difficult, even precarious job: the job of ensuring that the balance between articles 8 and 10 is right. I am pleased that Lord Wakeham, on behalf of the Press Complaints Commission, said today:

"The amendment being discussed in the Committee of the House today safeguards the freedom of the press and self-regulation. I warmly welcome it—as I know does the newspaper industry—and am grateful for the skilful way the Government has dealt with the potential problems."

I am also delighted by the welcome given to the new clause by the right hon. Member for Sutton Coldfield (Sir N. Fowler), in a very good speech. I particularly enjoyed his account of his failure to write a story which he thought that he should not write, for good reasons, finding later that there might be good reasons for him to have done so. That is a lesson for all journalists who must make such judgments.

The right hon. Gentleman asked a number of questions. He pointed out that the press and broadcasting agencies are all involved in the way in which the convention will operate, and that, in the operation of the new clause, separate codes may be taken into consideration. I confirm that separate codes will operate. As the right hon. Gentleman suggested, there are minor—even marginal—differences between them. I suspect that those differences will not make much odds in terms of court judgments, but the right hon. Gentleman was right to point them out.

The right hon. Gentleman welcomed the tightening of the law on interim judgments, which we consider an important safeguard for the press. He asked whether the Press Complaints Commission should develop prior restraint powers. That is not part of our plans, which I hope reassures him. He said that the task of newspapers was to reveal and to expose. We agree that it is a basic safeguard of an active and vital democracy to reveal and expose when at least some public interest is involved. I am sure that that is the right hon. Gentleman's view.

My hon. Friend the Member for Ealing, Acton and Shepherd's Bush (Mr. Soley) and the hon. and learned Member for Harborough (Mr. Garnier) rightly said that we should consider not so much whether the rich, famous and powerful would benefit from the new clause, but whether there would be some protection for the ordinary individual who might feel that his private life was being infringed. I think that all hon. Members want to get the balance right between the freedom of the press—the importance of which was mentioned by the right hon. Member for Sutton Coldfield—and the rights of the "small man", as he was described by the hon. and learned Member for Harborough. We must get the balance right between articles 8 and 10. The courts will no doubt weigh the vulnerability of ordinary citizens and of the rich and famous in the appropriate way. Article 8 is available to everyone, including the small man.

My hon. Friend the Member for Ealing, Acton and Shepherd's Bush asked about various cases. He asked whether the helicopter winchman would be able to claim under the convention and, if so, in which court. The venue depends on the nature of the case and of the claim, so I cannot give him guidance on that, but there would be various ways of proceeding.

**Mr. Soley:** This is a key question of access to the law. Given that the man was grieving at the time and trying to prevent the intrusion that was taking place, it seems to me that there should be an ability to go to the local court—perhaps the magistrates court—to seek protection. If the human rights convention is now part of our domestic law, is an appeal available on that basis?

**Mr. O'Brien:** When there is a case that can be brought before a court, the convention can be brought in. Which court that will be will depend on the nature of the case. I cannot give an absolute assurance that the man to whom my hon. Friend referred will be able to pursue the matter in a county court. It would be wrong to give individual advice from the Dispatch Box, and the man will have to rely on his own lawyer. When they become a matter of dispute and concern, issues relating to the convention can be raised in ordinary cases. People have access to rights that previously had to be enforced in Strasbourg. I hope that my remarks have afforded at least some reassurance.

My hon. Friend the Member for Ealing, Acton and Shepherd's Bush also asked about a child. There are various options: the child could be made a ward of court, a guardian ad litem could bring a case, or the official solicitor could look after the child's interests. In some cases, the courts decide that the invasion of privacy outweighs the right to freedom of expression. The new clause does not prevent that.

*[Mr. O'Brien]*

An important point that has, to some extent, been overlooked is that newspapers will not be public authorities and could not be proceeded against directly under the Bill, but an article 8 point could be raised in proceedings for harassment or a libel action, for example.

Concerning the example of the expenditure at the tuck shop of an inmate of a special hospital, there are arguments either way about whether publication should be considered to be in the public interest, and the courts would have to decide the case on its merits. The new clause simply requires them to have regard to whether publication would be in the public interest.

The hon. and learned Member for Harborough made the important point that, when Front Benchers agree, it is the responsibility of Back Benchers to put the testing arguments to the Government. He asked us to remember the distinction between the public interest and what is interesting to the public. I hope that, to some extent, we have caught that important distinction in subsection (4)(a)(ii) of the new clause.

The hon. and learned Gentleman asked whether the new clause went further than the current law. I hope that my right hon. Friend the Home Secretary was able to reassure him to some extent. We are seeking to put in place some new safeguards to provide help and clarity in the law. When we introduce something as important as the convention, it is important to ensure that the courts understand how we intend it to be interpreted. The provisions in subsections (4) and, especially, (2) offer safeguards. The hon. and learned Gentleman says that those safeguards are acknowledged to some extent in the practice of the courts, but now they will be acknowledged in statute, and the added clarity in the law will give them substance.

6.15 pm

The hon. and learned Gentleman asked whether the tribunal—by which, I presume, he means the divisional court judge or whoever is considering the application—would have to reach a conclusion at an early stage about whether the case was likely to succeed. That would be the case, but only to the extent that the judge would be considering issuing an injunction. If he decided, for whatever reason, that an injunction was inappropriate, he would not have to consider the substance of the case and its chances of success at that stage.

**Mr. Garnier:** I am not entirely sure that the Minister addressed my point. If the judge—it is a Queen's Bench judge in chambers, as often as not, rather than a divisional court—is not minded to grant an injunction on the application of a plaintiff who is seeking to protect confidential information, that more or less becomes the main question, because once the information is in the public domain, there is nothing to be done other than the award of damages—and we are talking about non-pecuniary loss, not about anything of great financial value.

**Mr. James Clappison** (Hertsmere): The damage is done and the cat is out of the bag.

**Mr. Garnier:** Indeed, or as I said in Lord Donaldson's language, the ice, once in the full glare of the sun, has melted.

We need to think more carefully about requiring a judge considering an application for an injunction to reach a judgment on the merits of a trial that could have long-term implications, when we all know that a trial involves the consideration of far more detailed evidence than is available to a judge at that stage.

**Mr. O'Brien:** That is right, but judges have to make such decisions, and will have to bear in mind the consequences and consider whether it is right to grant the injunction. They may decide that it is not, but feel subsequently that damages are a better way in which to deal with the case. The judge must consider all the circumstances and find the right balance between articles 8 and 10, taking into account the factors that we have suggested in the new clause and considering the hon. and learned Gentleman's valid point that information that has a value because of its confidentiality cannot regain that value once the confidentiality is lost. The judge will have to bear in mind both that point and the consequences that it might have for what the hon. and learned Member for Harborough called the small man. Those are issues for the judges to wrestle with. I am not sure that we can go much further than providing the judges with the clarity and guidance that we are giving. There will perhaps be more clarity and guidance for the judges when the convention is in place.

The hon. and learned Gentleman said that subsection (3) made no difference. We suggest, however, that the law on granting injunctions is flexible in privacy cases, and we are tightening it to ensure that the applicant will in all cases need to establish a stronger case.

My hon. Friend the Member for Battersea (Mr. Linton) made several points about defects in self-regulation. The Government have no plans to end self-regulation. My hon. Friend rightly drew attention to the Calcutt report and the comments of the former Member of Parliament for Putney, David Mellor, who warned the press that time was running out at the last chance saloon. In many ways, Mr. Mellor's comment had an effect, and the Press Complaints Commission is trying robustly to ensure freedom of the press while trying to ensure that privacy is respected. The Bill helps the PCC to balance article 10 and article 8. Our new clause will add to press safeguards, giving the PCC better guidance on how to achieve that balance.

The hon. Member for Beaconsfield (Mr. Grieve) raised several important points. Unfortunately, his most important point came during his intervention on the Home Secretary about the public interest. My hon. Friend the Member for Dudley, North (Mr. Cranston) also raised that point in his helpful speech. I am perhaps tempting further interventions by going into the issue of what the public interest is, but the basic question is whether the public should have particular information. For example, information might have an effect on proper political discourse, or a matter of public policy. It might also affect individual behaviour. For example, information about BSE might have affected decisions on whether to eat beef. Those are areas in which there is a proper public interest in the press revealing information. The judge would have to ask the same question put by the hon. and learned Member for Harborough: is a matter only of interest to the public, or is it a matter of public interest? There should be some good reason why the public should know.

It is arguable whether there should be a good reason for the public not to know something. That takes us into realms of philosophy and jurisprudence, and I do not want to go too far into them. However, judges will debate that matter among themselves as they reach their decisions.

My hon. Friend the Member for Dudley, North said that we were at the beginning of a journey. We have tried to safeguard the interests of the individual and the interests of press freedom and strong democracy. Much work and thought has gone into that, and I thank the right hon. Member for Sutton Coldfield and others who have praised my right hon. Friend the Home Secretary and Lord Williams of Mostyn for their hard work on getting the Bill right. We worked closely with the PCC, which has been enormously helpful. Getting the Bill right was important to our democracy, and I am delighted that our debates have indicated that we have done so.

*Question put and agreed to.*

*Clause read a Second time, and added to the Bill.*

**New clause 10**

GUARANTEE OF NON-DISCRIMINATION

'—(1) If a court's determination of any question arising under this Act concerns an issue of discrimination, it must have particular regard to the guarantee in Article 14 of the Convention that the rights and freedoms set forth in the Convention shall be secured without discrimination on any ground.

(2) In this section, "court" includes a tribunal.'—*[Mr. Maclennan.]*

*Brought up, and read the First time.*

**Mr. Robert Maclennan** (Caithness, Sutherland and Easter Ross): I beg to move, That the clause be read a Second time.

The Bill does not seek to introduce new human rights into our domestic law. It seeks merely to bring home the rights guaranteed by the European convention. New clause 10 is closely modelled on new clause 13, and on the earlier new clause tabled by the Government at the behest of the Churches, which were concerned about possible interpretations of convention rights. It is intended to help to guide our courts in their interpretation of article 14. It may be asked whether that is necessary, given considerable jurisprudence over the years on article 14, but it has not been conclusively determined whether that article should be interpreted as setting out rights that are exhaustively covered by the phrase "such as", or whether that phrase is merely a preliminary—I submit that that was what was intended—to an illustration of the rights protected by the convention.

The point is limited in some respects. By passing my new clause, the Committee would not widen the ambit of protection to categories of people who are not specifically mentioned in article 14 of the convention for such matters as, for example, employment, which is not covered. Article 14 is, in a sense, a parasitic prohibition against discrimination, in that it derives from other protected fundamental rights and freedoms. A number of people are concerned that it would be possible to interpret the article restrictively and to treat categories of persons as exhaustive.

That would be undesirable, and it would be out of line with much jurisprudence. It would also be out of line with how courts in Ireland have interpreted comparable provisions in the Irish constitution, in which grounds of discrimination are enumerated. It would be out of line with the Canadian charter of rights and freedoms. In the Egan case in 1992, Canada's superior courts decided that such rights should be interpreted as not exclusively determined by lists of rights.

The areas of potential discrimination about which some anxiety might exist include disability, age and sexual orientation. As to the policy of the Government and western European countries generally, it is entirely clear that members of the European Union at least are determined that we should take action to combat discrimination based on disability, age and sexual orientation. It is so set out in article 6A of the Amsterdam treaty, to which this Government are party. I hope that my proposal is entirely in line with the Government's thinking about how best to approach the implementation of that treaty obligation. The new clause seems a straightforward way to put beyond doubt the convention's intention to ensure that the protections of our citizens—their fundamental rights and freedoms—are not limited by reference to some status other than those mentioned in article 14.

6.30 pm

The matter has come before the European Court of Human Rights, but not conclusively. For example, the Dudgeon case dealt with sexual orientation and the law in Northern Ireland. The matter was resolved by reference not to the status of the individual, but to the article 8 rights on respect for private and family life. Perhaps the matter has been taken rather further in the Sutherland case more recently, in which it could be argued that the court leant more clearly towards regarding homosexuality as another status protected against discrimination.

The new clause is entirely in line with the policy of our Government and our international treaty obligations. Its purpose is to spell out the matter beyond doubt.

**Mr. Clappison:** I listened carefully to the right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan) putting forward his arguments for the new clause. I pay tribute to him for his characteristic care and courtesy in advancing his arguments.

I am somewhat enlightened now about the new clause, but, when I first considered it, it sprang to mind that it expressed a perfectly worthy sentiment, which might have unintended consequences in practice. I agree with the right hon. Gentleman, as I am sure many others, if not all hon. Members, would do, that individuals have access to rights free from discrimination. I know that the right hon. Gentleman did not serve on the Committee on the Crime and Disorder Bill, where we moved similar amendments to protect individuals from discrimination under some of its new provisions. I am sure that the Under-Secretary will remember that. I cannot remember whether he responded at the time, but there was common ground in the Committee on that issue, and the Government were keen to reassure us.

I have some doubts about how the new clause would work in practice. I suspect that the right hon. Gentleman is trying to deal with the problem of interpretation. When I read article 14 in conjunction with the right

*[Mr. Clappison]*

hon. Gentleman's arguments, I thought that the wording of the article was clear and did not need further elaboration. It is clearly set out that

"the rights and freedoms set forth in this Convention shall be secured without discrimination".

The right hon. Gentleman gave examples of people who might be discriminated against and, clearly, he has gone into far more detailed legal research than I have had the opportunity to do. The wording of the article at face value and first glance suggests that it is not intended to be an exhaustive list. The characteristics that might give rise to discrimination, such as sex, race, colour, language, religion, political or other opinion, and national or social origin, are set out in the article as examples of the sort of characteristics that should not be discriminated against or lead to a loss of enjoyment of rights under the convention. If I may have my penn'orth on the interpretation of the article, I would think that disability, age and sexual orientation should not give rise to discrimination, but sit alongside the other matters spelt out in the article. They fall broadly into the same category and certainly should not give rise to somebody losing any enjoyment of their rights.

I am not sure whether that agreement with the right hon. Gentleman leads me to accept the need for the new clause to be incorporated in the Bill. He described the right in article 14 as a parasitic right. I was not going to describe the new clause in that way, but it is his description. He is correct that the right set out in article 14 is different in its nature from many of the other rights contained in the convention that are free-standing rights—the rights to freedom of expression, freedom of religion, to a fair trial and to family life. They are all rights in themselves. Article 14 deals with the access to those rights across the board, but is not a free-standing right in itself.

**Mr. Maclennan** *indicated assent.*

**Mr. Clappison:** I am grateful to the right hon. Gentleman for nodding.

The right hon. Gentleman's argument continued that new clause 10 was similar in nature to new clause 13, which we have just debated, and new clause 9, which we debated on an earlier occasion, which invite the courts to pay particular regard to the right to freedom of religion, thought and conscience in the case of new clause 9 and the right to freedom of expression in the case of new clause 13.

I would submit that there is a difference because new clause 10 does not relate to a free-standing right. For that reason, the two new clauses are perfectly workable and should not give rise to problems for the courts. However, I wonder whether this new clause might give rise to problems for the courts, because it is not a free-standing right, but a right of enjoyment that applies across the board.

As I have already said, the words of article 14 are clear enough in themselves. I wonder how a court would try to apply new clause 10. Indeed, I wonder about the type of case that might arise in practice. So, although I am perfectly happy with the sentiments behind the new clause, I should be happier if the right hon. Gentleman could give us more practical examples of how it might operate in practice.

I am concerned that new clause 10 would make it difficult for the courts to give effect to the convention. As I have said, the courts are already enjoined to give people access without discrimination to the rights under article 14, but how would the new clause work in practice and how would the courts approach it if, in the enjoyment of any right, the issue of discrimination arose? Would not the matter be weighted in favour of the applicant and would it not be difficult for the courts to give effect to such a measure?

The right hon. Gentleman has clearly done some research into the cases. He described the Dudgeon case from Northern Ireland, which he said was resolved by reference to rights rather than the status of the individual. It is always slightly dangerous to venture an opinion on a case without knowing all the facts, but, on the right hon. Gentleman's brief description of it, I was rather inclined to agree with the judgment of the court. The court got it right by resolving that by reference to rights rather than the status of the individual. I suspect that new clause 10 may not be needed and that it might have some unintended consequences. Moreover, it would be difficult for the courts to give effect to it in practice.

The Minister appears eager to respond, and I am interested in hearing what he has to say. Earlier, my hon. Friend the Member for Beaconsfield (Mr. Grieve) wisely advised us against tinkering with the Bill. New clause 10 may, although with the best of intentions, be a piece of such tinkering, which we might come to regret. I would not go as far as the Minister did in replying to the previous debate, when he described this as a splendid piece of legislation without any blot or blemish and a tribute to the draftsmanship of the Lord Chancellor—the Lord Chancellor is certainly proud of the Bill as a piece of work—but if we were to accept the new clause, we would be at risk of tinkering. I look forward to hearing the Minister's response because I suspect that he will tell us that, although worthy, the new clause is not needed.

**Mr. Mike O'Brien:** The hon. Member for Hertsmere (Mr. Clappison) is right, but the right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan) has raised a series of important points, and I hope that I shall be able to deal with some of them.

New clause 10 requires a court or tribunal, when determining any question arising under the Human Rights Act that concerns an issue of discrimination, to have particular regard to article 14—that the rights and freedoms set forth in the convention shall be secured without discrimination on any ground.

I am ready to join the right hon. Gentleman in emphasising the importance of article 14 and the position that it occupies in the convention, and to express the Government's hope and confidence that it will be given full weight in our courts in the same way as the other articles in the convention. I acknowledge, too, that the words "on any ground" are important. Article 14 contains a list of grounds on which discrimination in securing other convention rights is prohibited, but it is important not to overlook the crucial words "or other status" which appear at the end. The list is not an exhaustive one, and should not be treated as such.

I share the concerns of the hon. Member for Hertsmere that we may be at risk of tinkering with the Bill in a way that might have some unintended consequences. I cannot

advise the Committee to accept the new clause. My reason, in a nutshell, is that the new clause is either empty of substance because it merely states the obvious, or it represents an attempt to gloss the convention rights, however slightly, in a way that we have so far avoided doing in our proceedings. We have been careful to avoid doing so, particularly in the clauses that have been added to the Bill in recent months.

There is no disguising the fact that article 14 and the way in which it has been applied are not regarded as fully satisfactory by a number of commentators who have a particular interest in, for example, race equality issues. Its most obvious limitation in their eyes is that it is not a free-standing anti-discrimination provision, but, as the hon. Gentleman said, is parasitic. I do not like that phrase, but essentially it is tied to the other convention rights.

It is no secret that discussions are under way in Strasbourg on the possibility of a new protocol to the convention to introduce a free-standing anti-discrimination provision. That is the right way of dealing with that question—if, indeed, it needs to be dealt with.

**Mr. Clappison:** I am grateful to the Minister for agreeing with my description of the provision as a parasitic right which would affect other free-standing rights. Does he share my concern that, given that it would affect all the other free-standing rights in the convention, it would create an incentive for individuals who are seeking to take advantage of their alleged entitlement to those rights to plead discrimination, and that we would see a welter of cases involving free-standing rights, in which individuals were pleading discrimination, thus making it difficult for courts to give effect to the convention?

6.45 pm

**Mr. O'Brien:** We shall have to consider that situation in due course. No doubt those who are considering whether there should be a new free-standing provision will have to consider its effect not only on domestic problems in our courts but on the Strasbourg court and the sorts of cases that are brought before it. Clearly, such issues will need to be discussed and probably the best way is to ensure that the UK delegation, which is playing an active in the Strasbourg deliberations on any protocol, bears in mind the impact that it would have on our courts and on the Strasbourg court in deciding whether a free-standing anti-discrimination provision should be forthcoming. Therefore, we should not prejudge the situation that may develop; in a sense, that is what the new clause does.

**Mr. Maclennan:** I should be grateful if the debate did not go off at a tangent. The new clause is not intended to pre-empt the discussion about the free-standing rights against discrimination. I am aware of those discussions, and I hope that the Government will be supportive of establishing a free-standing anti-discrimination provision. The new clause is designed simply to ensure that the fundamental rights and freedoms that the convention seeks to safeguard are available not just to the limited number of categories of people who are mentioned in article 14, but to those of other status. I am delighted to hear the Minister say that he regards it as common sense that the categories are not closed by these illustrative examples. I agree. I am simply seeking to put the matter beyond argument and doubt.

**Mr. O'Brien:** But the new clause essentially puts a gloss on the convention and, throughout the Bill, we have tried not to do that. We have tried to grant access rather than create a new gloss on those convention rights. Even in new clause 13, we were careful about that. Our concern is that, with the best of intentions, new clause 10 would not continue that level of care.

I understand the view that may be expressed that, despite, for example, the Sutherland case, the European Court of Human Rights has been somewhat conservative in its judgments concerning article 14, and perhaps too ready to find in favour of states on the ground that there was objective justification for some action which, on its face, might be considered discriminatory. However, whether or not that is so, it is not something we can influence by an amendment to the Bill. Nor do the Government wish to suggest that, in general, our courts should take a different view on the issue from that taken by the European Court.

The Bill is based firmly on the proposition that it is about access to the convention rights, not their substance, and that our courts must take into account the Strasbourg jurisprudence. We cannot honourably pick and choose which rights should be subject to those propositions and which should be open to more generous treatment from the point of view of applicants to our courts.

New clause 10 is an attempt to go some way down that road. It might be seen as an attempt to gloss the convention, encouraging our courts to interpret article 14 more widely than can be justified by reference to Strasbourg jurisprudence. If it does not do that, I fail to see what it does do.

It has been pointed out that, in many ways, new clause 10 merely tries to do for various minorities what other new clauses that the Committee has accepted do for the Churches and the press. I do not think that the parallel is appropriate. Our provision on the Churches emphasises to the UK courts how the Strasbourg institutions have consistently interpreted article 9 rights. It directs the courts' attention to Strasbourg case law, which is to the effect that a Church body or other association with religious objects is capable of possessing and exercising rights contained in article 9 in its capacity as a representative of its members.

Similarly, the provision on freedom of the press is grounded firmly on Strasbourg case law, which encourages the particular importance of the article 10 right to freedom of expression. Moreover, those changes, as well as being wholly in accord with the principles of the Bill and the convention, address concerns of the Churches and the media that the Bill might worsen their position. That consideration does not apply to article 14.

Our reservations about new clause 10 do not imply any lessening of our commitment to combat discrimination. I do not think that anyone has suggested that. We recognise the importance of judges being able to deal with minority groups in a way in which those groups can have confidence. The Judicial Studies Board carries out extensive training involving members of ethnic minorities, for example, in talking to judges to ensure that

*[Mr. O'Brien]*

discrimination does not occur. We think that that is a better way forward. We do not think that adding glosses to the convention at this stage is appropriate or desirable.

I agree with many of the points raised by the hon. Member for Hertsmere, and I will not repeat them. However, the new clause would do something that we have been trying to avoid. It would be a change in the way that we have handled the Bill which should not be acceptable to the Committee. I accordingly invite the right hon. Member for Caithness, Sutherland and Easter Ross to withdraw his new clause, in the interests of a Bill which is about granting access to the rights that people should have access to in our courts—but for which, at present, they have to go Strasbourg—rather than about changing the substance of those rights.

**Mr. Maclennan:** The Minister's reply was rather disappointing, on more than one count. First, he sought to distinguish between the Government's approach in respect of the clauses that dealt with the Churches and the press. Those undoubtedly put a gloss on convention rights and how they were to be enforced in this country, to secure a greater clarity where some powerful interests in the land felt that their interests were at risk.

The Churches had loud voices. The people whom I am seeking to protect in new clause 10, which is modelled on the Government's new clause, do not have such loud voices. They are the disabled, the aged and minorities with differences of sexual orientation. They are not powerful interests. Their interests need the clarity that the Government have been eager to bring in for the Churches and the press.

Secondly, the argument is that this is not an attempt to widen the protections for these groups in any way other than already provided for by the European convention. As I made plain in my initial remarks, it is not to provide a new protection against discrimination at work because that is not covered by the convention. It is designed simply to ensure that access to the protections that the Government claim are in their mind is not debarred because the status of those groups is not specifically mentioned in article 14.

I was glad that the Minister said that it was common sense that the categories were not closed. If we could rely entirely on the jurisprudence of the European Court of Human Rights and the European Commission of Human Rights on this matter, I should be happy to accept his invitation to let it go at that. However, in all the cases that have been considered, the matter has not been concluded. Our courts are not assisted by being pointed to the European courts. They will have to make up their own minds if the matter arises.

**Mr. Mike O'Brien:** The right hon. Gentleman makes my point. He seeks to change the substance of the convention rather than merely clarify things. He is dissatisfied with the way in which the courts proceed and, therefore, seeks to change the substance. He is going beyond anything that we have agreed to do in the Bill so far.

**Mr. Maclennan:** That is a misinterpretation of what I said. What I am saying is that the courts in Strasbourg have not found it necessary to reach a conclusion on these matters. In several cases, they have decided the issue under another article, although the article 14 rights have been raised. The matter has not been concluded.

The Government claim to be anxious—I do not dispute it—to protect these categories of people against discrimination. As they have subscribed to the Amsterdam treaty provisions, which explicitly mention the appropriateness of European Union member countries offering the protection of our law to those who are disabled or elderly or who might be discriminated against on grounds of sexual orientation, it is perverse not to take this opportunity to put the matter beyond doubt. For that reason, I shall seek to divide the Committee.

*Question put*, That the clause be read a Second time:—

*The Committee divided*: Ayes 18, Noes 234.

**Division No. 326]** **[6.57 pm**

**AYES**

Allan, Richard
Ballard, Jackie
Brand, Dr Peter
Burnett, John
Cable, Dr Vincent
Chidgey, David
Corbyn, Jeremy
Harris, Dr Evan
Harvey, Nick
Hughes, Simon *(Southwark N)*
Jones, Nigel *(Cheltenham)*
Livsey, Richard
Maclennan, Rt Hon Robert
Öpik, Lembit
Rendel, David
Russell, Bob *(Colchester)*
Smith, Sir Robert *(W Ab'd'ns)*
Tonge, Dr Jenny

**Tellers for the Ayes:**
**Mr. Andrew Stunell and**
**Mr. David Heath.**

**NOES**

Ainger, Nick
Alexander, Douglas
Allen, Graham
Anderson, Donaid *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Banks, Tony
Battle, John
Beard, Nigel
Bennett, Andrew F
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Boateng, Paul
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Casale, Roger
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clwyd, Ann
Coffey, Ms Ann
Coleman, Iain
Connarty, Michael
Corbett, Robin
Cousins, Jim
Cranston, Ross
Crausby, David
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Dobbin, Jim
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Ennis, Jeff
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Gapes, Mike
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Goggins, Paul

Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hanson, David
Heal, Mrs Sylvia
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Hoon, Geoffrey
Hope, Phil
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jowell, Ms Tessa
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Terry *(Worsley)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McDonnell, John
McFall, John
McGuire, Mrs Anne
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
Mallaber, Judy
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Martlew, Eric
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Mullin, Chris
Murphy, Jim *(Eastwood)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pope, Greg
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Llew *(Blaenau Gwent)*
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dan *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Touhig, Don
Truswell, Paul
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Vis, Dr Rudi
Wareing, Robert N
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Winnick, David
Wood, Mike
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

**Tellers for the Noes:**
**Mr. David Clelland and**
**Mr. Robert Ainsworth.**

*Question accordingly negatived.*

## Schedule 1

THE ARTICLES

*Amendment made:* No. 112, in page 19, line 23, at end insert—

'PROTOCOL No. 6

ARTICLE 1

THE DEATH PENALTY SHALL BE ABOLISHED

ARTICLE 2

A State may make provision in its law for the death penalty in respect of acts committed in time of war or of imminent threat of war; such penalty shall be applied only in the instances laid down in the law and in accordance with its provisions. The State shall communicate to the Secretary General of the Council of Europe the relevant provisions of that law.'.—*[Mr. McFall.]*

*Schedule 1, as amended, agreed to.*

*Schedule 2 agreed to.*

## Schedule 3

JUDICIAL PENSIONS

*Question proposed,* That this schedule be the Third schedule to the Bill.

**Mr. Mike O'Brien:** Schedule 3 makes the provision specified in clause 18(6) about judicial pensions in relation to the holder of judicial office in the UK who serves as a judge of the European Court of Human Rights. It places a duty on the relevant Minister—the Lord Chancellor for a judge serving in England and Wales or Northern Ireland and the Secretary of State for a Scottish judge—to make an order ensuring that a UK serving judge's pension position will not be prejudiced as a result of his or her appointment to the court.

**Sir Norman Fowler:** We may need a slightly longer exposition of the schedule than the one just given by the Minister. I am suspicious about the fact that the last schedule to a Bill on human rights deals with judicial pensions. I suppose that we are dealing with the human rights of judges, as opposed to those of everybody else. I should like to know a little more about the position on judicial pensions. What are the Government trying to do in the schedule? What is the demand for the measure? Will the Minister say a few words about the cost that is involved?

I should like to ask four straightforward and specific questions. I know that there is not much time left, but I am sure that there is enough time for the Minister to reply to my questions and I am equally sure that he knows the answers. First, will he tell us a little about the schemes? Are they properly funded by employer's and/or employees' contributions, or are they pay-as-you-go? How much is the cost to the taxpayer of the employer's contributions?

*[Sir Norman Fowler]*

Secondly, how long does the scheme take to mature? The standard final-salary pension scheme is one that matures after 40 years of work, but we assume that not many judges qualify under that criterion. Will the Minister tell us what the qualification is and how many years to maturity a full pension requires? In the schedule, we are protecting the rights under the scheme of a judge who transfers from one place to another, but how long does a judge have to serve to obtain the full pension?

Thirdly, what contributions do the judges have to make and what contributions does the taxpayer have to make?

Fourthly, is the scheme permissive? In other words, is it permissive in the sense of allowing a judge to transfer to a personal pension if that is his wish; or is he tied in to the final-salary scheme as set out at the end of the schedule? If he is able to transfer to a personal pension, will the Government as the employer make the same contribution as would be made to the final-salary scheme?

Those are straightforward, simple questions, to which I am sure that the Minister knows the answers. I should be grateful for any answers, because public money is involved and the taxpayer is involved through employer contributions. The Committee will want to hear a little more explanation than the 30 seconds-worth that the Minister gave at the beginning, given the importance of the matter, not only to judges but to taxpayers generally.

**Mr. O'Brien:** I am grateful to the right hon. Gentleman for raising his questions. Given the enthusiasm with which he put them, I thought that he was concerned that we might have a judicial pensions mis-selling scandal on our hands, but I can assure him that we have nothing like that. The schedule makes statutory provision so that if a judge from the UK courts goes to Strasbourg, his or her pension will be protected. That is all we are doing.

The right hon. Gentleman asked a series of detailed questions about how the judges' pension scheme operates. I shall have a word with my hon. Friend the Parliamentary Secretary, Lord Chancellor's Department, and give him all the details. However, we are talking about a relatively small sum of money, used to fund over the next 20 or 30 years the pensions of a couple of judges—unless the right hon. Gentleman expects us to appoint many judges to the Strasbourg court. In the explanatory and financial memorandum to the Bill, under the heading "Financial effects of the Bill", he will see set out clearly:

"The cost will depend on both the number of years served at the Court and the salary of the relevant UK judicial office at the point of retirement."

All that we are doing is ensuring the same sort of pension provision that a judge would get if he served in the UK.

*It being three hours after the commencement of proceedings in Committee,* THE CHAIRMAN, *pursuant to the Orders [1 June and 17 June], put forthwith the Question already proposed from the Chair.*

*Question put and agreed to.*

*Schedule 3 agreed to.*

THE CHAIRMAN *then proceeded to put forthwith the Questions necessary for the disposal of the business to be concluded at that hour.*

**New schedule 3**

REMEDIAL ORDERS

*Orders*

1.—(1) A remedial order may—

(a) contain such incidental, supplemental, consequential or transitional provision as the person making it considers appropriate;

(b) be made so as to have effect from a date earlier than that on which it is made;

(c) make provision for the delegation of specific functions;

(d) make different provision for different cases.

(2) The power conferred by sub-paragraph (1)(a) includes—

(a) power to amend or repeal primary legislation (including primary legislation other than that which contains the incompatible provision); and

(b) power to amend or revoke subordinate legislation (including subordinate legislation other than that which contains the incompatible provision).

(3) No person is to be guilty of an offence solely as a result of the retrospective effect of a remedial order.

*Procedure*

2. No remedial order may be made unless—

(a) a draft of the order has been approved by a resolution of each House of Parliament made after the end of the period of 60 days beginning with the day on which the draft was laid; or

(b) it is declared in the order that it appears to the person making it that, because of the urgency of the matter, it is necessary to make the order without a draft being so approved.

*Orders laid in draft*

3.—(1) No draft may be laid under paragraph 2(a) unless—

(a) the person proposing to make the order has laid before Parliament a document which contains a draft of the proposed order and the required information; and

(b) the period of 60 days, beginning with the day on which the document required by this subsection was laid, has ended.

(2) If representations have been made during that period, the draft laid under paragraph 2(a) must be accompanied by a statement containing—

(a) a summary of the representations; and

(b) if, as a result of the representations, the proposed order has been changed, details of the changes.

*Urgent cases*

4.—(1) If a remedial order ("the original order") is made without being approved in draft, the person making it must lay it before Parliament, accompanied by the required information, after it is made.

(2) If representations have been made during the period of 60 days beginning with the day on which the original order was made, the person making it must (after the end of that period) lay before Parliament a statement containing—

(a) a summary of the representations; and

(b) if, as a result of the representations, he considers it appropriate to make changes to the original order, details of the changes.

(3) If sub-paragraph (2)(b) applies, the person making the statement must—

(a) make a further remedial order replacing the original order; and

(b) lay the replacement order before Parliament.

(4) If, at the end of the period of 120 days beginning with the day on which the original order was made, a resolution has not been passed by each House approving the original or replacement order, the order ceases to have effect (but without that affecting anything previously done under either order or the power to make a fresh remedial order).

*Definitions*

5. In this Schedule—

"representations" means representations about a remedial order (or a proposed remedial order) made to the person making (or proposing to make) it and includes any relevant Parliamentary report or resolution; and

"required information" means—

(a) an explanation of the incompatibility which the order (or proposed order) seeks to remove, including particulars of the relevant declaration, finding or order; and

(b) a statement of the reasons for proceeding under section 10 and for making an order in those terms.

*Calculating periods*

6. In calculating any period for the purposes of this section, no account is to be taken of any time during which—

(a) Parliament is dissolved or prorogued; or

(b) both Houses are adjourned for more than four days.' — *[Mr. McFall.]*

*Brought up, read the First and Second time, and added to the Bill.*

*Bill reported, with amendments.*

*Bill, as amended, to be considered tomorrow.*

# Data Protection Bill *[Lords]*

*As amended (in the Standing Committee), considered.*

## Clause 1

BASIC INTERPRETIVE PROVISIONS

7.16 pm

**The Parliamentary Secretary, Lord Chancellor's Department (Mr. Geoffrey Hoon):** I beg to move amendment No. 19, in page 2, line 43, leave out from beginning to end of line 4 on page 3.

**Mr. Deputy Speaker (Sir Alan Haselhurst):** With this, it will be convenient to discuss Government amendment No. 48.

**Mr. Hoon:** The purpose of the amendments is to delete clause 1 (5) and (6) and the associated reference to the definition of "transfer" in the index of defined expressions in clause 71.

Subsections (5) and (6) were originally included in the Bill with the intention that they would help to clarify the somewhat opaque provisions relating to the international movement of personal data in articles 4 and 25 of the directive. In the Bill, we sought to clarify the relationship between those two rules by means of the partial definition of "transfer" in clause 1(5) and the provision in clause 1(6) setting out the application of the geographical scope of provisions in clause 5.

However, those provisions have not met with uniform approval and, on reflection and after listening carefully to further representations, the Government have concluded that there still remains a measure of difficulty about their purpose. Given that the sole reason for the inclusion of the provisions was to clarify the position, the fact that they do not appear to have that effect means that they are plainly unsatisfactory. We cannot immediately see a useful way in which the necessary clarity can be achieved by further amending these subsections, so we have concluded that the best thing would be simply to delete them.

**Mr. John Greenway** (Ryedale): In Committee, I asked why the subsections were there at all. I made the point that I had been minded to table an amendment to delete them, but had decided that it might be seen as a wrecking amendment. We warmly welcome the Minister's decision. For the avoidance of doubt or confusion, it is better to remove clause 1 (5) and (6) altogether. It says much about the complexity of the legislation that all the best brains in the Home Office cannot find a way of putting on the face of the Bill what the two subsections intend. Imperfect though the legislation will be without them, it will be less imperfect than it would be with them.

*Amendment agreed to.*

## Clause 7

RIGHT OF ACCESS TO PERSONAL DATA

**Mr. Hoon:** I beg to move amendment No. 20, in page 5, line 22, after 'subject' insert

'for the purpose of evaluating matters relating to him such as, for example, his performance at work, his creditworthiness, his reliability or his conduct,'.

**Mr. Deputy Speaker:** With this, it will be convenient to discuss the following amendments: Government amendments Nos. 21 to 23.

No. 11, in page 5, line 48, after 'otherwise', insert

', and with the proviso that the identity of individuals providing information used by credit reference agencies in supplying trade references for partnerships and sole traders should also be exempted from disclosure.'.

No. 12, in schedule 7, page 57, line 48, at end insert—

'2. In addition, personal data are exempt from section 7 if they consist of the name of the person who has given a reference in confidence for the purpose of assisting a credit reference agency to comment on the creditworthiness of the data subject.'.

Government amendment No. 55.

**Mr. Hoon:** Amendment No. 20 relates to clause 7(1)(d), which gives individuals the right of access to information about the logic involved when decisions about them are based solely on the automated processing of their personal data. The intention is that, consistent with the directive, the provision should apply only to decision making to which clause 12 applies.

Amendments Nos. 21, 22 and 23 are technical amendments which make more precise the wording of clause 7(2). Amendment No. 55 concerns the Human Fertilisation and Embryology Act 1990, which involves detailed provision relating to the collection of, and access to, personal information. In that sensitive area of treatment affecting the very basics of human life, it is important to ensure that those provisions are not in any way undermined by the Bill. The amendment would ensure that the existing position is maintained.

**Mr. Greenway:** Amendment No. 20 addresses an issue that I raised in Committee, and I welcome it. In one sense, it limits the scope of the duty for data controllers with regard to the logic in automated decisions. However, the inclusion of the words in the amendment, especially those referring to an individual's

"performance at work . . . his reliability or his conduct",

are beneficial to the Bill, as they make it clear that such key matters are covered and that automated decision taking will not be permitted concerning them.

I think that amendments Nos. 21 to 23 are drafting amendments. I have had the opportunity of discussing amendment No. 55, concerning embryos, with the Under-Secretary of State for the Home Department, the hon. Member for Knowsley, North and Sefton, East (Mr. Howarth), and I agree that, for the avoidance of doubt, it is probably sensible to remove that passage.

Amendments Nos. 11 and 12 stand in the names of my hon. Friends the Members for Esher and Walton (Mr. Taylor) and for Poole (Mr. Syms). I do not know whether my hon. Friend the Member for Esher and Walton wishes to catch your eye, Mr. Deputy Speaker, but there has been concern that there should be some exemption from disclosure for the,

"identity of individuals providing information used by credit reference agencies in supplying trade references for partnerships and sole traders".

I know that the Government have received several representations on that subject, and the Opposition strongly urge Ministers to keep the issue under review should our amendments not commend themselves to the Government. Several commercial organisations are concerned about the matter, and I hope that the Minister will accept that the Bill as drafted leaves some room for doubt. If it is not to be amended, we ought to have some assurance that the matter will be kept under active review and that perhaps, in two or three years' time, a more formal review will be undertaken.

**Mr. Ian Taylor** (Esher and Walton): I apologise to the Minister for missing, as I dashed into the Chamber, what must have been his fairly extensive opening remarks. I apologise for my lack of courtesy in that respect, but I am grateful that my Front-Bench spokesman has already mentioned amendments Nos. 11 and 12. I do not intend to speak for more than a moment about them because we discussed the general area in Committee.

In Committee, the Parliamentary Secretary, said that he would consider the subject sympathetically, but the Home Office then redefined the word "sympathetically" to mean that it would consider the subject very cautiously.

I am concerned that, because of the requirement to reveal sources, sole traders, small partnerships and other very small companies may have difficulty in getting credit at all. I believe that there is a general understanding that the subject should be reviewed within three years, and if the Minister is prepared to give me some comfort in that direction, I would not wish to go much further. I want the Government to keep the matter under close review, because, if things went wrong, there could be serious repercussions for very small companies and single traders.

**Mr. Brian White** (Milton Keynes, North-East): I raised this issue a couple of times in Committee, and I know that, since the Minister gave me an assurance at that time, there have been a couple of meetings with the Home Office. I echo the comments that have been made about the need to take the matter seriously and to consider a review.

If the Government are not prepared to accept the amendments, perhaps before the Bill comes back from the Lords they will think about keeping the matter under review. Although the provision affects only a small number of people, it could be crucial for the small business men concerned. I urge the Minister to give further thought to that aspect of the Bill. Under the Consumer Credit Act 1974, special provision was made, which was repeated in the Data Protection Act 1984, and it would be useful to review the issue on a continuing basis.

**Mr. Hoon:** I am grateful to the hon. Member for Esher and Walton (Mr. Taylor) for his comments. He should note that, although my introductory observations may not have been extensive, they were certainly comprehensive. He should also appreciate the fact that it is possible to consider representations sympathetically without necessarily agreeing with them.

The Government have indeed received a number of representations on the subject, and we recognise that the industry's concerns are genuinely held. The question at the heart of the matter is whether the fundamental information privacy right—the right to subject access—should be restricted because of concerns about the future availability of credit.

The arguments presented to the Government so far have not been sufficient to persuade us that the Bill would have the harmful effect on the granting of credit that the industry fears. Therefore, at this stage, the Government cannot accept the amendments. Nevertheless, we recognise that only experience will establish conclusively whether the industry's concerns are justified and, in view of the strength of the concern, I am pleased to give the assurance that the Government will keep the issue under review. We shall reconsider it, in consultation with both the credit industry and small businesses, to see whether the Bill is operating as we intend. I hope that the Opposition will agree that that provides a positive way forward, and will not press their amendments.

*Amendment agreed to.*

*Amendments made:* No. 21, in page 5, line 27, at end insert 'he has received'.

No. 22, in page 5, line 28, leave out 'has been made'.

No. 23, in page 5, line 30, leave out 'has been paid'.—*[Mr. McFall.]*

## Clause 11

RIGHT TO PREVENT PROCESSING FOR PURPOSES OF DIRECT MARKETING

**The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth):** I beg to move amendment No. 24, in page 8, line 27, leave out 'requirement' and insert 'notice'.

**Mr. Deputy Speaker:** With this, it will be convenient to discuss Government amendments Nos. 25, 26, 30 to 32, 39 to 45, 47, 49 to 54, 56 to 67 and 69.

**Mr. Howarth:** These are essentially minor, technical drafting amendments, and to save the time of the House I do not intend to make a speech about them. However, I should be happy to explain the purpose of any of them, should that be necessary.

*Amendment agreed to.*

*Amendment made:* No. 25, in page 8, line 28, leave out 'requirement' and insert 'notice'.—*[Mr. McFall.]*

## Clause 12

RIGHTS IN RELATION TO AUTOMATED DECISION-TAKING

*Amendment made:* No. 26, in page 9, line 27, leave out from second 'decision' to end of line 28 and insert

'which is not based solely on such processing as is mentioned in subsection (1)'.—*[Mr. McFall.]*

## Clause 14

RECTIFICATION, BLOCKING, ERASURE AND DESTRUCTION

**Mr. George Howarth:** I beg to move amendment No. 27, in page 10, line 30, leave out 'failure' and insert 'contravention'.

**Mr. Deputy Speaker:** With this, it will be convenient to discuss Government amendments Nos. 28 and 29.

**Mr. Howarth:** The first of the amendments simply corrects an inconsistency in the drafting of clause 14(4). Paragraph (a) refers to a contravention of the Act. Paragraph (b) refers to a further failure. It should refer to a "further contravention". The amendment makes the necessary change.

Clause 14(4) gives the court the power in certain circumstances to order the erasure, destruction or blocking of personal data. Elsewhere, for example in clause 14(1), the court has the power to order the rectification of personal data as well as their blocking, erasure or destruction. There is no good reason why clause 14(4) should not also allow the court to order the rectification of personal data. Indeed, the directive appears to suggest as much. On reflection, we think that confining the rectification remedy to cases of inaccuracy is unduly restrictive. The amendments add the power to rectify to clause 14(4) and make the consequential provision in clause 14(5); and generally align the wording with that used elsewhere.

7.30 pm

**Mr. Greenway:** We welcome the amendments. Clause 14 is extremely important in terms of data subject rights. We agree that the court should have the power to rectify information that is inaccurate in respect of data subjects. The three amendments strengthen the Bill in that area, and we are happy to see them incorporated.

*Amendment agreed to.*

*Amendments made:* No. 28, in page 10, line 32, leave out 'erasure, destruction or blocking' and insert

'rectification, blocking, erasure or destruction'.

No. 29, in page 10, line 35, leave out 'erasure, destruction or blocking' and insert

'rectification, blocking, erasure or destruction'.—*[Mr. McFall.]*

## Clause 17

PROHIBITION ON PROCESSING WITHOUT REGISTRATION

**Mr. George Howarth:** I beg to move amendment No. 70, in page 12, line 6, leave out

'section 22 applies to the processing'

and insert

'the processing is assessable processing for the purposes of section 22'.

**Mr. Deputy Speaker:** With this, it will be convenient to discuss Government amendments Nos. 71 to 82.

**Mr. Howarth:** I hope to be able to deal quickly with this group of amendments, which makes what is essentially a series of technical improvements to the

*[Mr. Howarth]*

preliminary assessment provisions in clause 22 and associated provisions. The Bill provides for a limited category of processing, a category where particular worries about data subjects' interests arise, to be assessed by the Data Protection Commissioner for compliance with the principles before it may begin.

That implements the system described in article 20 of the directive as prior checking. It is essentially a system reliant on such processing being brought to the commissioner's attention some time before it actually begins, so that he or she can consider it and give a view. In itself, it is not a direct control on processing. It does not give the commissioner a power to intervene in advance and prevent the processing before any problem has in fact arisen. It remains the data controller's responsibility to address any concerns raised in his own way.

The simplest means of operating this system is through the process of notification. That is why all processing in this limited category, even where it is carried out manually or might otherwise have been exempted from the notification regime, has to be notified. Usually, when a data controller has made a notification, he may start processing immediately. In the limited category that we are now considering, after the processing has been notified, the data controller must wait for a fixed period, or until he has heard from the commissioner if that is sooner, before he may start processing. That is so that he or she can carry out an assessment.

As it stands, the Bill is not as clear as it might be that that is how the system works. The Government are aware that this is a very new feature in our data protection law, being introduced by the Bill as a result of an obligation in the directive. We are also aware that there is an understandable desire among those who might be directly affected for reassurance that the new system will work as clearly and straightforwardly as possible. That is why we have tabled the amendments.

The amendments essentially do three things. First, they make technical changes so that the key provisions in clause 22 are easier to follow and the sequence of events is set out more plainly. The drafting is simplified and made more narrative.

Secondly, the amendments make clearer the relationship between the preliminary assessment itself and the notification that precedes it. The entire operation of clause 22 is now explicitly predicated on the receipt of a notification by the commissioner, and a more distinct link is made between the processing as it is described in the notification and as it falls to be assessed.

Thirdly, both those improvements are carried through to the transitional provisions, where the arrangements are substantially simplified. The provisions on manual and automated data are brought together, and the preliminary assessment system is straightforwardly disapplied in both cases in respect of processing already under way immediately before 24 October 1998.

As I have said, preliminary assessment of this nature is a novelty in UK data protection law. Its purpose is to address understandable anxieties relating to particular categories of data processing. The Government are concerned that, in this sensitive area, the Bill's provisions should be as easy to follow and to operate as possible. These technical amendments make substantial improvements in that direction. I commend them to the House.

**Mr. Greenway:** In Committee, I made the point that, as the effect of the clause is to prevent the data controller from commencing processing until the Data Protection Commissioner has given consent for that processing, it is crucial that the commercial organisations involved know where they stand. Although I still have reservations about the period specified, I agree with the Minister that the amendments improve the meaning of the legislation. However, I draw attention to the fact that, even at this late stage, we are being asked to approve a large number of technical amendments.

*Amendment agreed to.*

### Clause 20

DUTY TO NOTIFY CHANGES

*Amendment made:* No. 30, in page 13, line 45, after 'notification' insert 'under notification regulations made'.—*[Mr. McFall.]*

### Clause 22

PRELIMINARY ASSESSMENT BY COMMISSIONER

*Amendments made:* No. 71, in page 14, line 8, leave out from beginning to "processing" and insert

'In this section "assessable processing" means'.

No. 72, in page 14, line 17, leave out from 'whether' to 'and' in line 18 and insert

'any of the processing to which the notification relates is assessable processing'.

No. 73, in page 14, line 19, leave out 'proposed' and insert 'assessable'.

No. 74, in page 14, line 23, leave out

'processing to which this section applies or would apply'

and insert 'assessable processing'.

No. 75, in page 14, line 25, leave out 'proposed'.

No. 76, in page 14, line 31, leave out from 'No' to 'shall' and insert

'assessable processing in respect of which a notification has been given to the Commissioner as mentioned in subsection (2)'.

No. 77, in page 14, line 32, leave out from beginning to 'either' in line 34.

No. 78, in page 14, line 42, leave out from 'controller' to end of line 44 and insert

'is guilty of an offence'.—*[Mr. McFall.]*

### Clause 28

NATIONAL SECURITY

**Mr. Harry Cohen** (Leyton and Wanstead): I beg to move amendment No. 13, in page 17, line 43, at end insert—

'(13) The relevant Commissioner may—

(a) investigate any procedure which relates to—

(i) the processing of personal data for the purpose of safeguarding national security.

(ii) the application of an exemption which is required for the purpose of safeguarding national security, or

(iii) the signing of a certificate under this section,

(b) make any recommendation which relates to—

(i) an investigation under paragraph (a) of this subsection, or

(ii) safeguarding the interests of data subjects, and

(c) if appropriate—

(i) raise any matter which relates to an investigation in an annual report, or in any other report to the Prime Minister, or

(ii) liaise with the Data Protection Commissioner or another relevant Commissioner on matters which relate to an investigation.

(14) The Data Protection Commissioner may raise with a relevant Commissioner any matter which relates to the processing of personal data for the purpose of safeguarding national security.

(15) In this section, the "relevant Commissioner" means the Commissioner appointed by virtue of—

(a) section 4 of the Security Service Act 1989,

(b) section 8 of the Intelligence Services Act 1994,

(c) section 91 of the Police Act 1997, or

(d) section 8 of the Interception of Communications Act 1985.".

The idea of the amendment is to introduce some element of accountability to the processing of personal data for the purposes of national security. I find it strange, to say the least, that, in certain respects, the Government are offering more privacy protection to members of the mafia and terrorists under investigation by the security services than they are to ordinary law-abiding members of the public—for instance, a data subject who is being positively vetted.

What is more, I am concerned that the Data Protection Act 1984 is being watered down. That Act placed a duty on the security services, by virtue of section 2(2), to comply with the data protection principles. That duty has been removed by this Bill; an exemption under clause 28(1)(a) removes the obligation to comply with the principles.

Under section 27 of the Data Protection Act 1984, personal data held for safeguarding national security are exempt only from the enforcement regime, registration and rights of data subjects. That means that GCHQ and MI5 and MI6 had a legal duty to apply the data protection principles, even though there was no way for the data protection registrar to test whether the duty was complied with. The 1984 Act therefore places those organisations under a moral duty to comply with the principles, but, under the provisions of clause 28, they are permitted to process personal data insecurely, disclose personal data to unauthorised persons, and even sell it to newspapers by virtue of the exemption from clause 55(4).

It may seem a flippant question, but I ask the Minister whether the fees raised by the sale of such unlawfully procured personal data will go into the Consolidated Fund, and how much revenue he expects to be raised in the next financial year.

The Minister might say that MI5, MI6 and GCHQ will not sell unlawfully procured personal data. If that is his argument, why is the exemption in clause 28(1)(c) so wide as to include exemption from clause 55(4), which makes the selling of such personal data an offence? That shows how unnecessarily wide the exemption is with respect to safeguarding national security. Selling misinformation to the newspapers about politicians and perhaps even about the Government will be perfectly lawful for the security services.

In support of my amendment, I draw the attention of the House to some of the differences between warrants and certificates under the Bill. In respect of warrants signed by the Secretary of State—for example, for the interception of communications, or burglary—there is a safeguard, in that such a warrant is signed and validated for six months at a time. By contrast, under the provisions of the Bill, a certificate lasts for ever and is never reviewed.

I note that for warrants under the Interception of Communications Act 1985, there is an obligation under section 6(3) of that Act to discard irrelevant personal information that has been intercepted. Under the Bill, however, the negation of the third and fifth data protection principles means that irrelevant personal data obtained by means of a certificate can be kept indefinitely.

The previous Government gave the security services a new role—to assist the police in dealing with serious crime. The obligations of the police in respect of data protection compliance are apparently not to be required of the security services. The Minister should explain why he has come to that conclusion.

The Government seem to be ignoring the advice of the Data Protection Registrar, who asserts in her document "Our Answers":

"The extension of the role of the Security Service into areas of traditional policing should not carry with it an extension of the exemptions provided by section 27"—

the section of the 1984 Act that deals with national security.

There is a significant risk that improper processing of personal data—for example, data obtained by what may be regarded in other circumstances as unlawful means—relating to a serious crime suspect, would not be subject to any data protection rules at all. Such processing can be undertaken by the security services. That could jeopardise the quality of evidence before a court and the subsequent trust placed in it by a jury. If data protection is so thoroughly disregarded, there is a possibility that some serious criminals will not be convicted.

My amendment would go some way towards introducing a smidgen of accountability into the way that the security services process data. It would use the expertise of the commissioners established by section 4 of the Security Services Act 1989, section 8 of the Intelligence Services Act 1994, section 91 of the Police Act 1997 and section 8 of the Interception of Communications Act 1985.

It would be the duty of those commissioners to examine procedures with respect to data protection. They would have powers to investigate any procedure relating to the processing of personal data for the purpose of safeguarding national security; the application of an exemption that is required for the purpose of safeguarding national security; and the signing of a certificate by a Cabinet Minister. The relevant commissioner could make any recommendation relating to that investigation, and make recommendations that were needed to safeguard the interests of data subjects. The proposals in my amendment are no different from the current duties associated with warrants.

*[Mr. Harry Cohen]*

The amendment would permit the commissioner, if appropriate, to raise any matter that relates to an investigation in an annual report, or in any other report, to the Prime Minister, and to communicate with the Data Protection Commissioner or any other relevant commissioner. That is a pretty moderate amendment.

On 1 June the Under-Secretary of State for the Home Department, my hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth) replied to me that the Government

"have decided not to depart from the existing policy that the Security Service should not register any of the personal data they hold under the Data Protection Act 1984."

He went on to say:

"I understand similar considerations also apply to the Secret Intelligence Service and GCHQ."—[*Official Report*, 1 June 1998; Vol. 313, c. 52.]

However, it is a departure from data protection policy when the security services take on a traditional policing role, and that is against the advice of the Data Protection Registrar. I believe that it is an unwise decision. At the very least, the Minister should explain it to the House.

7.45 pm

**Mr. Richard Allan** (Sheffield, Hallam): We have some sympathy with the spirit of the amendment. My noble Friends in another place also tabled amendments on the issue of the security services exemption, because we are concerned about any blanket exemption, where there is no specific justification for exempting data from the data protection principles. The thrust of the Bill derives from European conferences and conversations in which the Parliamentary Secretary, Lord Chancellor's Department was deeply involved, and which reflected, to some extent, the experiences of the residents of the former East Germany, who had good reason to be suspicious of the way in which their security services held data.

We have been extremely fortunate in this country, in that—apart from the odd rumour that is kicking around—our security services have not generally been held responsible for holding damaging personal data. However, one could argue that the security services hold the most damaging data about individuals. They could leak information about someone, perhaps accusing him of heinous crimes such as being a member of CND or—dare I say it—a socialist. Rumours have circulated only recently that the security services hold information and files on people as prestigious as members of the current Government, and that such information was potentially leakable and potentially damaging.

We applaud the spirit of the amendment, which seeks to ensure that there is some oversight of security services data and that the buck stops with someone who is accountable under the legislation. We look forward to hearing from the Minister how the Bill would cope if damaging, sensitive personal data were revealed and were traced back to a security services source. If a person sought redress for that, we would be interested to hear what channels would be available to him, and how the issue would be resolved.

**Mr. Greenway:** I have been looking forward to the contribution of the hon. Member for Leyton and Wanstead (Mr. Cohen). He tabled a great number of amendments for the Standing Committee, but sadly, for reasons that I cannot explain, he was not selected to serve on the Committee, so we were denied the opportunity of hearing from him. However, having listened to the hon. Gentleman, and having considered his amendment No. 13, Conservative Members would oppose its inclusion in the Bill.

We considered this important matter in Committee, and we were at pains to support the Government in requiring that the provision be in the Bill. It is provided for by the directive in article 13 and we believe that, on balance, clause 28 provides an adequate appeal mechanism to the tribunal. While we understand that there are always concerns about such matters, we are not convinced that the House needs to go further in this legislation than the appeal mechanism that is already provided in clause 28.

**Mr. George Howarth:** My hon. Friend the Member for Leyton and Wanstead (Mr. Cohen) and the hon. Member for Sheffield, Hallam (Mr. Allan) tempt me along highways and byways in this debate that it would probably be sensible not to pursue. However, it is important to say at the outset that the Data Protection Act 1984, to which my hon. Friend referred, does not exempt agencies from the data protection principles. Only data users who are required to register are bound by the principles. Section 27 of the 1984 Act provides an exemption from registration where the exemption is needed for national security purposes. That is the exact position.

Consistent with that, clause 28 provides for personal data to be exempted from the main elements of the Bill when that is necessary in order to safeguard national security. The question of necessity is subject to ministerial certification. There is a right of appeal for any person who is directly affected by that certification. The exemptions provided in clause 28 apply only to the extent needed, and a Minister must satisfy himself that the exemptions claimed are in fact required for the purpose of safeguarding national security before issuing a certificate.

The right of appeal against a national security certificate is an important new safeguard. It represents an advance on the 1984 Act, which offered no appeal rights. Appeals will be considered by a specially constituted panel of the data protection tribunal, whose membership will be drawn from the chairman and deputy chairman appointed by the Lord Chancellor and designated by him as being capable of hearing such appeals.

My hon. Friend's amendment would, perversely, have the effect of extending the roles of certain commissioners well beyond those that Parliament intended for them. Commissioners were appointed to carry out certain well-defined and limited functions specifically in relation to the security and intelligence services, the use of intrusive surveillance by the police and the interception of communications. Furthermore, the commissioners' remits by no means cover the whole field encompassed by the national security exemption.

The arrangements set out in clause 28, as drafted, give continued effect to the well-established policy that personal data should be exempt from the main elements of the data protection regime, including supervision by the Data Protection Commissioner, where that is necessary in order to safeguard national security. My hon. Friend

chooses not to recognise that the exemption is balanced by the provision for appeals to be made to the tribunal against the issue of ministerial exemption certificates. My hon. Friend's amendment would undermine that policy.

**Mr. Cohen:** I hear what my hon. Friend has said, particularly in his initial comments. The thrust of my argument is that, under the 1984 Act, the security services have a legal duty to comply with the data protection principles, although they do not have to register. The Bill takes away that duty in the law for security services to comply. Is the Minister saying that I have misread the situation—that the security services still have a duty to comply with the data protection principles and that the 1984 Act has not been weakened in any way?

**Mr. Howarth:** I apologise if my hon. Friend misunderstood me earlier. The 1984 Act exempts the security services from the principles, and it is important to recognise that fact. In light of my arguments and the necessity for such arrangements, I hope that my hon. Friend will feel able to withdraw his amendment.

**Mr. Cohen:** I will seek to withdraw my amendment, as I hear what the Minister has said. However, I ask him to re-examine his last comment that the 1984 Act did not require the security services to comply with the data protection principles. As I understand it, section 2(2) of part I of the Act requires them to comply with those principles. I ask my hon. Friend to re-examine that point and perhaps clarify the situation in writing. On the basis of my hon. Friend's comments, I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

## Clause 29

CRIME AND TAXATION

**Mr. Greenway:** I beg to move amendment No. 8, in page 17, line 45, after 'prevention', insert 'investigation'.

This is the first of two or three important points that the Opposition wish to raise on Report. The entire Committee stage was characterised by several debates about the importance of safeguarding those organisations, other than the police service and public authorities, whose role is to protect us from the criminal and fraudulent activities of others.

I shall briefly explain the background. The Bill essentially blocks or prevents the processing of sensitive data, including matters relating to criminal convictions and criminal records, other than in the case of certain specific exemptions. The main exemptions with regard to crime are set out in clause 29. Those exemptions are clearly enshrined in article 13 of the directive, which the Bill seeks to implement in our law.

The specific exemption is that personal data may, in certain circumstances, be exempt from the provisions of the Bill if they are processed for the prevention or detection of crime. Article 13 refers not just to the prevention or detection of crime and the prosecution of criminal offences but to the investigation of crime. We believe that the inclusion of the word "investigation" in the Bill will give added comfort to those who undertake risk assessment work in order to combat potential fraud involving credit cards, false insurance claims and so on. Much of that work is of an exploratory nature, when there is no evidence of any crime.

Investigation and detection are two separate activities. For instance, let us suppose that we are talking about a suspicious death. When it is clear that that suspicious death is the result of a murder, the investigation seeks to detect who committed that murder. However, if there is a suspicious death and the investigation seeks to establish the circumstances of that death, it may be discovered that there was no murder at all. However, there is an investigation. Commercial organisations conduct such routine investigations every day in assessing whether certain people are making a succession of fraudulent insurance claims or are involved in credit card or other banking or financial fraud. Many of their investigations conclude that there was no crime committed in a particular case.

As article 13 gives Parliament the opportunity to incorporate the word "investigation" of crime and criminal offences in our legislation, I cannot, for the life of me, understand why the Government are so against including that word. The Minister will argue that that word is superfluous, and that, in the Government's judgment, prevention or detection of crime is adequate. If that is the case, why on earth does the directive allow for the prevention, investigation or detection of crime? Clearly the intention when the directive was drafted was that the word "investigation" would add comfort to the scope of the exemption. Given the seriousness of what we are attempting to provide for, I do not understand why the Government are so against it.

8 pm

Although we had a lengthy debate in Committee, and although we acknowledge that Ministers have said that they will give other comforts to those organisations—I should state for the sake of the record that the order-making power at paragraph 9 of schedule 3 provides that the Secretary of State may exempt several specific circumstances from a number of provisions—the Bill would be better if it included the word "investigation". That word adds something, and we thought it important for that reason to draw the House's attention to the matter. I ask hon. Members to accept the amendment.

**Mr. George Howarth:** I hope to convince the hon. Member for Ryedale (Mr. Greenway), as he anticipated, that his amendment is unnecessary. Clause 29 sets out specific exemptions that are needed to tackle crime and to collect taxes. They variously affect the fairness and lawfulness principles, subject access, subject information and the non-disclosure provisions. Between them, the purposes set out in subsection (1)(a) and (b) cover the whole process of tackling crime—from measures intended to prevent crime being committed, to the prosecution of an offender if a crime occurs.

The clause does not leave any gaps. The phrases

"prevention or detection of crime"

and

"apprehension or prosecution of offenders"

are familiar from the Data Protection Act 1984. They embrace the whole investigative process, which is covered by a combination of "detection", "apprehension"

*[Mr. George Howarth]*

and "prosecution". The investigation of a crime is an activity rather than a purpose. There are a number of purposes for which someone might want to investigate a crime: they might be benign, such as academic research, or not, such as the furtherance of a crime. The hon. Member for Ryedale went some way to acknowledge that point.

The scope of clause 29 is limited to the purposes of law enforcement and public protection. The investigation of a crime in that context is limited in its purposes to the prevention or detection of crime and the apprehension or prosecution of offenders. Those are the only relevant objects of criminal investigation for current purposes, and they are already covered by clause 29.

There is no disagreement between the hon. Member for Ryedale and the Government. The amendment is simply not necessary to achieve the effect that he and I want to achieve. In the light of that, I hope that he will withdraw it.

**Mr. Greenway:** As the Minister said, I had anticipated his answer, and it was very much the answer that we got in Standing Committee.

**Mr. Hoon:** Consistent.

**Mr. Greenway:** It certainly is consistent—and we have been consistent in our argument.

The Minister has not answered on why the word "investigation" appears in the directive but not in the Bill. We must agree to differ, although Conservative Members must take every opportunity to ensure not only that the directive is properly implemented but that the Bill is absolutely clear and as comprehensive as it needs to be.

We clearly disagree, and I thought it right to draw the House's attention to this important issue. Over the past few months, many hon. Members have received letters from the organisations to which I referred about their work in combating fraud and criminal activity. We are disappointed that we cannot persuade the Minister on the amendment, but have no wish to divide the House. I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

**Mr. Greenway:** I beg to move amendment No. 9, in page 18, line 1, after 'offenders', insert—

'(ba) the safeguarding of public security,'.

On 22 June, during the Report stage of the Crime and Disorder Bill, there was an important exchange between the hon. Member for Bassetlaw (Mr. Ashton) and the Home Secretary about the extent to which the data protection legislation inhibits the availability and disclosure of information to deal with the vexed problem of football hooligans. I have come across that question before. It was raised seven or eight years ago during the Home Affairs Committee's in-depth inquiry into the policing of football hooligans following the 1990 world cup.

The gist of the problem is that information about certain individuals is available but cannot be disclosed to ferry companies or to organisations and football clubs that are issuing tickets because that would breach the data protection legislation. The Bill gives even more comfort to data subjects in protecting their rights over sensitive information about criminal matters, especially when that information has not been tested in the courts, and even though the football intelligence unit may have been monitoring the behaviour of certain individuals. Those people may not have been prosecuted even though the police are only too well aware that, given half a chance, they would cause mayhem. Sadly, some of our own people, and others, have caused mayhem in France and Belgium over the past two or three weeks. In his response to the hon. Member for Bassetlaw, the Home Secretary acknowledged not only that that is a problem, but that he would like to do something about it, if that was at all possible. The Minister is well aware of that.

I have spent some time considering the extent to which we might improve the position through the Bill. I previously referred to article 13 on the question of the prevention, investigation and detection of crime, which is one of the exemptions permitted in legislation. It also refers to the national security exemption, which the hon. Member for Leyton and Wanstead (Mr. Cohen) mentioned, and to our defence. Furthermore, it allows national legislation implementing the directive to safeguard public security through an exemption. That is all that we seek: the amendment would safeguard public security, as provided for in the directive. We believe that, if the amendement were accepted, the police would be strengthened and given opportunities to deal with the vexed problem of these louts and hooligans, who have caused so much mayhem and trouble to all of us.

The Minister, who comes from Liverpool, knows exactly the extent to which people in his city are heartily sick of the handful who cause such trouble and give the rest a bad name. We debated this extremely important matter not long ago in the context of the Hillsborough tragedy. We are not making the suggestion glibly as an off-the-cuff solution; it is a sincere and genuine effort to help in the fight against hooliganism, which the entire country wants the Government to tackle.

I cannot see why the measure would create difficulties for the implementation of the directive. If allowing the police an exemption to deal more effectively with football hooligans does not safeguard the peace and tranquillity of the country, I do not know what does. I can think of nothing that has caused as much alarm and concern to those affected as the antics of those mindless lads.

I hope that I have convinced the House that the amendment is extremely important. The Minister may prefer to change the wording. He has tabled a stack of amendments, some of which we have discussed already. The difficulty is that, once we conclude tonight's Report stage and the Bill returns to the other House, the opportunity to amend the Bill will have gone. If the Government accept the amendment tonight, the other place will at least have an opportunity to put it into a more appropriate form of words with which the Government might feel more comfortable. It is 14 years since the House last legislated on data protection; those of us who served on the Standing Committee, and doubtless all the officials and organisations who have had to deal with this complex Bill, hope to goodness that it is at least another 14 years before we do so again. Clearly, we shall not have an early opportunity to do something about this problem in the future, so I hope that the Minister will look favourably on the argument that we have set out and agree to accept the amendment.

**Mr. George Howarth:** I associate myself with the sentiment behind the amendment. The hon. Member for Ryedale (Mr. Greenway) knows from statements that my right hon. Friend the Secretary of State has made that, like him, we consider those hooligans to be a disgrace not just to the part of the world that I come from—Liverpool—but to every town and city in the country. The Government are determined to do all that we can to reduce football hooliganism.

The hon. Gentleman is aware that we are conducting a review of football-related legislation, which will take account of the lessons to be learned from what happened in France. It is clear that we need to consider implementing measures to deal with the football hooligan element who tarnish our reputation abroad. A number of options will be considered, including the ability to restrict those who cause trouble abroad. I know that, in raising these issues, the hon. Gentleman is sincere about what he seeks to achieve.

Home Office Ministers are sympathetic to proposals to have special checks, for example, on recipients of world cup tickets. We have asked the Association of Chief Police Officers sub-committee on disclosure to explore the legality and feasibility of making those checks. People who apply to join the England members club, which is run by the Football Association, are checked against a National Criminal Intelligence Service database, which holds information about persons who are known to be, or suspected of being, involved in organised criminality associated with football. NCIS is registered with the Data Protection Registrar, and the Football Association is listed as a body to which NCIS intends, or may wish, to disclose data.

8.15 pm

Currently, ACPO has agreed that criminal records should be released only for limited purposes—mainly relating to national security, probity in the administration of the law and protection of vulnerable people, especially children. ACPO concluded that there was very significant legal doubt about its ability to release other information, which could not be resolved within the tight time scale. That was a matter not of data protection, but of its powers under the general law. There was also the practical difficulty of how to be sure that the criminal records released related to the people concerned, rather than to others of the same name.

In any event, there would have been further difficulties about compliance with the Data Protection Act 1984 principles of fair obtaining and processing. The Data Protection Registrar was concerned that nothing had been said to people when they applied for tickets in the first instance, and that the check would have been indiscriminate, without regard to suspicion in individual cases. It appeared that the check would have gone much wider than the particular needs of preventing football hooliganism. The FA's desire to check hooliganism was entirely right and proper; the issue was whether that was the right way in which to do it.

The ACPO sub-committee is looking afresh at the issues involved. It was not possible to resolve the issues in the short time available before the world cup, but there is now an opportunity for ACPO, the FA and, as necessary, the Data Protection Registrar to consult about the right approach to be taken in future. It is important to have had this debate, and I am grateful to the hon. Member for Ryedale for raising the issue.

**Mr. Greenway:** I think that the Minister is about to invite me to withdraw the amendment. I entirely understand why he may not wish to accept it, but can he assure me that if the outcome of the discussions—I am grateful for his offer that we should continue to be part of them—is that an amendment to the legislation is required, there would not be a bar to making such a legislative change?

**Mr. Howarth:** The hon. Gentleman makes a reasonable point, and I am anxious to be as constructive as possible. Once all the consultations with the Data Protection Registrar, ACPO and others are complete, we shall be required to take some action. The Government, particularly the Secretary of State, have made it plain that we are committed to taking whatever action is sensible and necessary to eradicate the problem. If data protection principles are involved, that necessarily implies some action in that direction as well. I do not know exactly what the vehicle would be and I do not want to give assurances on that, but the Government certainly wish to take action and I am sure that the whole House would support us. On that basis, I hope that the hon. Gentleman feels able to withdraw the amendment.

**Mr. Greenway:** I am grateful to the Minister. Clearly, there is consensus across the Chamber that what can be done should be done. Given what the Minister has said, I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

## Clause 30

HEALTH AND SOCIAL WORK

**Mr. Hoon:** I beg to move amendment No. 83, in page 18, line 47, at end insert—

'(1A) The Secretary of State may by order exempt from the subject information provisions, or modify those provisions in relation to—

(a) personal data in respect of which the data controller is the proprietor of, or a teacher at, a school, and which consist of information relating to persons who are or have been pupils at the school, or

(b) personal data in respect of which the data controller is an education authority in Scotland, and which consist of information relating to persons who are receiving, or have received, further education provided by the authority.'

**Mr. Deputy Speaker:** With this, it will be convenient to discuss Government amendments Nos. 84 to 91 and the Government new schedule.

**Mr. Hoon:** Amendments Nos. 83 to 91 and new schedule 1 complete an exercise that was begun in Standing Committee. The Government tabled amendments to bring within the scope of the Bill the records currently covered by the Access to Personal Files Act 1987 and the Access to Health Records Act 1990. The main purpose was to ensure that the arrangements

*[Mr. Hoon]*

made by the Bill to give effect to the European Court judgment in the case of Gaskin applied to the records covered by the 1987 and 1990 Acts.

The Gaskin judgment deals with subject access requests that are refused because giving the information would identify third parties who have not consented. The judgment says that there must be an independent mechanism for reviewing such refusals. The Bill provides that mechanism by allowing data subjects to go to the commissioner or the courts in such cases.

The purpose of the amendments is to ensure that the judgment is adhered to in the case of records under the Education (School Records) Regulations 1989 and the corresponding Scotland and Northern Ireland legislation. Such records are held by schools on pupils and former pupils. The new schedule gives rights of access to information held in certain unstructured manual records, to which the provisions of the Bill would not otherwise apply. The amendments will bring those records within the scope of the Bill, and thereby give effect to the Gaskin judgment. I hope that the House agrees that the amendments serve a useful and important purpose.

**Mr. Greenway:** The Gaskin judgment required the Government to introduce a range of amendments to the Bill, most of which were dealt with in Committee. As the Minister said, these are the outstanding amendments. I hope that, when the Bill returns to the other place, they will be accepted as speedily and as graciously as they have been by the Opposition parties tonight and in Committee.

*Amendment agreed to.*

*Amendment made:* No. 84, in page 19, line 16, at end insert—

'( ) In this section—

"education authority" and "further education" have the same meaning as in the Education (Scotland) Act 1980 ("the 1980 Act"), and

"proprietor"—

(a) in relation to a school in England or Wales, has the same meaning as in the Education Act 1996,

(b) in relation to a school in Scotland, means—

(i) in the case of a self-governing school, the board of management within the meaning of the Self-Governing Schools etc. (Scotland) Act 1989,

(ii) in the case of an independent school, the proprietor within the meaning of the 1980 Act,

(iii) in the case of a grant aided school, the managers within the meaning of the 1980 Act, and

(iv) in the case of a public school, the education authority within the meaning of the 1980 Act, and

(c) in relation to a school in Northern Ireland, has the same meaning as in the Education and Libraries (Northern Ireland) Order 1986 and includes, in the case of a controlled school, the Board of Governors of the school.'.—*[Mr. Hoon.]*

## Clause 31

REGULATORY ACTIVITY

*Amendment made:* No. 31, in page 20, line 10, at end insert—

'( ) the Welsh Administration Ombudsman.'.—*[Mr. Hoon.]*

## Clause 32

JOURNALISM, LITERATURE AND ART

*Amendment made:* No. 32, in page 21, line 10, leave out '14' and insert '14(1) to (3)'.—*[Mr. Hoon.]*

## Clause 34

INFORMATION AVAILABLE TO THE PUBLIC BY OR UNDER ENACTMENT

**Mr. Cohen:** I beg to move amendment No. 4, in page 22, line 30, at end insert—

'(2) The Secretary of State may by order, where personal data are held on a public register, lay down conditions which shall be complied with by any person who has access to the register.

(3) An order under this section may make specific provisions with respect to a particular public register.'.

**Mr. Deputy Speaker:** With this, it will be convenient to discuss amendment No. 5, in clause 67, page 41, line 3, at end insert 'section 34'.

**Mr. Cohen:** The purpose of the amendments is to enable the Secretary of State to impose statutory conditions to protect lists of shareholders, the electoral roll and other public registers. Publicly available registers are unprotected. They are wide open to abuse, and, in most cases, there is no control over who has access to them or how they are used. On 22 April 1997, *The Times* noted that the Mayfair rapist selected his rich victims from the electoral roll.

I note from my recent parliamentary questions to all Government Departments that several Ministries are not sure for what public records they are responsible. The Department of the Environment, Transport and the Regions said that information on what public records it was responsible for was not held centrally. That is astonishing. Several public registers are not actually publicly available. The Home Office keeps a register of forensic pathologists that is available to the public, which is useful information for criminals to access.

Public registers get scant protection under the Bill. The most familiar example of a public register is the electoral roll, copies of which can be obtained by any person for any purpose. Electoral registration officers have no discretion on whether to provide information, even to the most disreputable of characters. The position on data protection and the electoral roll is intolerable.

**Mr. Allan:** Is the hon. Gentleman aware of the recent confusion about whether electoral registration officers can give access to the register in computerised as opposed to paper form? It is a problem for political parties if they cannot obtain access to the computerised form. We are interested to know how that will be dealt with in the Bill. Both the paper and the computerised form will be covered by data protection principles.

**Mr. Cohen:** The hon. Gentleman makes a good point. The way things are going, I suspect that the computerised form and other forms will be available to whoever wants them.

Data subjects are obliged by law to provide names and addresses; failure to do so could result in a hefty £400 fine. Any person can obtain a copy of those details

without the data subject being informed. Under clause 34, the electoral returning officer, as data controller, has no obligation to inform data subjects about who has accessed the register. A clear condition could be imposed that those who access the register should be required to identify themselves, and that list could be publicly available.

I am in favour of certain limits on public registers. For example, the electoral roll should be used only for electoral purposes, unless the elector consents to its use for other purposes. However, I recognise that many organisations have developed goods and services businesses on the basis of this publicly available information. My amendment would not stop any misuse directly: it would merely provide a mechanism to permit the Secretary of State to protect the public should the need arise, and to introduce new rules gradually, so that, if appropriate, such organisations could adjust their practice and be weaned off public sources of information over a period.

Paragraph 11(c) of schedule 8 delays the implementation of the eighth principle on the transfer of personal data abroad for personal data currently processed from the electoral register. As far as I can see, that provision negates any protection afforded by paragraph 14 of part II of schedule 1. If the eighth principle does not apply, it is difficult to see how the Secretary of State can define restrictions by order.

MPs usually live and vote in their constituency. Under the provision in schedule 8, there is nothing to prevent Saddam Hussein or any terrorist or malicious person from being able to purchase copies of the register, in computerised form, to find out where MPs or other well-known individuals live. Admittedly, it is a crude method. Because of his common surname, my right hon. Friend the Member for Islington, South and Finsbury (Mr. Smith) might evade detection. However, one wonders how many people appear on the electoral roll with the surname of my hon. Friend the Member for Wellingborough (Mr. Stinchcombe) or of the hon. Member for Montgomeryshire (Mr. Öpik). Someone might even look up the name Beckham for malicious purposes. Will the Minister explain why data protection legislation seems to expose MPs and others in the public eye to that risk?

After the passage of the Bill, the Minister should take a co-ordinated look at how public registers are kept, who has access to them and what uses are permissible.

**Mr. Hoon:** I thank my hon. Friend the Member for Leyton and Wanstead (Mr. Cohen) for allowing us to have this short debate, which will be of assistance. He is concerned about clause 34, which performs an important function. It ensures that certain key provisions of the data protection regime do not conflict with the rules relating to information that is required by statute to be made public.

As my hon Friend's amendments recognise, the provision is essentially about public registers. He gave a number of examples: the registers of births, marriages and deaths, registers held by Companies House, the electoral register, and so on. The essential feature of all those registers, which is recognised in clause 34, is that they are all governed by their own discrete legislation.

Those statutes will determine the detailed conditions that apply to the information contained in the registers. They will cover matters such as the nature of the information contained in the registers, the conditions governing access to the registers, the accuracy of the information, and so on.

The purpose of clause 34 is to ensure that the detailed rules of the specific statutes, rather than the general data protection rules governing the registers, determine those matters. I hope that my hon. Friend will accept that that is sensible. The information contained in the registers is collected for a specific and particular purpose. It is much more appropriate for the specific statute to determine the relevant conditions that apply than for the general data protection legislation to do so. That is not to say that the data protection rules do not apply at all. To the extent that the data protection principles, and other provisions of data protection law, are not dealt with expressly in the specific statutes, they will apply. That is the position under the 1984 Act, and it will be maintained in the Bill.

8.30 pm

I remind my hon. Friend that clause 34 does not provide an exemption for the subsequent use of data collected from the registers. To the extent that any of those who obtain personal data from public registers process those data in a way that would be caught by the Bill, they would have to comply in full with the requirements set out in the Bill.

My hon. Friend wants to go a little beyond that. He wants to provide the Secretary of State with the power to specify conditions governing access to specific public registers. I hope that I have made it clear why the Government do not believe that that is the right approach. Moreover, I invite my hon. Friend—who I know is extremely knowledgeable on this matter—to consider how his proposed new arrangements would be enforced. Not all those seeking access to the registers would become data controllers, so the conditions could not be enforced through the various mechanisms set out in the Bill. Again, that argues for the conditions applying to particular registers to be set by the parent enactments—if I may use that phrase—which will be able to make suitable arrangements for enforcement.

I hope that my hon. Friend will accept that that is the right way forward, and that it is better for these issues to be dealt with in the specific context of the Acts that deal with registers rather than in the context of wider data protection legislation. I am grateful to my hon. Friend for bringing the matter to the attention of the House, but I invite him, in the light of what I have said, to withdraw the amendment.

**Mr. Cohen:** My hon. Friend is right in saying that I want to go further and impose more general data protection controls on public registers. However, I acknowledge that he has made some good points, so I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

**Clause 40**

ENFORCEMENT NOTICES

**Mr. Cohen:** I should like to speak to amendment No. 1, in page 23, line 32, to leave out "the fourth" and insert "any". However, I welcome the Government amendments that have been grouped with it, which,

*[Mr. Cohen]*

I think, accept the points that I wanted to make. The rights granted by article 12 (b) and (c) of the European directive, as established by the Bill, should apply to all the data protection principles, and not only to the fourth principle, as originally proposed, so that unlawful and unfairly obtained data—not only inaccurate data—are covered.

There was a danger that the Bill would not implement the data subject's rights under those two articles of the directive, which would also have meant a lessening of protection for data subjects under the Data Protection Act 1984. I welcome the Government amendments.

**Mr. Deputy Speaker (Mr. Michael J. Martin):** Is the hon. Gentleman saying that he is not moving amendment No. 1?

**Mr. Cohen:** Yes. I am prepared not to move it, as I accept the Government amendments.

*Amendments made:* No. 33, in page 23, line 33, leave out 'may' and insert

'which requires the data controller to rectify, block, erase or destroy any inaccurate data may also'.

No. 34, in page 23, line 34, leave out 'any inaccurate data and'.

No. 35, in page 23, line 36, leave out 'or' and insert—

'(3A) An enforcement notice in respect of a contravention of the fourth data protection principle'.

No. 36, in page 23, line 39, leave out from 'party' to second 'to' and insert

'may require the data controller either—

(a) to rectify, block, erase or destroy any inaccurate data and any other data held by him and containing an expression of opinion as mentioned in subsection (3), or

(b)'.

No. 37, in page 24, line 2, leave out from 'notice' to 'or' in line 4 and insert

'requires the data controller to rectify, block, erase or destroy any personal data'.

No. 38, in page 24, line 6, leave out 'were inaccurate' and insert

'had been processed in contravention of any of the data protection principles'.—*[Mr. Hoon.]*

**Mr. Richard Shepherd** (Aldridge-Brownhills): I beg to move amendment No. 15, in page 24, line 28, at end insert—

'(7A) The Commissioner shall maintain a register containing—

(a) a copy of every enforcement notice issued under this section;

(b) such other particulars relating to such notices as the Secretary of State may by order prescribe.

(7B) The provisions of sections 19(6) and (7) shall apply in relation to the register maintained under this section as they do in relation to the register maintained under section 19(1).'.

**Mr. Deputy Speaker:** With this, it will be convenient to discuss the following amendments: No. 16, in clause 42, page 25, line 20, at end insert

'and may, if he considers it appropriate, inform any other person'.

No. 17, in clause 59, page 36, line 44, leave out

'necessary for reasons of substantial'

and insert 'in the'.

Government amendment No. 46.

No. 18, in page 36, line 44, leave out 'substantial'.

**Mr. Shepherd:** The amendments reflect concern about a new prohibition on the release of information in clause 59, which would make it an offence for the Data Protection Commissioner or her staff to disclose information about any identifiable business or individual other than in very limited circumstances. The offence would be committed even if the disclosure caused no harm to commercial confidentiality, for example. No such offence exists under the Data Protection Act 1984.

The provision is likely to prevent the commissioner from publicly identifying businesses that have been found to be misusing personal data about individuals by obtaining data through deception, for example, or by selling private information for commercial purposes. The commissioner may be unable to reveal that she has received large numbers of complaints about a particular company, that a company has failed to respond to requests to improve its practices or that an enforcement notice has been served against a firm. Equally, it may be an offence to reveal that a business has agreed to correct a problem without formal action, or that a complaint had proved unfounded.

The registrar has expressed concern at the new provision, which she says may require her and her staff to be unnecessarily guarded in future. The result may be both to deny the public information that they should have and to undermine public confidence in the commissioner's work, by preventing her from explaining what action she has taken to deal with complaints relating to matters of public concern.

The offence is not limited to disclosures likely to cause actual harm, but will be caused by any disclosure of any information about an identifiable business. That contradicts the policy established by the previous Government, whose 1993 White Paper on open government provided that, in any new offences involving the disclosure of information,

"the presumption will be in favour of the inclusion of a harm test".

It is also inconsistent with this Government's proposals for a freedom of information Act. The freedom of information White Paper proposes that information should be withheld only where disclosure would cause either harm or substantial harm to specified interests. Existing statutory restrictions on disclosure are being reviewed with a view to repealing or amending those that do not reflect the proposed harm test.

In Committee, my hon. Friend the Member for Ryedale (Mr. Greenway) tabled an amendment to restrict the offence to information that is potentially damaging. The amendment was not accepted. The Government say that the new offence is required by the European data protection directive, which states that national supervisory authorities must be subject to

"a duty of professional secrecy".

However, the registrar's view, as expressed in January, is that that obligation can be met without the creation of a new criminal offence. Moreover, the directive contains

a number of pro-disclosure provisions, which would permit a far more balanced approach. They include recital 72, which states that

"this Directive allows the principle of public access to official documents to be taken into account when implementing the principles set out in this Directive",

and recital 63, which states that supervisory authorities

"must help to ensure transparency of processing".

The Government maintain that the restriction is not as serious as it seems, as the commissioner has a discretion to release information under clause 51(2), which states:

"The Commissioner shall arrange for the dissemination in such form and manner as he considers appropriate of such information as it may appear to him expedient to give to the public about the operation of this Act, about good practice, and about other matters within the scope of his functions under this Act".

However, precedent under similar provisions suggests that that may be of limited value.

For example, the Health and Safety Commission and Executive are prohibited from disclosing information unless it is for the purposes of their functions, but they are required to ensure that people concerned with matters relevant to the purposes of the Health and Safety at Work Act, etc. 1974 are

"kept informed of, and adequately advised on"

those matters. The HSC and HSE interpret those two requirements restrictively, and say that they are prohibited from revealing information about individual premises unless to do so would directly prevent risk, or is necessary to protect health and safety. Requests for information about identifiable premises from people who are not themselves in danger, including Members of Parliament, researchers and journalists, are usually refused. The explicit prohibition on releasing information about identifiable businesses is therefore likely to override the commissioner's general discretion to release information, unless, under clause 59(2)(c),

"the disclosure is made for the purposes of, and is necessary for, the discharge of . . . any functions under this Act".

It would be extremely difficult to demonstrate that a particular disclosure was necessary for any function under this Act. If the function can be discharged without the disclosure, the disclosure will not be necessary, and, indeed, will be illegal.

Clause 59(2) permits disclosure in certain other limited circumstances—for example, when the information is already publicly available, when the individual or business concerned consents to the disclosure and when disclosure is made in connection with legal proceedings. The subsection also provides for a limited, highly restrictive, public interest defence.

The amendments would require the commissioner to maintain a public register of enforcement notices, whose disclosure might otherwise constitute an offence. They would permit—but not require—the commissioner to reveal the results of an assessment of whether a particular business was complying with the legislation. At present, that information can be revealed only to the person who asks for the assessment, and its disclosure to a Member of Parliament or a journalist could be an offence. The amendments also attempt to strengthen the public interest defence available to the commissioner or her staff.

Let me deal first with amendment No. 15. Under clause 41, the commissioner may serve an enforcement notice when it appears to her that a data controller is contravening any of the data protection principles. The notice may require the controller to take specified action or to stop processing data. The amendment requires the establishment of a register of such notices, as is made clear in new subsection (7A), which would have to be available to the public, free of charge, at all reasonable times. Certified copies of entries could be obtained on payment of any prescribed fee. That is provided for by new subsection (7B), which applies the existing provisions of clause 19(6) and (7), relating to the data protection regime.

The amendment would bring the Bill into line with existing legislation, such as the Environment and Safety Information Act 1988 and the Environment Protection Act 1990, which require the establishment of public registers of enforcement notices about environmental and safety hazards. Paragraph (b) of new subsection (7A) would allow the Secretary of State, by order, to require other information relating to such notices to be included in the register. That would allow the fact that a notice had been cancelled under clause 41, or was the subject of an appeal under clause 48, to be recorded; it might also permit the person on whom the notice had been served to add a statement of explanation or mitigation to the register.

Amendment No. 16 refers to clause 42. Under clause 42(1), a person who believes that he or she has been directly affected by any processing of personal data may ask the commissioner for an assessment of whether that processing breaches the Act's requirements. After carrying out the assessment, the commissioner must inform the applicant, to the extent that she considers appropriate, of

"any view formed or action taken as a result".

That is in clause 42(4)(b).

8.45 pm

However, while the applicant must be informed of the outcome, the commissioner may commit an offence under clause 59 by revealing the same information to any other person. Thus, although there may have been a well-publicised complaint about a particular practice, the commissioner may not tell anyone—including a journalist, a Member of Parliament or another potentially affected person—about her findings. The amendment allows, but does not require, the commissioner to make such disclosures; however, a requirement may arise under the proposed freedom of information Act.

The discretion is appropriate in this instance. When a complaint relates purely to the circumstances of an individual applicant, wider disclosure may not be appropriate; but when the issue is of general concern and affects a large number of people, disclosure may be justified—if, for example, it reveals that a bank is failing to safeguard personal data about its customers.

There is no reason why the level of disclosure proposed in the amendment should be thought to contravene the obligation of professional secrecy required by the directive, given that the directive also provides that supervisory authorities

"must help to ensure transparency of processing".

Let me now deal with amendment No. 17. A public interest test is available under clause 59(2)(e) should the commissioner, or a member of her staff, be prosecuted for an offence relating to the disclosure of information.

*[Mr. Shepherd]*

The test is particularly restrictive, and amendments Nos. 17 and 18 seek to remove some of the restrictive features. Clause 59(2)(e) provides that no offence is committed if

"having regard to the rights and freedoms or legitimate interests of any person, the disclosure is necessary for reasons of substantial public interest."

That means that it would have to be established that the disclosure was "necessary", not just desirable, in the public interest, and that the public interest related to the

"rights and freedoms or legitimate interests"

of others. That term does not, on the face of it, acknowledge the public interest in the accountability of the commissioner's work. Moreover, the public interest itself would have to be "substantial".

It is hard to see why that public interest test should be set down so strictly, particularly as most of the Bill's other public interest tests are less demanding. For example, there is no requirement that the public interest be "substantial" before a newspaper can publish personal data under the public interest test in clause 32(1)(b).

Amendment No. 17 would remove the requirement that the disclosure be "necessary" and that the public interest be "substantial". The defence, as amended, would read:

"having regard to the rights and freedoms or legitimate interests of any person, the disclosure is in the public interest."

Amendment No. 18 and Government amendment No. 46 cover similar ground. Amendment No. 18 is an alternative to amendment No. 17. It would delete the word "substantial" in clause 59, but would retain the word "necessary". The amended clause would then read:

"having regard to the rights and freedoms or legitimate interests of any person, the disclosure is necessary for reasons of public interest."

The wording is effectively identical to amendment No. 46, tabled by the Home Secretary. Under that amendment, the clause would read:

"having regard to the rights and freedoms or legitimate interests of any person, the disclosure is necessary in the public interest."

I hope that the Government will withdraw their amendment and support mine, because the word "necessary" would remain a problem with both amendment No. 18 and amendment No. 46. A disclosure that was "desirable" in the public interest, but not "necessary", would not be permitted under those amendments. There is an important distinction between the two, and I hope that the Government will accept my amendments.

**Mr. Greenway:** My hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd) very adequately set out the concerns of the Data Protection Registrar. I tried to impress on the Government the importance of several concerns about the provisions that create the offence of unlawful disclosure of information by staff. People who are only doing their job may find themselves committing a criminal offence. The House must be sure that the legislation provides for that criminal offence only when it is strictly necessary.

I was disappointed in Committee that the Government did not accept the harm test to which my hon. Friend the Member for Aldridge-Brownhills referred. There seems to be an inequality in the public interest test, in that the word "necessary" will apply to this provision, even when the Government amendments are made, but not to other exemptions in the Bill. I cannot for the life of me understand why staff who are only doing their job should be subject to a greater hurdle than others when disclosure is accidental, especially as some of the exemptions, as in clause 32, are extremely wide.

I hope that the Minister will acknowledge that those are genuine concerns. If Government amendment No. 46 is made, it would at least allow the other place to return to the matter when it considers our amendments. With that in mind, it may not be too late for the Government to reconsider the word "necessary", to which my hon. Friend the Member for Aldridge-Brownhills so rightly referred.

**Mr. George Howarth:** I pay tribute to the hon. Member for Aldridge-Brownhills (Mr. Shepherd) for his hard work and the good advice that he often takes on these matters. His concern about confidentiality of information is well recognised and respected, and he moved the amendment very much in that spirit.

Clause 40 is a key part of the Bill. It enables the commissioner to issue enforcement notices requiring compliance with data protection principles. Amendment No. 15 would require the commissioner to maintain a register of enforcement notices, to be accessible in much the same way as the main register of data controllers' notifications provided for in clause 19.

The idea of keeping a public record of enforcement notices has been suggested in the past, and we are not unsympathetic to it in principle. I understand that the Data Protection Registrar herself has expressed some interest in such a record, as the hon. Member for Aldridge-Brownhills said.

It was with such an idea in mind that the Government tabled an amendment in Committee to add clause 19(2)(b), allowing the Secretary of State, by notification regulations, to authorise or require the commissioner to include in the register of notifications maintained under that clause certain information in addition to the basic registrable particulars.

It would be possible to use the provision to add information about enforcement notices to the register. Under clause 25, the commissioner can make proposals for the content of notification regulations. The Government look forward to hearing the commissioner's views and will consider the issue further in that context. Against that background, I invite the hon. Gentleman to withdraw the amendment.

Amendment No. 16 would explicitly allow the commissioner to tell any other person, as well as the originator, the outcome of a request for assessment of the compliance of any particular processing with the provisions of the law. I recognise that the provision is discretionary, but I do not think it appropriate for the legislation to be framed in that way.

Requests for assessment may deal with essentially private matters—that is, private either to the data subject or to the data controller. More fundamentally, such requests are at most preliminaries to enforcement action, and they may come to nothing, as there may be perfectly good answers to the questions. I am not in favour of any general presumption in favour of releasing the results of assessments. That is not to say that they might not emerge in one form or another under other parts of the Bill.

Clause 51 places general duties on the commissioner to promote good practice and to disseminate material that she considers appropriate, about the operation of the Act, good practice and any other matters within the scope of his functions. Anonymised information from assessments may appear in one of those contexts, and the result of any assessment may be quoted in enforcement proceedings.

I do not think that a power at large, qualified only by the general term "appropriate", fits what we need in this targeted legislation. Release of information when it serves a particular purpose is fine; but otherwise, just as we have to be careful with the interests of data subjects, we have to be careful with the interests of data controllers. I invite the hon. Member for Aldridge–Brownhills to reflect on the provisions of clause 51 and not to press to a vote amendment No. 16, which is a general amendment to clause 42.

Clause 59 is an important and, I accept, difficult provision. It is important because it discharges the obligation on us to ensure that the supervisory authority—the Data Protection Commissioner and her staff—are subject to a duty of what the directive calls "professional secrecy", in respect of the confidential information to which they have access.

We have found it difficult to get the provision right. Our original proposal in another place was criticised by the Data Protection Registrar, and we revised it on Report there, but we could not, and still cannot, accede to pressure to remove it; the directive requires us to have a statutory provision, which needs to be enforceable through a criminal sanction.

We have considered the detail further in the light of representations, not least from the hon. Members for Aldridge-Brownhills and for Ryedale (Mr. Greenway), and of the Government's own commitment to freedom of information legislation, which the former hon. Gentleman rightly prayed in aid for his argument.

Clause 59 states that one way in which a disclosure may be made with lawful authority is if,

"having regard to the rights and freedoms or legitimate interest of any person, the disclosure is necessary for reasons of substantial public interest."

Government amendment No. 46 replaces that with a simple test of necessity in the public interest. I hope that the hon. Member for Aldridge–Brownhills will accept that that goes further in the direction of freedom of information, while still complying with the directive. That is a difficult balance, but amendment No. 46 achieves it.

Amendments Nos. 17 and 18 go in much the same direction, as the hon. Gentleman said. I prefer the Government's wording, for two reasons. First, it maintains the necessity test, which is important for an exemption from the directive's requirements. Secondly, our words are simpler. "In the" rather than "for reasons of" is a simpler way to express the point. I hope that the hon. Gentleman will be willing to withdraw his wording in favour of ours.

The hon. Gentleman argued that clause 59 could, perhaps, go further, and we did consider whether there was further scope for easing the restrictions that the clause imposes, while keeping it consistent with the directive. So far, we have been unable to find a way to do that, but we shall certainly continue to have regard for that point as we continue our work on freedom of information. If we can identify any way in which restrictions can properly be eased, we shall bring forward any necessary amendment in freedom of information legislation. There is scope to revisit the point within that framework, provided that we can find a suitable way to achieve what the hon. Gentleman and the Government want.

I hope that the hon. Gentleman will agree that that is a considered response to his concerns, and that he will feel able to withdraw the amendment, safe in the knowledge that we recognise his concerns and are aware of the possibility of revisiting the point at a later stage.

9 pm

**Mr. Shepherd:** I am extremely disappointed by that reply. I took the trouble to provide the Government with my notes for the debate, and I thought that they would address the issues raised in those notes. However, they have not done so. I thought that there were some benefits in my approach. I was being helpful on the White Paper. There is a muddle, and there is grave concern about how matters interrelate, so I was trying to set out the position. I was also trying to state clearly the anxieties expressed by the Data Protection Registrar, Mrs. France, and by professionals in the field.

I was trying to assist the Government by preventing the need for this business to return to the House once the Lords have amended the Bill along my lines. There is one simple problem in both the Government's amendment and my amendments. My argument is that "necessary" would remain a problem under the amendments. Amendment No. 18 was my fallback position, and I was pleased to see the Government withdraw the substantial point. However, "necessary" is being retained, and that reminds me of my experience under Governments of my own party and their unwillingness to yield once Government amendments had been set out. "Necessary" will remain a problem. A disclosure merely desirable, but not necessary, in the public interest would not be permitted under amendment No. 46. The Minister simply has not addressed that point, although it is of the essence. Perhaps he will consult his colleagues and the civil servants in their Box.

I would gladly not press amendment No. 18 if the Government would not press amendment No. 46. Then we would have a good raft of amendments that would satisfy the House of Lords. We could prevent the need for the matter to come back.

**Mr. George Howarth:** I have listened carefully to the hon. Gentleman; I hold him in the highest regard. I did not have the opportunity to read the notes that he sent to the Home Office, and I apologise for that. I do not believe, however, that his concerns need to be dealt with in the way he states, because the Government amendments go far enough. I will be sorry if the hon. Gentleman does not feel able to withdraw his amendment. He will be able to revisit the matter, as will the House, under the general heading of freedom of information.

I am loth to say more because I sat through long hours of debate on the Maastricht treaty, and I know of the hon. Gentleman's enormous potential to speak again with alarming frequency and great lucidity. I am desperately anxious not to tempt him to do so.

**Mr. Greenway:** The House is in a dilemma. We have only the prospect that the Government's amendment is likely to be carried, and we have to face that reality. Yet that amendment includes the word "necessary" and I agree with my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd) that that word is not required. I am being helpful to the Minister when I say that the House can only accept the Government amendment, but the Government must expect that amendment to be amended in the other place because my hon. Friend's arguments are extremely valid.

The word "necessary" is unnecessary. It is not applied in other parts of the Bill. The only opportunity open to us now is to accept the Government amendment. If the House does so, I ask the Government to think again so that when the Bill goes to the other place the word "necessary" can be deleted.

**Mr. Shepherd:** I am grateful to my hon. Friend the Member for Ryedale (Mr. Greenway), and I am concerned.

I made out a case which I tried to get to the Whips because I understand the urgency with which the Government have to manage their programme. These were detailed arguments, but they were not addressed in detail. I am genuinely disappointed by the points made about the word "necessary". I hope that the House will have to return to the matter; the Lords will take an interest in this.

The Government moved favourable amendments—I congratulate them on that—as a consequence of the Lords taking a view on certain parts of the Bill. I have no doubt that our liberty is in the interstices of the details of Bills such as this. The matter is extremely important which is why I should have liked a more sympathetic response. The Government have moved some of the way, but I ask them to reflect on what that simple word "necessary" means to the burden of the argument as contained in the clause. Accordingly and with the advice and guidance of my good and hon. Friend, I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

### Clause 43

INFORMATION NOTICES

*Amendment made:* No. 39, in page 26, leave out from end of line 5 to second 'the' in line 6 and insert

'and, if such an appeal is brought,'.—*[Mr. Hoon.]*

### Clause 44

SPECIAL INFORMATION NOTICES

*Amendments made:* No. 40, in page 26, line 36, leave out from 'which' to end of line 37 and insert

'proceedings have been stayed under section 32'.

No. 41, in page 27, leave out from end of line 18 to second 'the' in line 19 and insert

'and, if such an appeal is brought,'.—*[Mr. Hoon.]*

### Clause 51

GENERAL DUTIES OF COMMISSIONER

*Amendment made:* No. 42, in page 31, line 14, leave out 'observance' and insert 'following'.—*[Mr. Hoon.]*

### Clause 53

ASSISTANCE BY COMMISSIONER IN CASES INVOLVING PROCESSING FOR THE SPECIAL PURPOSES

*Amendment made:* No. 43, in page 31, line 33, leave out 'brings' and insert

'is an actual or prospective party to'.—*[Mr. Hoon.]*

### Clause 57

AVOIDANCE OF CERTAIN CONTRACTUAL TERMS RELATING TO HEALTH RECORDS

*Amendments made:* No. 44, in page 36, line 8, after 'individual' insert—

'(a)'.

No. 45, in page 36, line 9, at end insert

'or

(b) to produce to any other person such a record, copy or part.'.—*[Mr. George Howarth.]*

### Clause 59

CONFIDENTIALITY OF INFORMATION

*Amendment made:* No. 46, in page 36, line 44, leave out 'for reasons of substantial' and insert 'in the'.—*[Mr. George Howarth.]*

### Clause 60

PROSECUTIONS AND PENALTIES

*Amendment made:* No. 79, in page 37, line 20, after '56,' insert—

'( ) an offence under section 21(2) relating to processing which is assessable processing for the purposes of section 22,'.—*[Mr. George Howarth.]*

### Clause 68

MEANING OF "ACCESSIBLE RECORD"

*Amendment made:* No. 85, in page 41, line 41, after '(2),' insert—

'(aa) an educational record as defined by Schedule (*Meaning of "educational record"*),'.—*[Mr. George Howarth.]*

### Clause 70

SUPPLEMENTARY DEFINITIONS

*Amendments made:* No. 86, in page 43, line 26, at end insert—

' "pupil"—

(a) in relation to a school in England and Wales, means a registered pupil within the meaning of the Education Act 1996,

(b) in relation to a school in Scotland, means a pupil within the meaning of the Education (Scotland) Act 1980, and

(c) in relation to a school in Northern Ireland, means a registered pupil within the meaning of the Education and Libraries (Northern Ireland) Order 1986;'

No. 87, in page 43, line 37, at end insert—

' "school"—

(a) in relation to England and Wales, has the same meaning as in the Education Act 1996,

(b) in relation to Scotland, has the same meaning as in the Education (Scotland) Act 1980, and

(c) in relation to Northern Ireland, has the same meaning as in the Education and Libraries (Northern Ireland) Order 1986;

"teacher" includes—

(a) in Great Britain, head teacher, and

(b) in Northern Ireland, the principal of a school;'.—*[Mr. George Howarth.]*

## Clause 71

INDEX OF DEFINED EXPRESSIONS

*Amendments made:* No. 47, in page 44, line 17, at end insert—

*'enactment* *section 70(1)'.*

No. 88, in page 44, line 35, at end insert—

*'pupil (in relation to a school)* *section 70(1)'.*

No. 89, in page 44, line 40, at end insert—

*'school* *section 70(1)'.*

No. 90, in page 44, line 44, at end insert—

*'teacher* *section 70(1)'.*

No. 48, in page 44, leave out line 47.—*[Mr. George Howarth.]*

## Clause 75

SHORT TITLE, COMMENCEMENT AND EXTENT

*Amendments made:* No. 49, in page 45, line 13, after 'section' insert—

'(ee) paragraph 17 of Schedule 5,'.

No. 91, in page 45, line 13, after 'section' insert—

'(ef) Schedule (*Meaning of "educational record"*),'.

No. 50, in page 45, line 13, after 'section' insert—

'(eg) Schedule 11.—*[Mr. George Howarth.]*

## New Schedule

MEANING OF "EDUCATIONAL RECORD"

*'Meaning of "educational record" for purposes of section 68*

1. For the purposes of section 68 "educational record" means any record to which paragraph 2, 5 or 7 applies.

*England and Wales*

2. This paragraph applies to any record of information which—

(a) is processed by or on behalf of the governing body of, or a teacher at, any school in England and Wales specified in paragraph 3,

(b) relates to any person who is or has been a pupil at the school, and

(c) originated from or was supplied by or on behalf of any of the persons specified in paragraph 4,

other than information which is processed by a teacher solely for the teacher's own use.

3. The schools referred to in paragraph 2(a) are—

(a) a school maintained by a local education authority, and

(b) a special school, as defined by section 6(2) of the Education Act 1996, which is not so maintained.

4. The persons referred to in paragraph 2(c) are—

(a) an employee of the local education authority which maintains the school,

(b) in the case of—

(i) a voluntary aided, foundation or foundation special school (within the meaning of the School Standards and Framework Act 1998), or

(ii) a special school which is not maintained by a local eduction authority,

a teacher or other employee at the school (including an educational psychologist engaged by the governing body under a contract for services),

(c) the pupil to whom the record relates, and

(d) a parent (as defined by section 576(1) of the Education Act 1996) of that pupil.

*Scotland*

5. This paragraph applies to any record of information which is processed—

(a) by an education authority in Scotland, and

(b) for the purpose of the relevant function of the authority,

other than information which is processed by a teacher solely for the teacher's own use.

6. For the purposes of paragraph 5—

(a) "education authority" means an education authority within the meaning of the Education (Scotland) Act 1980 ("the 1980 Act") or, in relation to a self-governing school, the board of management within the meaning of the Self-Governing Schools etc. (Scotland) Act 1989 ("the 1989 Act"),

(b) "the relevant function" means, in relation to each of those authorities, their function under section 1 of the 1980 Act and section 7(1) of the 1989 Act, and

(c) information processed by an education authority is processed for the purpose of the relevant function of the authority if the processing relates to the discharge of that function in respect of a person—

(i) who is or has been a pupil in a school provided by the authority, or

(ii) who receives, or has received, further education (within the meaning of the 1980 Act) so provided.

*Northern Ireland*

7.—(1) This paragraph applies to any record of information which—

(a) is processed by or on behalf of the Board of Governors of, or a teacher at, any grant-aided school in Northern Ireland,

(b) relates to any person who is or has been a pupil at the school, and

(c) originated from or was supplied by or on behalf of any of the persons specified in paragraph 8,

other than information which is processed by a teacher solely for the teacher's own use.

(2) In sub-paragraph (1) "grant-aided school" has the same meaning as in the Education and Libraries (Northern Ireland) Order 1986.

8. The persons referred to in paragraph 7(1) are—

(a) a teacher at the school,

(b) an employee of an education and library board, other than such a teacher,

(c) the pupil to whom the record relates, and

(d) a parent (as defined by Article 2(2) of the Education and Libraries (Northern Ireland) Order 1986) of that pupil.

*England and Wales: transitory provisions*

9.—(1) Until the appointed day within the meaning of section 20 of the School Standards and Framework Act 1998, this Schedule shall have effect subject to following modifications.

(2) Paragraph 3 shall have effect as if for paragraph (b) and the "and" immediately preceding it there were substituted—

"(aa) a grant-maintained school, as defined by section 183(1) of the Education Act 1996,

(ab) a grant-maintained special school, as defined by section 337(4) of that Act, and

(b) a special school, as defined by section 6(2) of that Act, which is neither a maintained special school, as defined by section 337(3) of that Act, nor a grant-maintained special school."

(3) Paragraph 4(b)(i) shall have effect as if for the words from "foundation", in the first place where it occurs, to "1998)" there were substituted "or grant-maintained school".—*[Mr. Hoon.]*

*Brought up, read the First and Second time, and added to the Bill.*

## Schedule 1

THE DATA PROTECTION PRINCIPLES

*Amendments made:* No. 51, in page 47, line 13, after 'where' insert 'at that time'.

No. 52, in page 47, line 15, leave out

'information contained in the data is'

and insert 'data are'.

No. 53, in page 47, line 16, leave out

'information contained in the data is'

and insert 'data are'.—*[Mr. George Howarth.]*

**Mr. David Atkinson** (Bournemouth, East): I beg to move amendment No. 14, in page 48, line 40, at end insert—

'9A. The data controller must take reasonable steps to ensure that any computer system used in processing the personal data is capable of dealing accurately with dates later than 31st December 1999.'.

The amendment is a response to the situation facing many computer systems in Britain, and even more so world wide, on the failure to recognise the year 2000, which the Prime Minister has dubbed the millennium bug. It seeks to introduce a statutory obligation on data controllers to ensure that computer systems are millennium compliant, thus ensuring that the personal data that they contain are fully protected from any problems arising from the century date change and the year 2000 being a leap year. *[Laughter.]* I do not know why that is funny, but no doubt the Minister will enlighten me when he replies.

I hope that the House knows what I am talking about. This is an issue to which I have drawn attention and about which I have warned on several occasions since my initial question to the then Prime Minister in December 1995, following which I introduced an Adjournment debate and have since introduced two private Member's Bills on the issue.

**Mr. White:** The hon. Gentleman will know that a number of dates in 1999, including 31 December 1999, may cause problems to certain computers. Why does not the amendment cover all the problem rather than just part of it?

**Mr. Atkinson:** The hon. Gentleman is obviously an expert on the issue, so he will know that for computer systems to be millennium compliant they will also take account of the problems anticipated before the turn of the century.

The office of the Data Protection Registrar has produced a two-page paper entitled "The Millennium Bomb" which states that there are two problems whenever a two-digit year, represented as 99, changes to 00. It says that personal data may be interpreted as relating to 1900 rather than 2000—that is, the date is out by 100 years—and that the year 2000 is a leap year which is not usually the case for a centenary year.

If computer systems are not millennium compliant, a number of basic data protection issues emerge. Inaccurate personal data may be processed. Obviously, therefore, the provisions of the Bill that relate to accuracy—the fourth principle—and those relating to compensation for damage caused through the use of inaccurate personal data, come into play. There may be unfair processing. If the processing is date dependent—for example, age-dependent calculations—it may give inaccurate results and lead to the deletion of personal data before the planned retention time has expired.

Such eventualities would appear to breach the first principle in the Bill—providing for personal data to be processed fairly. It can result in the irretrievable loss of data, destroyed prematurely, as well as circumstances in which personal data are lost temporarily—for example, personal data that are unavailable for processing while the problem is being fixed. That appears to breach the seventh principle, relating to the loss, destruction of or damage to personal data.

Many more concerns were drawn to the attention of the Science and Technology Select Committee during its investigation of this issue, on which it reported to the House on 7 April. The report was called, "The Year 2000—Computer Compliance".

The Minister may argue that my amendment is unnecessary.

**Mr. Hoon:** Very good.

**Mr. Atkinson:** It appears that I have anticipated the Minister. He may argue that because the seventh principle requires:

"Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data."

I hope that he does not use that defence, which would be an inadequate response to a unique issue relating to computer systems and the data that they process and the protection of that data for which the Bill provides. Nor would it reflect the Government's clear warnings that the problem is serious and must be addressed if we are to avoid serious difficulties.

As the need for computer systems to be millennium compliant is so obvious and serious, it should be mentioned in as many words in the legislation. That is why I propose a new paragraph in schedule 1 which states:

"The data controller must take reasonable steps to ensure that any computer system used in processing the personal data is capable of dealing accurately with dates later than 31st December 1999."

I hope that the Government will have the foresight to accept my amendment.

9.15 pm

**Mr. Hoon:** The amendment raises an issue of great topicality. The House is grateful to the hon. Member for Bournemouth, East (Mr. Atkinson) for allowing us to have this brief debate on the data protection implications of the year 2000 problem. He is worried that there may be a risk to personal data processed in computer systems that have not been not programmed to cope properly with the change of date at the end of the millennium. If the problem is as serious as he warns, there could be a risk of corruption of data held on computer systems.

The hon. Gentleman invites the House to amend the Bill expressly to deal with that risk. As he anticipated, however, the Government do not believe that such an amendment is appropriate. We believe that the seventh data protection principle and paragraph 9 of part II of schedule 1, already make adequate provision. They ensure that the data controller must take appropriate technical and organisational measures to ensure the required level of security. The requisite level has to be appropriate to the harm that might result from, among other things, accidental loss or destruction of, or damage to, personal data. That appears to cover the entire range of eventualities that might occur to personal data as a consequence of some failure of a computer system because of the year 2000 problem.

Problems of this sort could presumably occur for reasons other than the ending of the millennium. The formulation in paragraph 9 is intended to cover the unfortunate consequences that might occur from any failure of a computer system, whether or not it occurs as a consequence of the year 2000 problem. In the light of what I have said, I hope that the hon. Gentleman will agree that his amendment is unnecessary and will feel able to withdraw it.

**Mr. David Atkinson:** I am disappointed that the Government have not recognised the value of my amendment and surprised at the flippant way in which the Minister responded. I am surprised because of the prominence that the Government are trying to give the issue, especially since the Prime Minister's speech on 30 March warning of the consequences to the nation if we do not get it right. I am especially surprised because the Minister has been aware of the issue for longer than any other Minister because he was Labour's spokesman on it before Labour became the Government on 1 May last year.

If computer systems are not millennium compliant, there will be problems. The privacy of information contained in computer systems will be at risk if they crash because they are not millennium compliant. That is something which few people realise. It appears from what the Minister has said that he and the Government have not yet grasped the issue with the seriousness that it deserves.

By ignoring the opportunity that my amendment provides, the Government have missed a valuable opportunity. They are showing amazing complacency on the issue. I appreciate that my amendment was tabled only early this week, so perhaps Ministers have not given serious thought to this aspect of the Bill. I hope that the Government will give my proposal further thought in the other place.

I clearly have not persuaded the Government, but I hope that they will give it further thought. I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Amendment made:* No. 54, in page 48, line 42, leave out 'staff' and insert 'employees'.—*[Mr. Hoon.]*

**Schedule 3**

CONDITIONS RELEVANT FOR PURPOSES OF THE FIRST PRINCIPLE: PROCESSING OF SENSITIVE PERSONAL DATA

**Mr. Greenway:** I beg to move amendment No. 10, in page 51, line 7, at end insert—

'4A. The information contained in the personal data has been obtained by the canvassing of data subjects by registered political parties.'.

It may come as a surprise to you, Mr. Deputy Speaker, to learn that the Bill would make the processing of personal data obtained from political canvassing illegal. There are some of us who think that if all political canvassing were banned, it would save us an awful lot of toil and sweat at election time, but in reality—the Under-Secretary and I have discussed the matter—we appreciate and recognise that it is important that the problem that the Bill presents is tackled.

I am grateful to my right hon. Friend the Member for North-West Cambridgeshire (Sir B. Mawhinney), who first drew attention to the matter when we were considering our response to the Bill. As a former chairman of the Conservative party, he understands and appreciates the importance of electoral law and of ensuring that the data protection legislation does not unnecessarily restrict or prohibit proper canvassing of political opinion by political parties.

When we discussed the matter in Committee, the Minister acknowledged that there was a problem, and agreed to do something about it. We have two choices. Our preferred route is to put something in the Bill, and to do it now. That is what amendment No. 10 would do. It is entirely in keeping with the other provisions in schedule 3. That would leave the matter beyond doubt. The alternative is to do what the Minister said that he would do in Committee—use one of the Secretary of State's order-making powers within the Bill to exempt the processing of data from political canvassing.

The problem that the House must ask the Minister to address tonight—it is a serious point—is whether any order-making power will be introduced after the Bill receives Royal Assent and while the transitional provisions that introduce the various clauses that give rise to the difficulty are in force. In other words, if we take the order-making power route, can we be certain that there will not be a period during which processing of data obtained from political canvassing will be illegal? It is a straight question that we ask the Minister. I think that I know what his preference is, but he understands that this

*[Mr. Greenway]*

is a serious problem. It would have been wrong of us not to draw the House's attention to the problem. It is all very well discussing a matter such as this in Committee, but, unless it is debated on the Floor of the House, colleagues might not be aware of how serious the problem is.

I ask the Minister, in all fairness, whether he can give us a categorical assurance that the provisions relating to sensitive data, such as political opinions, membership of trade unions, religious beliefs and so on, to the processing of which people must give explicit consent—clearly, we cannot take an answer to the question "How are you going to vote?" as explicit consent—will not come into force until the Government introduce an order to tackle that serious problem.

**Mr. George Howarth:** The hon. Gentleman raises an important subject. It is not a partisan issue, but one of which all of us in the House have an understanding and in which all of us have a vested interest. We have to get the process right if we are to be able to conduct our politics properly in future.

Article 8 of the directive requires member states to establish a special regime for the processing of what the directive defines as sensitive personal data, which includes information about an individual's political opinion. If the hon. Gentleman will forgive me, I shall not deal in any detail with the amendment, because he has referred to the approach that we undertook in Committee to adopt and it would be as well if I were to give him some idea of how we intend to proceed on that basis.

The Government's preferred option, as the hon. Gentleman rightly acknowledged, is to deal with the matter through subordinate legislation. Paragraph 10 of schedule 3 permits the Secretary of State to make an order specifying further circumstances in which sensitive personal data may be processed. When the matter was debated in Committee, my hon. Friend the Parliamentary Secretary, Lord Chancellor's Department explained that the Government intended to make an order under that provision that would allow the processing of political opinions data collected for canvassing purposes. I repeat that undertaking today.

As I said, the amendment is not a party political issue, but one which affects all Members of the House, and the Government expect to approach the matter on a cross-party basis when bringing forward the necessary order. In response to the hon. Gentleman's specific question, I cannot say when we shall be in a position to introduce the order; however, preliminary work has been started and we hope to make swift progress. I can assure him that the restrictions on the processing of sensitive data set by the Bill will not be brought into force until the order is ready. In view of that undertaking, I hope that the hon. Gentleman will feel comfortable in withdrawing his amendment.

**Mr. Greenway:** We should have liked a date, but the Minister has given me the assurance that I sought. The whole House will be gratified to learn that we can go trundling up and down the streets, canvassing our constituents. I suppose that I should ask the Minister whether what he promises will happen before the European elections, but I wonder how much canvassing will be done, given that no one will have a clue whom they are voting for—but that is another story. We are grateful to the Minister and, in that spirit, I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

## Schedule 7

MISCELLANEOUS EXEMPTIONS

*Amendments made:* No. 55, in page 60, leave out lines 13 to 19.

No. 56, in page 60, line 26, leave out 'if' and insert 'to the extent that'.—*[Mr. Robert Ainsworth.]*

## Schedule 8

TRANSITIONAL RELIEF

*Amendments made:* No. 57, in page 61, line 22, leave out 'sections 7 and' and insert

'section 7 (as it has effect subject to section 8) and section'.

No. 58, in page 61, line 26, leave out 'as' and insert 'relevant'.

No. 59, in page 61, line 31, leave out from beginning to '12A' and insert 'sections 7 and'.

No. 60, in page 61, line 33, leave out 'section 9' and insert 'sections 8 and 9)'.

No. 80, in page 63, line 45, leave out from beginning to end of line 2 on page 64.

No. 81, in page 65, line 9, at end insert—

'PART V

EXEMPTION FROM SECTION 22

. Processing which was already under way immediately before 24th October 1998 is not assessable processing for the purposes of section 22.'—*[Mr. Robert Ainsworth.]*

**Mr. Cohen:** I beg to move amendment No. 7, in page 65, line 9, at end add—

'PART V

CHANGE TO THE DEFINITION OF RELEVANT FILING SYSTEM AFTER 23RD OCTOBER 2007.

20. The definition of relevant filing system in section 1(1) of this Act shall be modified so that the definition ends after the third occurrence of the word 'individuals'.

21. Paragraph 20 shall have effect after 23rd October 2007.'.

My amendment is about structured manual files, on which there was an important debate in the other place. Such files will not be subject to the new law, so the Bill will allow organisations such as the Economic League to flourish.

The problem relates entirely to the private sector; there will be no problem in the public sector, because the freedom of information legislation will provide access for every individual to manual files, barring personal data. The human rights legislation, too, will minimise the files and personal information held by public bodies if they invade privacy.

9.30 pm

In a briefing note on manual records dated 29 January, available on her website, the Data Protection Registrar said that if the Government's approach to structured manual records was

"the correct interpretation of the Directive, it is hard to see how it makes practical sense".

It seems that that advice has been ignored.

In another place, Lord Williams of Mostyn, the Under-Secretary, said about the relevant filing systems:

"We do not wish the definition to apply to miscellaneous collections of paper about individuals, even if the collections are assembled in a file with the individual's name . . . on the front".—[*Official Report, House of Lords*, 16 March 1998; Vol. 587, c. 467.]

There will therefore be a legal reason for some unscrupulous private sector bodies to evade all data protection control.

For example, a private sector organisation such as the Economic League, which kept dossiers on trade union members for the purposes of blacklisting them, will be allowed to keep whatever information it likes, however inaccurate or irrelevant it is, and to disclose it to whomever it likes, so long as it keeps the information on paper and in date order. Similarly, that aspect of the Bill is a godsend to private investigators, allowing them to indulge in covert surveillance of individuals, and will encourage the use of enforced subject access. They, too, will be able to evade all data protection controls.

The lack of data protection controls means that individuals will have no rights, and there will be unlimited disclosure to anybody of secret dossiers and files of irrelevant or inaccurate information, which may be kept for ever. In short, organisations such as the Economic League, and private investigators, will enjoy the same level of total exemption as MI5, MI6 and GCHQ. It is hard to believe that that is what Ministers really intend.

The Government have produced a convoluted definition of a relevant filing system, because they are worried about the costs to the private sector. My amendment is a compromise, telling the private sector that it has nine years to bring all personal files into the ambit of data protection controls. At least after that time, malicious or unfair use of personal data kept on manual files would cease.

**Mr. Hoon:** I am grateful to my hon. Friend for explaining the purpose of his amendment. I hope that I shall be able to reassure him about the specific examples that he has given. As hon. Members will be aware, the Data Protection Act 1984 does not apply to manual records; it is concerned only with the automated processing of personal data. However, the 1995 directive, to which the Bill gives effect, requires member states to apply their data protection laws to certain manual records. Article 2 of the directive attempts a definition of the manual records that it intends to cover. That definition is accompanied by a more detailed commentary in recitals 15 and 27.

The definition of a "relevant filing system" in clause 1(1) is based on those provisions of the directive. The Government's purpose has been to cover all the manual records that the directive requires member states to cover, but to go no further than the directive requires. The purpose of the directive is to bring within the scope of data protection law the manual records that lend themselves to easy manipulation of the information contained in them, as computerised records do.

The Government support that approach. The greatest risk of infringement of privacy comes from manual records held in such a way that specific information about particular individuals can be easily identified and extracted. I hope that my hon. Friend will accept that his example of a card index held, say, by the Economic League, would be covered by the Bill, because with each card there would be the possibility of identifying information about a particular individual. Such a system would be included under the Bill.

To that extent, I hope that my hon. Friend will be satisfied that the Government have had regard to his concerns. Where manual records are not structured in such a way as to permit the easy manipulation of specific information, the risk of infringement of privacy is much less. The directive does not require data protection law to be applied to such records; nor does the Bill.

My hon. Friend's amendment would extend the application of the Bill to such records; the Government do not believe that necessary or desirable. To do so would be to impose additional burdens on business and others who use manual records in circumstances in which there is little or no threat to privacy. It would put UK data controllers at a competitive disadvantage.

I agree that the amendment would not come into force until 23 October 2007, but deferring implementation does not necessarily remove the difficulties of substance that I have identified.

I must tell my hon. Friend that the Government cannot accept the amendment. I hope that, given my assurances, my hon. Friend will feel able to withdraw it.

**Mr. Cohen:** I accept the Minister's assurances and beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

## Schedule 11

ACCESSIBLE PUBLIC RECORDS

*Amendment made:* No. 61, in page 68, line 45, after 'is' insert 'a record of'.—*[Mr. Robert Ainsworth.]*

## Schedule 12

MODIFICATIONS OF ACT HAVING EFFECT BEFORE 24 OCTOBER 2007

*Amendments made:* No. 62, in page 71, line 47, after '3' insert 'or 4'.

No. 63, in page 72, leave out line 9.

No. 64, in page 72, leave out lines 11 to 13 and insert—

'(a) in subsection (2) after "section 12" there is inserted—

"(dd) section 12A,", and

(b) in subsection (4) after "12(8)" there is inserted ", 12A(3)",'.

No. 65, in page 72, line 14, leave out 'section 14' and insert 'section 14(1) to (3)'.

No. 66, in page 72, line 14, leave out 'and 14' and insert 'and 14(1) to (3)'.

No. 67, in page 72, line 14, at end insert—

'4A. In section 53(1) after "12(8)" there is inserted ", 12A(3)",'.—*[Mr. Robert Ainsworth.]*

**Schedule 13**

TRANSITIONAL PROVISIONS AND SAVINGS

*Amendments made:* No. 82, in page 73, leave out lines 20 to 23.

No. 68, in page 74, line 47, at end insert—

'. Subsection (4)(b) of section 40 does not apply where the rectification, blocking, erasure or destruction occurred before the commencement of that section.'.—*[Mr. Robert Ainsworth.]*

**Schedule 14**

MINOR AND CONSEQUENTIAL AMENDMENTS

*Amendment made:* No. 69, in page 77, leave out lines 34 to 36 and insert—

'10. Schedule 2 to the Education (Student Loans) Act 1990 (loans for students) so far as that Schedule continues in force shall have effect as if the reference in paragraph 4(2) to the Data Protection Act 1984 were a reference to this Act.'.—*[Mr. Robert Ainsworth.]*

*Order for Third Reading read.—[Queen's Consent and Prince of Wales's Consent signified.]*

**The Secretary of State for Health (Mr. Frank Dobson):** Hear, hear.

9.36 pm

**Mr. George Howarth:** I beg to move, That the Bill be now read the Third time.

I congratulate my right hon. Friend the Secretary of State for Health on the important role he has played in the passage of the Bill. His presence was not felt in Committee or on Second Reading, but between Report and Third Reading he made a significant contribution.

**Mr. Greenway:** Yes, but does he understand the Gaskin amendment?

**Mr. Howarth:** My right hon. Friend's stalwart work on the health service shows that he has the wisdom of Solomon—so I am sure that he does.

The House knows that the principal purpose of the Bill is to give effect to the 1995 EC data protection directive, which has the worthy aim of improving the single market by establishing a common standard of protection of the highest order for individuals. But it is not always an easy instrument to make sense of; the subject matter with which it deals is technical and complex—those who sat through the Committee can only assent to that.

The Government have always had in mind as a target date for implementation 24 October of this year—the date by which the directive requires member states to have implemented its provisions. If, as the Government hope, the Bill reaches the statute book before the summer recess, we shall have made good progress towards meeting that target.

The passage of the Bill is not the end of the matter, however. The Bill provides for a large amount of subordinate legislation. Some of its powers have been put in place at a fairly late stage of the Bill's progress through Parliament; many of them will need to be in place before the new data protection regime will work. We have made a start on that work at the same time as the Bill has been progressing through Parliament so as to minimise the interval between Royal Assent and commencement. Some progress has been made, but we are not as far forward as we would have wished. With just over three months to go to the due implementation date, a great deal of work on subordinate legislation still needs to be done.

The Government have a choice. We could rush forward in an attempt to meet the target date, which would mean no public consultation, even on important matters, and little or no opportunity for those affected to make the necessary changes to their systems.

**Mr. Soley:** During the consultation period, will it be made clear to the public that they can complain about inaccurate material that appears in the press; that they have a right to see those files, subject to the conditions in the Bill; and that the press has a duty to correct inaccurate information that it holds on people in its files? It is important not only that the public know that, but that editors and owners know it.

**Mr. Howarth:** I am grateful to my hon. Friend for those comments. I can confirm that we debated the matter at length and that we attach great importance to the arrangements that have been drawn up. I know that my hon. Friend has a long and distinguished history of raising such concerns.

There is no guarantee that we would be able to meet the 24 October implementation deadline. The alternative approach, which the Government strongly prefer, is to proceed in a more considered way, carrying out public consultation, as appropriate, and allowing reasonable periods for those affected to prepare for the new regime. That means, of course, that the 24 October implementation date would no longer be a realistic target. Although that is regrettable, the Government believe that it is undesirable to rush through the next phase, at the risk of giving imperfect consideration to important matters, and possibly producing a defective regime.

We may miss the target by a short period, but, in the Government's view, it is more important that the Bill should be properly implemented. From information available to us, it seems that a number of European partners are unlikely to meet the 24 October target, and some major countries are likely to be well behind us.

I hope that there is as much understanding on that point as has been shown in all our debates on the substance of the Bill. On Second Reading the right hon. Member for North–West Cambridgeshire (Sir B. Mawhinney) agreed with my right hon. Friend the Secretary of State that the best way of taking forward the work of the Bill would be in a non-partisan manner. For the most part, that has been the central feature of the Bill. The Government welcome the positive and helpful spirit that representatives of all parties have contributed to our debates. I pay a particular compliment to the hon. Member for Ryedale (Mr. Greenway), who throughout has been constructive in his approach. That applies also to my hon. Friends.

I am sure that the detailed consideration and attention given to the Bill and the amendments that have been made mean that it is in good shape as it returns to the other place. I commend the Bill to the House.

9.42 pm

**Mr. Greenway:** I am grateful to the Minister for his remarks. The Bill takes the issue of data protection considerably further than the Data Protection Act 1984.

It is a complex Bill, but, as the hon. Gentleman said, we have dealt with it in a co-operative spirit, as the Second Reading debate promised.

I thank my hon. Friends the Members for Esher and Walton (Mr. Taylor), for Poole (Mr. Syms) and for Cheadle (Mr. Day) for their help and support in the Standing Committee, and my right hon. Friend the Member for North–West Cambridgeshire (Sir B. Mawhinney), who was a great source of help and encouragement to me in preparing for the Committee stage.

I shall now introduce a less co-operative note. It ought to be a matter of concern that, notwithstanding the complex nature of the legislation, both in Committee and on the Floor of the House tonight we have dealt with an extremely large number of amendments—well in excess of 200. This evening, we agreed no fewer than 74 amendments to the Bill, which has only 75 clauses.

The Minister says that a delay in implementation is likely. The Bill will give rise to a huge amount of subordinate legislation, which will undoubtedly have an even greater impact on organisations and individuals than some of the structural legislation that it contains. Given the choice of rushing to meet the implementation date set out in the Bill or doing it properly, I would have taken the same decision as the hon. Gentleman. I think that it should be done properly because this measure will have far-reaching implications for every commercial and voluntary organisation in this country. That is why it was so important to conduct detailed scrutiny of the Bill. I believe that that will be necessary also when the subordinate legislation comes forward. Time will tell whether everything works as intended and complies with the directive in every respect.

I have two more points. We have dealt with the first satisfactorily, but I still have concerns about the second. When the Bill came from the other place, two issues had caused the Lords concern. The first involved the then clause 28, now clause 29, and the exemption that we discussed earlier in relation to crime, taxation and Government Departments. The Government have dealt entirely adequately with the issue raised in another place when an important subsection was deleted, and we supported in Committee the inclusion of new clause 29(4).

The second issue of concern involved the then clause 31, which is now clause 32. That clause is unamended, so it will be difficult to amend it in another place. Notwithstanding that fact, we place on the record our lingering concern that the scheme in that clause, which deals with the important issue of journalistic, literary and artistic purposes and seeks to balance press freedom with individuals' freedom—the House debated that issue at some length during consideration of the Human Rights Bill—will not do what the Government expect it to. Time will tell who is right.

We had this debate in Standing Committee—I see the Minister nodding. When proceedings are stayed so that individuals may seek to obtain information, rectify inaccurate data or block processing and they come up against an organisation that claims exemption for journalistic, literary or artistic purposes, it is clear that proceedings will be stayed pending a determination by the commissioner and subsequently, on appeal, by the tribunal. However, the Bill does not say that publication will necessarily be allowed to continue. My impression is that that will happen in the majority of cases, and that is the spirit in which both sides have proceeded both in Committee and on the Floor of the House and during our earlier consideration of the Human Rights Bill.

I believe—this is very much a personal view—that, given the scope of the exemption in clause 32, some people may seek to abuse the provisions of that clause by claiming that they are processing data because they wish to publish something that they believe to be in the public interest. That will be true in the majority of cases, but some people will seek to abuse that position. That will prompt lawyers to challenge whether the legislation says that publication must be allowed to go ahead pending determination of the concern. At that point, the Government will need to sit up and think whether they have dealt with the problem as adequately as they think they have. We could have improved that provision by amending it, but we failed to persuade the Minister of the case for so doing. I have a feeling that we shall return to the issue, perhaps in several years, and it is on the record that I am not satisfied.

Apart from that, we have done a pretty good job of scrutinising the Bill, and I hope that those who take the trouble to read the report of our debates will find it helpful in understanding the Bill's provisions.

9.48 pm

**Mr. Cohen:** I have presented four data protection Bills to the House, and I congratulate the Government on presenting this Bill. However, I was not selected by the Whips to serve on the Standing Committee that considered the Bill because, obviously, there was great interest from other Labour Members.

The Government have made a worthy attempt to improve data protection and to implement the European directive, although they have not been altogether successful in some aspects. Recital 10 of the directive requires that

"'approximation' of the laws of the Member States 'must not result in any lessening of the protection they afford but must, on the contrary, seek to ensure a high level of protection in the Community'."

A lot of the Bill achieves that higher level of protection, but several aspects fail that test. The Government have been unduly influenced—and, I think, misinformed—about the possible costs of implementing data protection in relation to the directive. In her briefing note on the Bill, the Data Protection Registrar says, in respect of the £1,892 million estimated costs, that she

"cannot see why data controllers should have to incur increases in compliance costs of this kind".

I think that a false figure has been put out.

Time is short and I do not want to delay the House, so I shall run through a few items to signal where I think that there may be problems and a lessening in rights. I have already referred to the relevant filing system. On enforced subject access, the Bill provides less protection than the Police Act 1997 in respect of employers obtaining criminal conviction certificates, and they will be able to see spent and unspent convictions, bindings over and cautions against would-be employees under enforced subject access, until it is got rid of.

On sensitive personal data, the Bill has worrying aspects. Genetic data should have been regarded as sensitive, and the confidentiality of medical records is a concern. Aspects of the Bill effectively allow for the

*[Mr. Cohen]*

increasing of data processing without the patient's consent, and some of those contradict what the General Medical Council recommends. I am concerned that protection for patients, especially that associated with their consent, is not going according to what the GMC advises. Ministers should give some thought to an explanation of why they have moved away from the GMC, at least in that respect.

The second data protection principle is weakened by being linked to a notification procedure. That was not required under the directive, and I do not know why the Government weakened that area, but I am concerned most about the exemptions. The scope of a number of exemptions has been widened, or new exemptions have been introduced. No explanation has been given, and there should have been an explanation if the current law had created any problems. It did not seem to be creating problems, so I do not know why those new exemptions have been introduced.

There are powers in the Bill for data controllers to delay the giving of information. That proposal will not be in the freedom of information Bill, but it will be in this Bill, and it will cost a lot of money.

The Data Protection Registrar has expressed concern about clause 59, which has been described as a "gagging clause", preventing staff from discussing cases of interest with the press. I have outlined some of the aspects of the Bill which I fear will result in a reduction in the rights of data subjects. I suspect that, in future, the European Commission may require the United Kingdom to modify the legislation to deal with some of the problems that I have mentioned.

*Question put and agreed to.*

*Bill read the Third time, and passed, with amendments.*

## NON-SITTING FRIDAYS

*Ordered,*

That the Order of 19th May 1997 relating to Non-sitting Fridays be amended by leaving out 'and 10th July'.—*[Mr. Robert Ainsworth.]*

## Emergency Contraception

*Motion made, and Question proposed,* That this House do now adjourn.—*[Mr. Robert Ainsworth.]*

9.55 pm

**Dr. Jenny Tonge** (Richmond Park): I should like to think of this Adjournment debate as my contribution to the 50th anniversary of the national health service.

Before I became a Member of Parliament, I was a family planning doctor and general practitioner for many years, and I saw hundreds of examples of young women who needed emergency contraception and could not obtain it. In many cases, that led to unwanted babies or abortions. The problem lies in the fact that appointments have to be made with GPs and it often takes two or three days before one can see them. Casualty departments are overcrowded and, in any case, are not appropriate places to discuss such matters. Moreover, there are fewer family planning clinics than there used to be, and women often have to wait until after the weekend before they can go to one. Thus, women often cannot get emergency contraception within the prescribed 72 hours unless they are very brave and persistent. Young teenagers, in particular, are terribly afraid of making a fuss.

I must state at the outset that I regret the fact that there is so much sexual activity among young teenagers. Many factors are to blame, as I am sure the Minister realises. The fact that unwanted pregnancies and abortion rates are highest in areas of social deprivation will not have escaped her notice, and I know that she is already addressing the problem of sex education by trying to improve matters in schools and to increase personal responsibility among young people. I commend her for those much-needed efforts.

Emergency contraception is not meant to be a substitute for either sex education or regular contraception. They must go hand in hand. However, it is a practical way in which to deal with the world as it is, and its wider use would prevent the high rate of abortion among young women, which must be our main priority. This country has the highest teenage pregnancy rate in Europe. Out of every 1,000 women under the age of 16, 8.5 get pregnant, and in the 16 to 19 age group, between 58 and 59 out of every 1,000 get pregnant. It simply will not do. Half to a third of those pregnancies end in abortion.

The problem is not limited to teenagers. Many older women who are otherwise quite responsible about their sexual lives and their relationships have contraceptive accidents and need better access to emergency contraception.

There are two forms of emergency contraception. The fitting of an intra-uterine contraceptive device, commonly known as a coil, must be done within five days. I do not intend to go into that this evening because the device must be fitted by a properly trained doctor in a clinic.

I want to concentrate on the emergency contraceptive pill. It is a dose of oestrogen and progesterone female sex hormones, which have been used since the 1950s. Indeed, in the 1960s, when I was on the pill, I took the equivalent dose of the emergency contraceptive pill every day—21 days out of 28—and so did many women of my generation.

Emergency contraception is a dose repeated once, after 12 hours, and it prevents pregnancy in about 90 per cent. of episodes. In most cases, its effect is to prevent the

release of the egg from the ovary. It is important for people to know that. If it is taken later in the menstrual cycle, it will prevent implantation in the wall of the uterus of the fertilised egg. It has the same effect as a coil or an intra-uterine device. It is not an abortion in any shape or form. I repeat that point: emergency contraception cannot be used to cause an abortion.

*It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.*

*Motion made, and Question proposed,* That this House do now adjourn.—*[Janet Anderson.]*

**Dr. Tonge:** Emergency contraception cannot be used to cause an abortion. If a woman is already pregnant, emergency contraception does not work. Abortion occurs after implantation, and the emergency contraceptive pill intervenes before that stage.

Recently, the *Daily Mail* ran an article claiming that I and my supporters were promoting abortion over the counter. The journalist who wrote that article should be thoroughly ashamed. We are trying to prevent unwanted pregnancies and abortions. Such misleading, inaccurate and unbalanced reporting will harm the very people who need most help. The press are ready to condemn single parents and unmarried mothers, and when people try to do something about the problem, they condemn them, too. Over the years, the press has been responsible for pill scares, which have caused many unwanted pregnancies and abortions. They have put women off taking the birth control pill, and now they are trying to put them off emergency contraception.

I shall deal with some of the issues. The fear of thrombosis is often mentioned. Sixty in 100,000 women who become pregnant will get a deep-vein thrombosis. It is a little-known fact that pregnancy is quite a dangerous condition. In my pill-taking days, when women were taking the higher dose of pill, the rate of thrombosis was 30 in 100,000. With the new pills used today, the risk is even lower: 15 to 30 in 100,000. In the past 10 years, with the use of the emergency contraceptive pill, there have been very few cases of thrombosis. The levels are similar to those of the general population who are neither pregnant nor taking the pill: about 5 in 100,000. It is not a risk.

A one-off high dose of oestrogen and progesterone carries no contra-indications, except if there is an active attack of migraine—anyone knows when that is happening. That is caused by dilation of the cerebral arteries and may be affected by oestrogen.

Suspected pregnancy is a contra-indication simply because the method does not work after implantation of the fertilised egg. As I said, it will not cause an abortion. Experience in the past 40 years has shown that the use of the ordinary contraceptive pill does not have any adverse effects on a baby, even if the mother continues to take the pill while she is pregnant.

A large dose of the same hormone—such as a young woman taking it two or three times in one month—would disrupt the menstrual cycle, but would not have any other effect. Indeed, if a baby swallows a whole packet of contraceptive pills—four or five times the dose of the emergency contraception—the mother is told that it may make her baby very sick, but that, apart from dealing with that, she need take no action.

The emergency contraceptive pill is safer than aspirin, paracetamol, many of the caffeine products that are available as pep pills and many drugs that are currently on sale in supermarkets and petrol stations. Indeed, one can buy contraception in the form of condoms at petrol stations, but, if a condom breaks or the method goes wrong, one cannot get a remedy anywhere in the time scale about which I am talking. I know that this is controversial, but I believe that emergency contraception available over the counter from properly trained pharmacists could prevent an abuse of the method.

**Dr. Evan Harris** (Oxford, West and Abingdon): In this country, we spend much time and money in training pharmacists, only to lock them away in the back of chemists' shops. Does my hon. Friend agree that advice on emergency contraception is an example of how we could use the professionalism and expertise of pharmacists—properly remunerated, I should add—to take the load off national health service clinics and casualty departments, as she suggests?

**Dr. Tonge:** I thank my hon. Friend for that intervention, with which I whole-heartedly agree. Pharmacists often know much more than many general practitioners about drugs and their interactions. Indeed, I have often seen pharmacists save a difficult situation by correcting a prescription. So, yes, I would welcome greater use of pharmacists.

If the emergency contraceptive pill were made available over the counter, women would have to pay for it, which I believe would, in some cases, be a positive factor. Teenagers, particularly young teenagers, would be reluctant to pay for the pills again when they found out that they could get them free from a clinic, nurse or GP. That would have the added advantage of ensuring that very young people would, on the subsequent times that they needed this method, receive adequate counselling about their sexual behaviour, contraceptive needs and sexual health, which is what we all want. However, I appreciate that that may not be possible immediately.

A pilot scheme operating in Washington state allows for emergency contraception to be available on prescription. Under a protocol agreed by local doctors, local nurses and pharmacists may dispense the emergency contraceptive pill—they are, of course, trained to ask the right questions. The scheme has recently received the blessing of the only company in the United Kingdom that currently makes a packaged form of emergency contraception—Schering Pharmaceuticals—so there would be no difficulty in making emergency contraception available, especially in the light of the Crown review of the prescription, supply and administration of medicines.

The proposals that I have outlined would not make young women more vulnerable. Young women are most vulnerable when they have no one to turn to. They become scared and then they do nothing—they become yet another unwanted pregnancy or abortion statistic. If emergency contraception were made more widely available from nurses and pharmacists under a protocol, young women would have people to turn to at very short notice.

The Minister is committed to reducing the number of teenage pregnancies. I believe that my proposals, combined with her commendable efforts on sex education

*[Dr. Tonge]*

for young people, would go a long way towards that commitment. I apologise for this list, but my colleagues in the House and in the medical profession, and I are backed by the British Medical Association, the Royal College of Obstetricians and Gynaecologists, the Royal College of Nursing, the Royal Pharmaceutical Society, the Family Planning Association—to which I owe a great debt, as it trained me in this field and it was one of the original organisations to promote family planning—and especially the Birth Control Trust, which I thank very much for its work on this matter. We all want to know how the Government intend to proceed.

10.8 pm

**The Minister for Public Health (Ms Tessa Jowell):** I thank the hon. Member for Richmond Park (Dr. Tonge) for raising this important issue. I pay tribute to her, and to other hon. Members who have worked so hard—particularly in recent weeks—to focus public attention on it. The question of ease of access to emergency contraception is an essential part of broader family planning provision.

The hon. Lady made very clear the case for accessible emergency contraception. Emergency contraception is precisely that: contraception to be used in an emergency, possibly when the regular form of contraception fails. As the hon. Lady rightly said, without it many women may live in fear of an unwanted pregnancy, and may be forced into seeking an abortion. Abortion is, of course, a last resort, but too many women in Britain today resort to it because contraception has failed. In 1997, 170,000 abortions were carried out, the majority for women in their 20s.

Let us look briefly at the facts about emergency contraception. It is provided free as part of national health service comprehensive family planning services. Although we are talking about a pill on this occasion, it is important to remember—as the hon. Lady pointed out—that emergency contraception is available in two forms, the copper intra-uterine device and hormonal emergency contraception.

Hormonal emergency contraception, on which I want to concentrate, was first licensed in the United Kingdom in 1984. It is effective for up to 72 hours after unprotected sex—a fact which I still do not think is lodged sufficiently in the minds of many women, especially young women. It prevents a fertilised egg from being implanted in the uterus, or, alternatively, suppresses ovulation. As the hon. Lady said, it is very effective: more than 95 per cent. of women who take emergency contraceptive pills do not become pregnant. However, it is intended to be used only occasionally, and is not a form of long-term birth control. As the hon. Lady said—I want to underline this—neither is it a form of abortion.

From the data that we have on prescription items, we know that more emergency contraception is being used. As I said in a parliamentary written answer to the hon. Lady, the number of prescription items increased from just under 400,000 in 1992–93 to well over 700,000 in 1996–97.

Emergency contraception is safe and effective, with few contra-indications. Safety and correct use will remain paramount, whatever changes are made in the future to ease accessibility. A study published today suggests that making emergency contraception more easily obtainable does no harm, that women are not more likely to use emergency contraception repeatedly and that the rate of unwanted pregnancies may be reduced.

The hon. Lady is interested in exploring further whether hormonal emergency contraception might be made more widely available through different routes. I think that we can do much more both to increase information for women and to improve access through existing services.

The current position is that emergency contraception is classified as a prescription-only medicine under both European Community and United Kingdom law. Medicines are so classified if they are likely to present a danger, either directly or indirectly, even when used correctly, if taken without medical supervision; or if they are frequently used incorrectly and, as a result, are likely to present a direct or indirect danger to human health.

**Dr. Tonge:** Does not the Minister accept, having listened to the experts and to what I said tonight, that the emergency contraceptive pill does not fit into either of those categories?

**Ms Jowell:** Those are the terms on which the emergency contraceptive pill is currently licensed. That judgment is made by the licensing authority. There is a well-established process for changing the legal classification from prescription-only to pharmacy availability.

The first stage is that the holder of the marketing authorisation, being satisfied of safety in use, proposes the change. My understanding is that only one company is licensed to produce the emergency contraceptive to which the hon. Lady referred. The proposal can come from other sources, and has on occasion come from professional bodies.

It is important to stress that third parties, whoever they may be, must still have detailed information on safety in use, and the manufacturer must be involved in producing patient information for medicine use in the absence of medical supervision.

The second hurdle is the assessment of the safety of a change in classification, which involves the assessment of available scientific and epidemiological evidence by the Medicines Control Agency; careful consideration of the medicine's risks and benefits; rigorous evaluation of the evidence on safety in use; and an evaluation of the direct danger of the medicine based on an assessment of the seriousness, severity or frequency of adverse reactions.

There is also an evaluation of any indirect danger to health; for example, wider public health issues, such as a possible increase in sexually transmitted diseases if increased use of the emergency pill leads to decreased reliance on barrier methods, must be considered.

The third stage is for the Committee on Safety of Medicines to consider every application for deregulation from prescription-only status to pharmacy availability. The committee examines again the evidence of safety in use in relation to criteria for prescription-only status and advises on the product's risks and benefits in the context of its proposed over-the-counter availability.

The penultimate stage is public consultation. If the committee is satisfied that the risks and benefits are acceptable, on the basis of the available evidence, a period

of public consultation follows. Consultation makes possible a wider debate on the social, ethical and moral aspects, as well as the scientific and broader public health issues. The responses are then considered by the Medicines Commission. Only after those four stages have been completed does the Medicines Commission advise Ministers on the proposal to amend the prescription-only medicines order. Ministers then make a decision. Emergency contraception is no exception to that process.

Another route, to which the hon. Lady alluded, is the supply and administration of medicines under group protocols. As she knows, the Crown review into the prescribing, supply and administration of medicines has been considering related issues. The full review is drawing towards a conclusion, and Ministers expect its second report in the summer. The first report, setting out recommendations for the supply and administration of medicines under group protocols, was published towards the end of April, and recommended that the majority of patients should continue to receive medicines on an individual basis, but that group protocols should be used in certain limited situations.

The provision of contraception as part of a comprehensive family planning service could be one such area. Highly qualified nurses are working in family planning, and some of them are currently working effectively under group protocols. I believe that the first report of the Crown review forms a solid basis for setting standards to develop good practice in that area of care. We wish to consider the implications carefully before consulting further on detailed proposals, and we hope to undertake consultation in the next few weeks.

The hon. Lady referred to the scheme being conducted in Washington state in the north-west of the United States of America. Pharmacists are participating in a pilot study in which a collaborative agreement between pharmacists and a prescribing clinician enables the pharmacists to provide the emergency contraceptive pill directly to women according to an agreed protocol. That is a new project in its early days of piloting, and I understand that it will be subject to proper evaluation. We certainly want to consider carefully the implications for the United Kingdom of that type of experiment.

I want to deal with some of the broader aspects. What I have said will make it clear to the hon. Lady that the immediate change is not in prospect. It is essential, however, to consider how we can make emergency contraception more accessible to women who need it. As the hon. Lady said, for the emergency contraceptive pill to be effective, it must be readily accessible within the 72-hour window of opportunity. It can be prescribed by any general practitioner who provides contraceptive services, and it is available at any family planning clinic, most genito-urinary medicine or sexual health clinics and some accident and emergency departments. Young people can also go to young person's clinics or Brook advisory centres. It is not acceptable for women to have difficulty making appointments with their GPs, to find family planning clinics closed or to be turned away from accident and emergency departments. Health authorities should ensure that that does not happen.

No matter how accessible the contraception is, the other side of the coin is information. People must be aware of what emergency contraception offers. Women need timely information about the accessibility of emergency contraception, and about how it works and when it should be taken. Raising awareness has been a key Government priority. The Department of Health recently funded an awareness-raising campaign by the Health Education Authority, which stressed that the emergency contraceptive pill can be taken up to 72 hours after unprotected sex, and that the other form of emergency contraception—the copper intra-uterine device—can be inserted after up to five days. I am heartened by much of the media coverage that has sought to dispel the myth of the morning-after pill. The hon. Lady referred to what she considered to be irresponsible reporting, but we need to recognise that the media can be important allies for us, particularly in getting the message across to vulnerable young women.

Just lately, some responsible reports referred to the 72-hour time interval, which remains insufficiently understood. More broadly, it is important to get across to as many women as possible further information about exactly how emergency contraception works.

The contraceptive education service run by the Family Planning Association, with Department of Health funding, has published a detailed leaflet for women and their partners on both forms of emergency contraception. As part of contraceptive awareness week, it has launched an information pack on emergency contraception for health promotion units. The service provides answers to questions from women and their partners across a wide range of contraceptive issues, including emergency contraception, and the CES helpline provides information on the location of family planning clinics.

In summary, therefore, whether or not we move in time to a greater accessibility by increasing the places from which women can obtain the emergency contraceptive pill, certain principles will continue to apply. First, safety and correct use will remain paramount. Secondly, women and their partners have the right to a confidentially provided service, and ways will need to be found to ensure that that is honoured, if the pattern of access changes. They also have the right to detailed advice and support in making decisions on their long-term contraception plans, so appropriate mechanisms for referral to a family planning doctor or nurse will need to be firmly in place. Information and accessibility are two key elements which we need to apply to making contraceptive advice more widely available.

The hon. Lady rightly referred to the Government's work on reducing teenage pregnancies. She will know better than most hon. Members that that is a highly complex issue, which cannot rely on one single remedy. It is important that the provision of contraception for young women who she, I and other hon. Members would agree have become sexually active before their time must be in the context of advice, support and counselling.

**Dr. Tonge:** Does the Minister agree that that young, vulnerable group of women are reluctant to seek help because they have to go to a GP in whom they may not have confidence, because he is known in the area, or to a local casualty department or a local family planning clinic, where they may be known and told off or castigated for what they have done?

**Ms Jowell:** In many cases, that is so, particularly where young women live in small communities. They are concerned that if they go to the doctor, they may be

*[Ms Jowell]*

spotted by their auntie or another member of their family in the waiting room. That is a deterrent. Although we recognise that many GPs handle the issue with great sensitivity and care, we need to reflect carefully on the particular needs of young women, in providing not just advice on contraception and sex but the opportunity to talk about sex and contraception in the context of relationships. Later this year, we shall introduce specific proposals for reducing teenage pregnancy, of which these proposals will form part.

*Question put and agreed to.*

*Adjourned accordingly at half-past Ten o'clock.*

# House of Commons

*Friday 3 July 1998*

*The House met at half-past Nine o'clock*

PRAYERS

[MADAM SPEAKER *in the Chair*]

## Child Support Agency

9.34 am

**Mr. Simon Burns** (West Chelmsford): Madam Speaker, may I raise a point of order on a matter which is causing grave concern and anger to the Opposition, and which, I suspect, in the light of previous statements you have made, will cause you considerable frustration? It is a matter of abuse of the House by the House not being told first of important changes in Government policy.

It is a well-known fact that the Government are hoping on Monday next week to make a statement to the House on changes to the Child Support Agency. It is also now a well-known fact that yesterday there was systematic briefing of journalists of what the Government proposed to say in their statement. That briefing has been reflected in this morning's newspapers, in all broadsheets, typified by the front page of *The Guardian*. Furthermore, there was some briefing of Sunday newspapers yesterday. There will be further briefings today of Sunday newspapers, and on Sunday, in the morning, the Secretary of State for Social Security will be taking part in a television programme, during which she will further be outlining the proposed changes to the CSA.

The House will not hear these changes until 3.30 pm on Monday at the earliest. You have often said, Madam Speaker, that you deprecate the House of Commons not being told of this sort of thing first. May I ask you what can be done to ensure that the House is not abused in this way, and that it is told first?

Furthermore, in the light of a number of statements that you have made, what can be done to stop the frustrating situation in which you voice deeply held views yet no one seems to take a blind bit of notice of what you are saying?

**Mr. Dennis Skinner** (Bolsover): Further to that point of order, Madam Speaker. As you know, the Child Support Agency, ever since it was introduced in 1992 by the Tory Government—*[Interruption.]*—with all-party support, has been found wanting over long periods.

I reckon that thousands of parliamentary questions have been tabled about the agency. I voted to scrap it several years ago. However, many of us have been involved in a campaign to get rid of it. I have been taking part in that consultation. I have raised the matter within the parliamentary Labour party. I have raised it at every opportunity. I have raised the matter inside the House and outside. I have made representations even to somebody in the House of Lords, which is a big step for me, to get rid of the CSA.

I find it fanciful that we cannot finish up with something in the newspapers when a gang of Labour Members, and perhaps some Opposition Members, are anxious to get rid of the agency. I am looking forward to the statement on Monday. I hope that some of the briefings and leakings are not as they have been put forward. I hope that the statement will be even better than what we have heard so far. I am waiting to be surprised on Monday.

**Madam Speaker:** No doubt there is considerable press speculation on an issue such as this, where there has been much public debate over a number of months. Nevertheless, if there has been direct leaking and briefing of policy changes, I deprecate it most strongly. The House is fully aware of my firm views on this matter.

I am most anxious that, if there is any new policy or any change of policy, properly elected Members of this place are told first before any section of the media. I cannot deprecate strongly enough the leaks and the briefings that go on, perhaps behind our backs, in such matters. I have taken all steps possible through all the channels available to me, and I shall continue to do so, to ensure that all such policy matters come before the House before any section of the media.

## BILL PRESENTED

LANDMINES

Mr. Secretary Cook, supported by the Prime Minister, Mr. Secretary Prescott, Mr. Chancellor of the Exchequer, Mr. Secretary Robertson, Secretary Clare Short, Mr. Tony Lloyd and Dr. John Reid, presented a Bill to promote the control of anti-personnel landmines; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Monday 13 July, and to be printed [Bill 220].

# Orders of the Day

## Fireworks Bill

*Lords amendments considered.*

### Clause 10

TRAINING COURSES

*Lords amendment:* No. 1, in page 6, line 6, after ("State",) insert—

("() authorise the making by the Secretary of State of provision about the charging of fees for the grant or variation of licences,")

*Motion made, and Question proposed,* That this House doth agree with the Lords in the said amendment.—*[Mrs. Gilroy.]*

**Madam Speaker:** With this, it will be convenient to discuss Lords amendments Nos. 2 to 4.

9.39 am

**Mr. Edward Leigh** (Gainsborough): I hope that I may be allowed to make a few comments—after all, there has been little debate. The Bill received its Second Reading without debate, and it spent only one hour in Committee. When the Bill reached the House of Lords, considerable concern was expressed about its wide-ranging regulatory powers and Henry VIII clauses. One only has to make a cursory reading of the Bill to see that the Secretary of State may, by regulation, do whatever he pleases to regulate the fireworks industry. That is a worrying development.

The Bill should not be a private Member's Bill—it should be a Government Bill. The amendments go to the heart of the Bill, as they deal with the Secretary of State being given more powers to regulate closely the amount of fees to be set for training purposes. I take a great interest in fireworks, because, for a time, I was the Minister responsible for the fireworks industry. I believe that my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth)—who is sitting in front of me—is also a former Consumer Affairs Minister, and I think that he too was responsible for the fireworks industry.

When I had that responsibility, there was continual pressure for more regulation. I am now getting very concerned about the matter. It can be said, on any matter, that the industry should not be allowed to set its own fees for training purposes. One could argue that about any industry. One could argue that, as we are talking about the fireworks industry and are dealing with potentially dangerous substances, the Secretary of State should be given wide-ranging powers.

My hon. Friends should look at the amendment closely. It will be said that the private sector is allowed to set the fees, it could start charging exorbitant fees for training, or it could provide slipshod training, and therefore the Secretary of State must be involved. That argument could be used about any training course in any industry. I am not sure that that, of itself, is a strong argument. I hope that the hon. Member for Plymouth, Sutton (Mrs. Gilroy), or the Minister when he replies to this debate, will deal with that point.

**Mr. Tim Collins** (Westmorland and Lonsdale): My hon. Friend is making an important point about training. Will he reconcile the Government's attitude to this matter with their publicly stated commitment to the principle of training and enterprise councils, which holds that employers should regulate training since they best understand the industrial needs in their sector of the economy?

**Mr. Deputy Speaker (Mr. Michael J. Martin):** Order. The hon. Gentleman's intervention is wide of the Lords amendment.

**Mr. Leigh:** I will not respond to that point, except to say that what is pertinent to the Lords amendments is whether the industry itself—which is best equipped to know the circumstances in which it operates—should set the level of fees for training or whether it should be the Secretary of State. It should worry my hon. Friends that this is another instance in which the Secretary of State will set the level of fees.

It could equally be said that, if the matter were left to the industry, it could subsidise training to all and sundry. It could expand the market for the most extravagant products and could thereby distort the market. That argument will be used by those in favour of the amendments. I do not believe that the amendments are necessary. They make a bad and dangerous Bill even worse, and even more regulatory. It grieves me, having spent so many years being concerned with the DTI and deregulation, to see another instance of even more regulation being provided.

The prejudices that people use against the private sector setting fees are unsustainable. There is possibly a danger of abuse if the Secretary of State is given wide-ranging powers. If the Secretary of State is too involved in the process, private enterprise may be gradually prevented from setting its own high-quality training courses and its own fees.

**Mr. Eric Forth** (Bromley and Chislehurst): Given my hon. Friend's experience in the DTI and of this sector, has he begun to consider the manpower and bureaucracy that is likely to be involved not only in the licensing process—the Bill refers to "licensed persons"—but in the Secretary of State getting involved in

"the charging of fees for the grant or variation of licenses"?

Does that not give my hon. Friend pause for thought, given his experience?

**Mr. Leigh:** I agree with my right hon. Friend, and he and I have practical experience. It is some years since my right hon. Friend and I dealt with matters in the DTI. I pay tribute to the expertise of the officials who work in the Department. I recognise that they are not unduly bureaucratic, and that they have the public interest at heart. I make no criticism of them at all. However, I wonder whether they have the necessary expertise to understand what is going on in all aspects of a complex industry.

For the life of me, I cannot understand why the Government have accepted the amendments. I do not know where they came from—presumably the Minister can elucidate. I cannot understand why the Government appear to have so little confidence in the ability of the industry to regulate itself.

**Mr. Andrew Rowe** (Faversham and Mid-Kent): Further to the intervention by my right hon. Friend the

Member for Bromley and Chislehurst (Mr. Forth), do we have any indication of how much the new structure will cost? It is not a cost-free exercise to give the Secretary of State those powers. There is no doubt that the money spent on that form of bureaucracy could be spent, for example, on assisting the national health service to give due regard to cancer screening—a matter which is currently exercising the NHS.

**Mr. Deputy Speaker:** Order. We must not go wide of the amendments.

**Mr. Leigh:** I am not sure whether my hon. Friend the Member for Faversham and Mid-Kent (Mr. Rowe) has followed the debate on fireworks, but there has been a sustained attack on the fireworks industry for many years. It is all about taking away people's traditional enjoyment of their own private fireworks parties.

The Bill is part of a wider agenda, which my right hon. Friend the Member for Bromley and Chislehurst and I fought vigorously. That agenda is the imposition of more and more regulation and cost on the fireworks industry to make it more difficult for ordinary people to buy fireworks and enjoy them in their back gardens—something which, I am sure, my hon. Friends and I enjoyed when we were young. The Bill is part of a wider agenda to ensure that we have only a small number of highly regulated displays, run by professionals who have been forced to undergo expensive training courses, with fees, presumably, set by the Secretary of State. That is part of the wider agenda.

**Mrs. Linda Gilroy** (Plymouth, Sutton): Will the hon. Gentleman say what discussions he has had with the industry, particularly on its concerns about fees?

**Mr. Leigh:** I have not had any recent discussions with the industry on the matter, but I have been provided with a briefing note about its concerns. It is perfectly justifiable for Members of Parliament to speak from briefing notes. People in the industry are concerned, and I am dealing with their worries.

**Mr. Richard Burden** (Birmingham, Northfield): The industry supports the Bill—it is not asking to set the fees—so who has provided him with the briefing note?

**Mr. Leigh:** What I will say—

**Hon. Members:** Tell the House.

**Mr. Deputy Speaker:** Order. The hon. Gentleman is responsible for his own speech; who provides information is not a matter for the House.

**Mr. Leigh:** As someone who has taken an interest in the fireworks industry over the years, I am perfectly entitled to speak to these matters. If hon. Members do not find my comments interesting, they might listen to Mr. Mason, a director of consumer safety and standards, who told the Select Committee on Delegated Powers and Deregulation:

"I think that I would prefer to see the private sector solution if we can generate enough interest . . . If there were a fee payable, I think the same comments that I have made about publicly set fees would apply. We would expect them to cover costs in line with Treasury guidance, but no more. Underneath that, there are the course fees that these licensed persons charge the general public to attend the courses. Our normal expectation there I think is that we rely on competition to drive down course fees to the appropriate level. We are talking really of either commercial or voluntary organisations operating in a competitive market. That is not to say, however, that we might not find ourselves in a position where there were very few organisations offering training and that there was concern about an exploitation of what is after all a form of statutory monopoly. We are assuming that certain people can only have access to fireworks after they have gone through this procedure. We would certainly want the ability, under those circumstances, to fix a maximum level of fee, though again it would probably be a maximum rather than an absolute level because, even under those circumstances, you would hope that competition could drive down the prices further."

Mr. Mason made a serious case—that the private sector should be able to set the fees—although I wonder whether he was right to say that it was desirable to set a maximum fee. The problem with maximum fees is that they quickly become the going rate. If the usual forces of competition apply, there is no reason why a sensible fee should not be set. I am not sure why it is necessary for the Secretary of State to set a fee, let alone a maximum fee.

**Mrs. Gilroy:** The significance of the training scheme is that it would confer a statutory right to buy specific dangerous fireworks. Surely it must be right to limit the charges on what is, in effect, a right to buy particular fireworks.

**Mr. Leigh:** One could use that argument about any regulated industry and say that the Secretary of State should always be able to intervene. I am not sure why it should be assumed that, if the private sector set fees, it would drift into collusion. People in the industry are responsible; they are perfectly capable of setting fees to cover their costs and to allow others to enter the market. I hope that the Minister will explain why he thinks that he should become involved.

Bodies hoping to offer fireworks training will presumably be able to negotiate with the Government about obtaining permission, and come to some formal or informal understanding about the nature of the training, the length of the courses and the appropriate fees. Presumably the Secretary of State has other powers closely to regulate those matters and to ensure that people in the industry are not abusing their position of trust. I do not understand why it is thought that the Secretary of State does not already have sufficient powers to ensure proper compliance.

There is concern that the Secretary of State will set too high a fee. I am sure that she would not set out to do so, and that she would want to act entirely fairly. I do not suppose that she will be driven by revenue considerations, as the amount of money that the Treasury received from the fees would be small. I am more worried that safety campaigners will press for higher fees to limit the number of training courses and make it more difficult for people to provide them.

That has happened in other sectors. For example, people who are concerned about firearms use regulations to press the Secretary of State to erect ever higher barriers—a sin tax, so to speak—to prevent people from entering the market. I believe that the Secretary of State will be under continual political pressure from the well-organised group that is suspicious of fireworks to increase the fees prohibitively.

*[Mr. Leigh]*

Some may think that that would result in greater safety, but it could result in less safety. If fees are too high, fireworks organisers may be encouraged to cut corners and train fewer people. There are worrying precedents, especially in relation to firearms, of what happens when the Secretary of State becomes involved.

Anyone who has taken an interest in consumer affairs over the years will know of the increasing involvement of trading standards officers and the growth of regulation and Government interference. If the Secretary of State is too closely involved, local authority trading standards officers will also be involved. That would create a vicious circle of a drive for high fees and a reduction in the number of courses.

**Mr. Forth:** As we have not been given the pleasure and privilege of an explanation of the amendment, we must interpret it ourselves. Does my hon. Friend agree that the amendment suggests two sets of fees, one for those who train and the other for those who are trained? The regime will have a multiplicity of licences and fees, so the dangers that he highlights will be manifold.

**Mr. Deputy Speaker:** Be brief.

**Mr. Leigh:** Neither the Bill nor the amendment tell us exactly how the training courses will be organised, who will take part or what the fees on industry will be. All we have is broad regulation-making powers being conferred on the Secretary of State, as is the case throughout the Bill. We are discussing a serious matter, as presumably the amendment would seriously curtail who the industry can train, how much it can charge and where training courses will be held. The Minister may wish to reassure us on that point, and to claim that that will not happen, but the history of fireworks legislation and of the House's interest in it demonstrates that that fear needs to be raised here, and that he needs to deal with it.

**The Minister for Competition and Consumer Affairs (Mr. Nigel Griffiths):** We will come to the history of fireworks—it is the hon. Gentleman's history, too.

**Mr. Leigh:** The Minister says that it is my history, but I hope that my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) and I have nothing to fear or hide about what we did on those matters. Throughout the period of Conservative government, we achieved for the industry a gradual improvement in public safety and awareness about fireworks. Certainly my right hon. Friend and I were responsible for expensive advertising campaigns.

**Mr. Deputy Speaker:** Order. The hon. Gentleman must not go into a wide general debate. He must speak to the amendments.

**Mr. Leigh:** I apologise, Mr. Deputy Speaker. I was led astray by the Minister, who was making a political point and diverting me from my interest in the narrow amendments.

The public sector might provide unfair competition for private sector training providers. I do not know whether the Minister will deny that that will happen. Presumably a local authority could offer a course in a given area, and so would become a training provider, in competition with the private sector. I do not know whether, under the amendment, the Secretary of State will be able to prevent unfair competition.

For the life of me I cannot understand—perhaps I have overlooked some matters—why it is necessary for the Secretary of State to become so closely involved. Is it because she does not trust the firework industry, or because there is a history of people acting in collusion? I do not know. I should have thought that the firework manufacturers would be the training providers. I cannot imagine anyone from outside the industry providing training.

**Mr. Rowe:** There seems to be a real possibility that the training may become a candidate for a national vocational qualification course. As the provision of NVQ courses is often the responsibility of training and enterprise councils, my hon. Friend's hope that training will remain primarily in the hands of the industry seems rather far of the mark.

**Mr. Leigh:** That may well be the case. It is difficult to speculate on what will happen, as there has been no debate on those matters in this House, and only sparse debate in the other place, which is why the debates this morning are important.

The counter-argument to mine is that, as only the manufacturer will provide the training because he will have the ranges and storage facilities in place, he could use his market power to dominate training, and presumably could thereby drive other people from the market; or manufacturers could use training as a loss leader. The argument might go—perhaps we will hear more about that—that they will use their profits from other sectors of the industry to subsidise their training courses. If that were true, and it resulted in training costs being forced down, I am not sure that we should necessarily worry too much about it.

**Mr. Michael Colvin** (Romsey): My hon. Friend has just said that, if training were provided by manufacturers, the cost could be covered by other sectors of their business. Many fireworks companies are also involved in defence contracts, which generate considerable revenue from the sale of pyrotechnics to the armed forces. All the evidence is that the strategic defence review, which we might see next week, will fall heavily on the procurement sector, so the defence-related part of the firework industry's business may become much smaller, and the revenue will not be there. The industry is going to be in for a tough time in the next few years and the Bill will do nothing but impose extra financial burdens on it.

**Mr. Deputy Speaker:** Order. Bringing the defence industry into the matter would be going far too wide of the amendments.

**Mr. Leigh:** Of course I do not want to get involved in the problems of the defence industry, Mr. Deputy Speaker—there are other forums for doing so—but I think that we can debate what the amendments will mean to the fireworks industry and those companies that are owned

by defence companies, and whether the argument that we are dealing with powerful companies, which will drive their competitors out of the market, is valid. I am not sure that that is entirely true, for the reasons given by my hon. Friend the Member for Romsey (Mr. Colvin). I do not think that it will happen. I do not think that a few companies will use their market power to subsidise training courses and drive competitors out.

One could say that the companies would use their power only to give training on their own products, with minimum training on those of competitors. However, one could argue that about any industry. I accept that, with fireworks, we are dealing with potentially dangerous products, but if we go down that route, where will it end? Of what other industry will it be said that, because we are dealing with a potentially dangerous product, the Secretary of State must get involved, insist on training courses, regulate them, and set the level of fees?

**Mr. Rowe:** As my hon. Friend may know, in the past four years, four people have been killed by fireworks, but, on average, five people are killed every year playing ball games. Are we to have a set of regulations, at great expense, dominating—

**Mr. Deputy Speaker:** Order. We must get back to the amendments, which are about fees and training facilities.

**Mr. Leigh:** My hon. Friend the Member for Faversham and Mid-Kent does the House a service by reminding us that, because of the gradual increase in safety awareness, for which the previous Government were responsible and which they promoted for many years, there has been a huge decline in the number of deaths compared with 20 or 30 years ago, and that great progress has been made—although, of course, any such death is very sad.

I do not know why the Government felt it necessary to use the private Member's Bill system to introduce the legislation, and why they are using the Lords amendments to make it even more draconian. My hon. Friend the Member for Faversham and Mid-Kent mentioned ball games, but one could talk about car manufacturers or the motor industry, which is a far more serious problem—

**Mr. Deputy Speaker:** Order. The hon. Gentleman should not move on to car manufacturers. He must confine himself to the amendments.

**Mr. Leigh:** I was merely trying to point out that the fact that there have been deaths and that one is dealing with potentially dangerous products—

**Mr. Deputy Speaker:** Order. When the hon. Gentleman talks about deaths or any of those other matters, he is going into the generalities of the Bill. The amendments are specific, as I have already said, and mention fees and training courses. He must confine his remarks to the amendments.

**Mr. Leigh:** The fireworks industry is complex and experienced. Over the years, it has run training courses to ensure a gradual increase in competence in the use of fireworks and in safety awareness. It is perfectly entitled to set its own fees and to conduct training courses as it wishes, or with a light regulatory tough. The Secretary of State has not made out the case for setting fees.

**Mr. Owen Paterson** (North Shropshire): When my hon. Friend was a Minister at the Department of Trade and Industry, did his civil servants consider state-run or privately funded training schemes?

**Mr. Leigh:** My recollection is that that was not considered.

**Mr. Forth:** My recollection is that we were very reluctant to resort to elaborate licensing schemes and byzantine arrangements such as those in the Bill, because we judged that that would be disadvantageous in principle, and could harm the very people we were trying to protect, and indeed employment prospects in the industry and beyond. We always had employment at the forefront of our minds.

**Mr. Leigh:** We were under widespread pressure from safety campaigners to try to limit the ability of people to hold fireworks parties, but we never considered imposing such draconian regulations on the industry, as that was against our philosophy.

**Mr. Colvin:** My hon. Friend has spoken of training courses being regulated by central Government or by the industry, but he has left out the third option, which is local government. There is a case for local authorities assuming the responsibility for running courses and setting fees. Has he made any assessment of the costs that might be imposed on local authorities, which are probably in the best position, geographically, to do the work?

**Mr. Deputy Speaker:** Order. Be brief.

**Mr. Colvin:** How would local authority involvement impinge on the provisions in the Bill?

**Mr. Leigh:** I do not believe that local authorities should become more involved, because central Government already imposes many obligations on them, and because they would operate through trading standards officers. My right hon. Friend the Member for Bromley and Chislehurst and I, in our previous incarnation, had constant run-ins with such officers, who have constantly imposed more and more onerous burdens on industry. A more local structure is not necessarily more benign. The correct route to take is by way of the private industry, which knows its own business best.

**Mr. Forth:** Does my hon. Friend agree that the ingenious suggestion of our hon. Friend the Member for Romsey (Mr. Colvin) runs into two difficulties: the diversity of regimes that would emerge, which would lead to inconsistencies, and the potential—

**Mr. Deputy Speaker:** Order. Perhaps I was a bit too relaxed in allowing the question of local authorities to come into the debate. We should not go into detail on what local authorities can or cannot do in the matter. We must keep to the amendments, which concern the powers of the Secretary of State.

**Mr. Leigh:** The subject is in the clause, but of course I accept your strictures, Mr. Deputy Speaker.

*[Mr. Leigh]*

I do not know why it is necessary for the Secretary of State to be involved in setting fees. The industry is highly competitive, and there is no reason why it should not be left to its own devices to ensure that good training courses are available throughout the country to teach people how to use fireworks safely, or why the people who provide those courses should not be able to set appropriate fees.

What can possibly be gained by the Secretary of State setting fees? If they are set too high, people may be deterred from taking part in the courses, and if they are set too low, the courses may not be sustainable or properly run. The Secretary of State runs a Department with a budget of only about £1 billion.

**Mr. Forth:** Only?

**Mr. Leigh:** It is small in comparison with the budget of, say, the Department of Social Security. The Secretary of State does not have the time or the resources to know what the fees should be.

The Bill is highly regulatory. It should be a Government Bill, not a private Member's Bill. The Government have introduced it to regulate an industry that has provided innocent enjoyment for millions of people for many years.

**Mr. Lembit Öpik** (Montgomeryshire): Is the hon. Gentleman speaking merely for our edification and enlightenment, or does he intend to oppose the Bill?

**Mr. Leigh:** It is difficult for me to answer that point and remain in order. I am unhappy about the Bill. I do not believe that it has been properly debated. It is highly regulatory, and I would be happier if it had not been introduced. It is, however, possible that the Minister can reassure us, and tell us that it is necessary and will save lives.

It is difficult to oppose in principle a Bill that the Minister will tell us will save lives. Any life lost, and especially a child's, should worry us. I am concerned about whether the Bill will in fact save lives, or whether, by imposing more and more onerous obligations on the industry, it will encourage people to cut corners. It often happens that, if one takes away people's right to run an industry in their own way, there comes a point at which the rules and regulations become unsustainable, and the industry tries to get a round them.

We have achieved a huge amount in the industry by way of consent, moving step by step every year and encouraging public awareness, but the Bill represents a step change. Before we make the amendments, we should have a proper debate and consider whether they will save any lives at all. If they will simply impose more rules and regulations on a highly regulated industry, we should reject them.

**Mr. Nigel Waterson** (Eastbourne): It may be helpful if I rise early to outline the Opposition's attitude to the Bill. First, I congratulate the hon. Member for Plymouth, Sutton (Mrs. Gilroy). I can testify that it is an anxious business to pilot a private Member's Bill through the House. I imagine that she feels as anxious as ever today. It is an achievement to have got so far, and I wish her well.

The amendments raise the subject of charges. Despite sotto voce—perhaps not so sotto—remarks from the Minister, it is important that charges and fees should be carefully examined. I served during almost all the previous Parliament on the Joint Committee on Statutory Instruments. All too often, once charges have been imposed, Departments try to put them up, sometimes exponentially, and the Committee raised that matter over and over again with at least some Departments.

My hon. Friend the Member for Gainsborough (Mr. Leigh) was right to raise that issue, and to point out that the Bill contains sweeping powers, sometimes called Henry VIII powers. The House need not take my word alone on that; the Bill has incurred the wrath of the Select Committee on Delegated Powers and Deregulation in the other place. Lord Annaly told the other place that the Committee recommended that

"the fees charged for granting a licence to both training providers and those wishing to attend training courses should either be approved by the Secretary of State or be subject to a limit specified in regulations. These amendments fulfil that requirement".—[*Official Report, House of Lords*, 5 June 1998; Vol. 590, c. 665-6.]

I hope that the Minister will listen to another important point that affects him directly and that relates both to the amendments and to later Bills. It was suggested to the Select Committee that a ministerial assurance would, in certain circumstances, do the trick. The Committee robustly made it clear that it would not be satisfied by that. Ministers of all Governments, but particularly of the current one, should take note.

Our view is that the amendments, which were debated at some length in the other place, are sensible. To some extent, they fulfil requirements set out by the Select Committee in trying to water down the sweeping powers that the Bill gives to Ministers. We support calls in both Houses for safeguards. We are not against the Bill in principle and we do not intend to divide the House on the amendments. After proper scrutiny—I emphasise those words—we shall wish the Bill and the amendments a fair wind.

**Mr. Collins:** I want to comment on the relationship between the amendments and the other provisions of the Bill. The Bill's explanatory and financial memorandum states:

"The financial effects of the Bill will depend on the content of . . . regulations and cannot at this stage be predicted. In particular, the regulations may confer power on the Secretary of State to provide training courses. The Secretary of State will have a duty to consult before regulations are made".

The amendments, which will broaden the powers of the Secretary of State to allow him to provide for the charging of fees, will, even more than before, mean that the House is being asked to pass a Bill without any real understanding of its financial effects. That is not a good basis on which to legislate. The financial effects of legislation should be set out in some detail in advance, and it is a matter of concern that the amendments will introduce even more uncertainty about the Bill's financial implications. That is a bad precedent. The Minister is waving something at me; would he care to intervene?

**Mr. Nigel Griffiths:** I know that the hon. Gentleman is a new Member of Parliament, so let me draw his

attention to the regulatory appraisal. I should have thought that he would have read it if he wanted to make an informed contribution to debate.

**Mr. Collins:** I am grateful to the Minister. He and I sat together in the Standing Committee on the Competition Bill. He will recall that the standard regulatory appraisals brought before Committees by the Government are seriously slipshod and have been greatly condemned by industrial bodies. They are deeply misleading and, frankly, they offer no basis for serious consideration.

The amendments broaden uncertainty about the financial implications of the Bill, even though, as my hon. Friend the Member for Gainsborough (Mr. Leigh) has said, the implications for the economy as a whole are likely to be relatively small.

**Mr Rowe:** One of the dangers of Bills such as this is the precedent created for others. If the Government wake up to the fact that 141 people die on average every year in swimming accidents, they may wish to bring in exactly the same kind of regulation for swimming.

**Mr. Deputy Speaker:** Order. The hon. Gentleman should know better. I have already said that it is out of order to talk about other matters.

**Mr. Collins:** My hon. Friend the Member for Faversham and Mid-Kent (Mr. Rowe) is right to say that the issues raised by the amendments range more widely. We must be conscious that the House is an administrative and deliberative body, and we must be aware of the potential implications of any precedents that we may set, even on a Friday morning.

**Mr. Colvin:** When the Minister gives the Government's view on the Bill, he will be able to tell us which measures they are likely to introduce. The Bill is essentially an enabling measure, and we should have some idea of the financial implications of fees, training costs and other matters. I hope that the Minister will be prepared to give the House some idea of how he will use the Bill's enabling powers.

**Mr. Collins:** I am most grateful to my hon. Friend. We look forward with great anticipation to a detailed speech from the Minister. We hope that he will set out the principles on which the Government propose to implement the Bill, and give some detail of the precise levels of charges to be implemented for training courses, if the amendments are agreed to. We would like some indication of how the charges will be reviewed because, given that the Government have lost control of inflation, the chances are that the fees may need to increase rapidly.

**Mr. Deputy Speaker:** Order. When the Minister replies, he will reply to the amendments.

**Mr. Forth:** I doubt it.

**Mr. Deputy Speaker:** Order. I will make sure that the Minister replies to the amendments, just as I am making sure that everyone speaks to the amendments.

**Mr. Collins:** You are quite right, Mr. Deputy Speaker, and I am sure that the Minister will bear that injunction in mind, as will I.

My second point is that the amendments would, like all other regulation-making powers in the Bill, be subject to clause 2(1), which states:

> "The Secretary of State may by regulations ... make any provision which he considers appropriate for the purpose of securing that fireworks are used safely."

In other words, the power to charge fees for the grant or variation of licences relating to training would be subject to the overriding provision that it should be subject to his or her judgment about how fireworks can be used safely.

The fees may not be decided by financial considerations, such as their affordability or being charged at a rate that provides good value for money, but will be subject to the Secretary of State's interpretation of what is necessary to provide safety. If the Secretary of State can charge fees for such a wide range of training services, he could use the power to drive certain businesses out of the sector if he believed that it was an important means of achieving greater safety for the public, animals or others set out in clause 2. He could use the fee structure as a weapon against a company that Department of Trade and Industry officials thought was acting unsafely, but were unable to get under any other provision. It could be used against a company that had, in some way, offended officials. It is a dangerous power to be in the hands of Government officials or the Secretary of State.

**Mr. Burden:** As the hon. Gentleman has linked the amendment to the general issue of safety, will he clarify whether he wants the Bill to pass?

10.30 am

**Mr. Collins:** I am grateful to the hon. Gentleman for that question. The Bill is flawed, but it seeks to achieve important objectives. I heard my hon. Friend the Member for Eastbourne (Mr. Waterson) give the position of the official Opposition. I regard my Front-Bench colleagues as a source of great wisdom on all matters and, in due course, I shall no doubt be influenced by what he said. While Labour Members are at liberty to try to stretch out the debate if they so wish, I want to return narrowly to the amendments.

Mr. Deputy Speaker, you explained earlier how you would try to ensure that the Minister replied in some detail. He must give an assurance in the *Official Report*, which can be studied in detail by the industry, that there is no question of the Government using the powers that they would be granted if the amendments were passed, or any of the Bill's provisions, to drive companies out of the firework sector for any reason other than that they are breaching clear, safety-based regulations. Will the Minister assure us that there is no question of the Government, or any arm thereof, using the powers to impose licences and charges for training purposes in order to drive companies out of the sector? It is important to get that assurance; I hope that we can look to the Minister for it.

In debating these amendments, we have been able to start—only start—to examine some of the implications of a complicated Bill which is likely to have implications across a wide range of sectors. It is important to consider them properly and thoroughly. When the Minister replies, it is important that he establishes in detail the Government's position across the range of issues raised

*[Mr. Collins]*

by the Bill. A skimpy 30-second reply would not be adequate. I hope that we have started a proper examination of legislation that is likely to affect people for many years to come, and I hope that that will be reflected in the debate in coming months.

**Mr. Forth:** We are considering amendments to clause 10. In judging them, it is important to place them in the context of the opening words of clause 10, which set the tone for our judgment about their value or otherwise. The key words are at the beginning of the clause, which states:

"If fireworks regulations specify conditions relating to the satisfactory completion of a course, or courses, of training in the use of fireworks, they may make provision for courses".

Straight away we have a suggestion of the problems that are likely to arise from the provisions not only of clause 10, but of the amendments.

The introduction of the words "satisfactory completion" immediately poses the questions of who judges whether the training courses are satisfactory and who judges whether the people giving the training courses, and those receiving them, are operating satisfactorily. I shall return to that later, but I wanted to show the difficulty when we get involved in elaborate regimes of licensing and prohibition of the sort set out in the Bill. We shall have to turn our minds, in judging fees, to the context of

"satisfactory completion of a course, or courses".

That will provide a useful benchmark against which to judge the later provisions of clause 10.

Several hon. Members asked whether, as the clause suggests, courses should be provided directly by the Secretary of State. That implies that they would be run by the DTI, and the clause admits that as a possibility. In that case, the fees would apply only to those receiving the training courses. We are immediately confronted by the possibility of an additional bureaucracy run directly by the Department to provide the training required under clause 10, should the Secretary of State wish to invoke it. The clause starts, "If fireworks regulations specify"; it does not require such regulations.

As my hon. Friend the Member for Westmorland and Lonsdale (Mr. Collins) said, the Minister should say up front whether the Secretary of State has it in mind to invoke the provisions of clause 10. If she does not, we have spent much time rather needlessly. It would be valuable—indeed, it is essential—if the Minister told us the Secretary of State's intentions. That point also applies to the provisions of clause 10(1)(a), (b) and (c), because it would make a difference to the debate on Lords amendments on fee levels if we had some idea of what the Minister had in mind. This would apply either to the direct provision of courses by the DTI or to courses provided by

"a body or bodies established or recognised by the Secretary of State".

As was noted earlier, other bodies could be involved, in which case the later provisions of clause 10 and the amendments would come into effect.

Then we come to "licensed persons", which is where the concerns expressed earlier are most clear. As I interpret the clause—I am open to correction—there are two distinct levels of licensing and operation and, therefore, of fees. The first level would be the provisions in the amendment and clause 10 on the regime for the licensing by the Secretary of State of the providers of training. That immediately opens all the normal questions that arise in such a process. It must be determined whether the fees are at a level sufficient to attract people to provide the training on a business basis. We are, presumably, talking about private providers who would not only have to provide satisfactory training—we will return to how that will be judged—but provide it profitably, because they would be private sector businesses, unless local authorities were used. That opens a different possibility. We have to bear in mind always the fees that providers would pass on to those whom they trained.

We are into a morass of bureaucracy; we have no guidance about the number of bodies. I am not aware that it has ever been mentioned. The Minister will want to spend some time giving us an idea of the number of bodies or licensed persons that he thinks will be necessary to obtain the quality of training needed to deliver the level of safety that he has in mind, in the bureaucratic mess that would be created.

**Mr. Andrew Lansley** (South Cambridgeshire): Does my right hon. Friend agree that, in the structure of what is proposed—he is setting out the questions clearly—there is a potential interplay between fees for the granting of a licence and fees that are determined by the Secretary of State for the charging for attendance at courses? If that interaction works in the wrong way, the Secretary of State may deter able people from applying to become licensed persons, and hence restrict the supply of trade.

**Mr. Forth:** That is a crucial point, on which I may wish to elaborate in a moment. I am grateful to my hon. Friend for raising it at this stage.

The relationships at every level of the provision in clause 10 will, I suspect, provide enormous challenges to the Department and the Secretary of State, and create an enormous number of problems. We are necessarily talking about a complex set of interrelationships between the judgment of the Secretary of State, the number of people whom she would wish to license to carry out the important task provided for in clause 10, and the number of people she would expect to apply for and to need the training required to provide the level of safety assurance that the Bill is presumably all about in the first place.

**Mr. Rowe:** Does my right hon. Friend think that only one level of fee will be declared by the Secretary of State, or more than one? Some people who have spent their life in the pyrotechnics industry are probably fully qualified in any case, but if they have not been through a course, they may not be allowed to operate. Will they be charged a fee? Will they be charged a different fee from that charged to a parent or schoolteacher who wants to qualify to run a fireworks party? These are complex issues.

**Mr. Forth:** Indeed they are. My hon. Friend's question raises another interesting point that I had not thought of, on which my hon. Friend may wish to elaborate if I do not. The point is whether there will have to be exemptions from the regime for exactly the sort of people whom my hon. Friend describes. There must be—must there not?—people with relevant qualifications, training and experience who could be exempted from being trainers or being trained before they could carry out the activities

covered by the Bill. That in turn raises some important considerations about whether these are blanket provisions with no exemptions or whether there will be reasonable provision for exemptions.

I want to return to the theme that I was touching on, because it is important. Unless we have some idea of numbers, we are all debating the matter rather in a fog. Do the Minister and the Secretary of State envisage many providers coming forward to do the training? If so, that assumes that many people will apply to receive the training in order to operate fireworks for the delight and pleasure of many people. Unless we know about the numbers, we cannot make a proper judgment about the effectiveness of the clause or about the competitive or non-competitive regime that my hon. Friend the Member for Gainsborough (Mr. Leigh) mentioned earlier.

If we are to judge how we shall vote on the amendments and our view of the Bill, it is incumbent on the Minister—he bears a heavy responsibility in the House this morning—to give adequate and full answers to the questions that have been raised in the debate.

**Mr. Burden:** It is important that we get on the record the right hon. Gentleman's position. He referred to his views on the amendments and the Bill. Is he saying that, if the amendments were accepted, he would or would not vote for the Bill? Is he saying that, if the amendments were not accepted, he would or would not vote for the Bill?

**Mr. Forth:** Fortunately, at this stage, procedurally that question does not arise—*[Interruption.]*

**Mr. Deputy Speaker:** Order. The right hon. Gentleman is right. The question does not arise. We are considering the amendments, not whether the right hon. Gentleman supports the Bill. We are discussing the amendments.

10.45 am

**Mr. Forth:** The amendments from the other place relate to clause 10, which deals with some key elements of the elaborate regime that the Bill seeks to erect in order to deliver a level of comfort, safety and assurance.

**Mr. Lansley:** Does my right hon. Friend agree that there is something of a misapprehension that the amendments are all of a piece? It may be perfectly possible to agree that the Secretary of State should make provision for the setting of a fee for the grant of a licence, but to disagree with the idea that the Secretary of State should set a fee for attendance at a course.

**Mr. Forth:** That is an important point. My hon. Friend may wish to receive the guidance of the Chair on whether we can seek separate Divisions on the different elements for precisely the reason that he suggests. It is perfectly possible that the Secretary of State may wish to be involved in the first level of fees—those involved in the granting or variation of licences—but may not judge that it is necessary to be involved in setting a level of fees for the delivery of training by licensed persons or bodies. That is a matter on which we might require clarification from the Chair at some stage.

**Mr. Lansley:** My right hon. Friend is courteous in giving away again. There is a certain amount of Treasury guidance on the setting of a fee for the grant of a licence. Unless otherwise provided for, the fee should be that required to compensate for the costs involved. In a sense, one can see the limited effect of that. That brings me back to my earlier point. If there are also fees relating to the charge for attendance, one finds a complication between two amendments in the group which could be deleterious to the provision of training.

**Mr. Forth:** My hon. Friend is right. He gives me an opportunity to raise another point that is important in any regime such as this. All along, some of my hon. Friends have referred to a fee. I am not sure that we necessarily are looking at a standard, uniform fee. It always worries me when we talk about any regime of this kind to be considered and then imposed by a Secretary of State. Should there be a uniform regime for the entire country? As my hon. Friends will appreciate and some Labour Members may appreciate on a good day, the costs incurred in delivering the regime envisaged in clause 10 are likely to vary enormously in different parts of the country.

Looking around the Chamber at my hon. Friends who are here for the debate this morning, I can well imagine that the costs of putting together and delivering a training course would vary between, for example, Penrith and the Border and Westmorland, where they might be relatively low, and my constituency or Mid-Kent, where the inherent costs of delivery are likely to be higher.

Are we talking—again, this is a question for the Minister—about a relatively straightforward, simple licensing regime and level of fees, or must we contemplate, in order for it to be effective and reasonably to reflect costs, a complex regime that acknowledges the variations, diversity and sensitivity of these matters across the country?

**Mr. David Maclean** (Penrith and The Border): My right hon. Friend is making a valid point about geographical variation, but the amendments relate to fees for training courses. Elsewhere, the Bill states that the Secretary of State shall have power by regulation to set up training courses for those who are supplying, exposing for supply, purchasing, possessing or simply using fireworks. That is a wide category of different businesses and even private individuals or councils. My right hon. Friend should consider whether there would have to be different lengths and depths of courses, and different fees for them.

**Mr. Forth:** Yes; my right hon. Friend is correct. I am grateful to him. That immediately raises another point. My right hon. and hon. Friends are reading my mind accurately and anticipating my points, some of which probably deserve elaboration. However, I do not want to hog the debate.

Another question for the Minister on which we shall need reassurance is the estimate that has been made of the number of additional personnel required in the Department or elsewhere to administer and monitor matters, and make constant judgments about, for example, the variation of a licence.

We are not talking about a one-off process. The clause and the amendment both refer to the granting or variation of licences, which implies a process about which we

*[Mr. Forth]*

should know more. What would variation of a licence involve? I am sure that I can dream up circumstances in which that might be necessary. It is germane to our debate on the effectiveness of the regime that we are being asked to approve within the terms of the clause and the amendment to ask whether the Minister envisages a relatively straightforward process whereby a licence, once granted, would be valid for a fixed period, be that one, three or five years, or whether the variation element would require additional bureaucracy and personnel to monitor closely the performance of each person giving the training, and an additional process whereby variation could be carried out.

**Mr. Collins:** Does my right hon. Friend agree that, as part of the regime, officials would have to be set aside to deal with correspondence and representations on the nature of the licences and the fees? For example, I recently attended a firework display organised by a Christian retirement home in my constituency, which resulted in so much noise that many local residents said, "It's those blooming Christians causing trouble again." Such events might produce correspondence, and officials would be needed to deal with it under the proposed regime.

**Mr. Deputy Speaker:** Order. We are talking about the powers of the Secretary of State, not what officials do, or what the cost of officials replying to correspondence would be. That intervention goes far too wide of the amendments before the House.

**Mr. Forth:** It is, indeed, the powers of the Secretary of State that are germane to the debate, Mr. Deputy Speaker; however, my hon. Friends and I are suggesting that there are many questions that require an answer if we are to make an assessment of the acceptability of the clause—which is, after all, what we are doing here this morning.

**Mr. Leigh:** My right hon. Friend raised some of those points on 29 January, during the debate on the money resolution. His fears were dismissed by the Minister, who said that safety was paramount. Of course safety is paramount, but how does the Minister setting the fees promote safety? That is what I cannot understand. Why cannot the industry set the fees? The Minister could then regulate whether the safety courses had been carried out and whether too high fees had been imposed. Why should the Minister be involved in the highly complex procedure of setting different levels of fees for different types of course in different parts of the country? Is not the point that I have made a strong one?

**Mr. Forth:** Yes, it is indeed. I am grateful to my hon. Friend for reminding me that we attempted to raise these questions in the debate on the money resolution earlier this year. My recollection is that, at that stage, we failed to get any substantive answers from the Minister, which might explain our anxiety today. We are now all rather nervous that the Minister may be unprepared or unable to give the detailed answers to our questions that would give us the sort of assurance that we need to decide how to vote on the matter before us.

I need not tell you, Mr. Deputy Speaker, but I want to remind the House that the whole essence of the parliamentary process is that Members of Parliament come here to question the Executive and to be satisfied about the nature of the business before them. I suspect that, when the Minister catches your eye, he will tell the House whether he believes that the amendments would strengthen the Bill, but in doing so, he will have to give answers to the questions that have been legitimately raised.

So far, questions have been asked only by Conservative Members; Labour Members have been silent, so perhaps they are unprepared for or lacking any interest in the debate. We have become accustomed to that attitude, but it is regrettable that we hear nothing from Labour Members. I assume that they are bored or uninterested, or that they simply accept without question everything that is shoved at them. We are here to participate far more fully in the parliamentary process, and that is what we are trying to do this morning.

**Mr. Paterson:** The clause makes it a prerequisite for a user of fireworks to have undergone a training course. Having been a member of the Government, does my right hon. Friend think that it is a serious practical possibility that, on 5 November, the night of the year when the overwhelming majority of fireworks are let off, the Minister can send staff to every bonfire party to make sure that every person using fireworks has undergone a training course that conforms to the clause?

**Mr. Deputy Speaker:** Order. That matter certainly does not relate to the amendments.

**Mr. Forth:** The Minister may wish to help us on that point later, although my optimism about that possibility is fading rapidly. The extent to which the Minister makes an effort to answer our questions will sway many of my hon. Friends in deciding how to vote.

However, the point raised by my hon. Friend the Member for North Shropshire (Mr. Paterson) raises another important issue, which is the judgment about the nature of the training that would be given. Who would judge whether the training course was inherently satisfactory and whether the training course had been completed satisfactorily? That is another vital point that must be considered.

**Mr. Maclean:** Will my right hon. Friend give way?

**Mr. Deputy Speaker:** Order. Before the right hon. Member for Bromley and Chislehurst (Mr. Forth) gives way, let me remind the House not to get into the detail of the quality of the training. The amendment talks about charging fees for training, not the quality of the training. The quality could be terrible, but we must debate the fees charged for it.

**Mr. Forth:** I had in mind the beginning of clause 10, which is being amended, which refers to

"the satisfactory completion of a course, or courses, of training".

I was raising the issue in the context of the fees being charged.

**Mr. Deputy Speaker:** Order. What we have before us is not clause 10, but Lords amendments—the changes

made by the Lords. The amendment is extremely narrow and talks about the Secretary of State charging fees for courses, nothing else. As long as we stick to the subject of fees, we shall be all right.

**Mr. Forth:** As ever, I am grateful for your guidance, Mr. Deputy Speaker. The amendments do indeed refer to

"the charging of fees for the grant or variation of licences,"

which is one of the processes that we are debating; however, they then talk about

"the charging of fees for attendance at courses of training in the use of fireworks,"

which raises other serious and relevant questions about whether simple attendance is all that is necessary, or whether achieving a level of competence based on that attendance is required.

**Mr. Deputy Speaker:** Order. Let us be clear: the level of competence has nothing to do with the amendment before us; only the charges are relevant. The amendment gives a power to the Secretary of State to charge fees, albeit for attendance. We need not worry about other parts of the Bill or the level of competence achieved. We are addressing a very narrow matter.

**Mr. Rowe:** On a point of order, Mr. Deputy Speaker. I, too, am grateful for your guidance, but does it follow that amendment No. 3, which covers all the matters in subsection (5), means that we may not raise any of the matters in subsection (5)?

**Mr. Forth:** On the one hand, we are talking about fees for the grant or variation of licences, but, on the other, we are talking about charging—

**Mr. Rowe:** On a point of order, Madam Speaker. Due to the changeover between yourself and Mr. Deputy Speaker, I did not get an answer to my point of order.

**Madam Speaker:** I am so sorry—I thought that it was an intervention, not a point of order. I understand that the Lords amendment does not cover the matter that the hon. Gentleman was raising in any event, so perhaps we should continue.

**Mr. Forth:** I am grateful, Madam Speaker.

**Mr. Maclean:** I think that I can help my right hon. Friend, without straying outside the provisions of the Bill. Of course, the amendment relates solely to the fees that can be charged for training courses, but clause 5 refers to people having

"proficiency or experience in the use of fireworks".

Therefore, it is envisaged that there will be certain training courses that will lead to qualifications or other proof of proficiency and there will have to be fees charged for those courses as well.

**Mr. Forth:** I am grateful to my right hon. Friend for his assistance on that matter, but I am mindful of the stricture that Mr. Deputy Speaker placed on me a moment ago, when he said that such matters were not immediately relevant to the clause or the amendments. As ever, I am mindful of his guidance, and will adhere to it strictly.

The point that I was about to make relates to the charging of fees for attendance at courses. That creates another set of difficulties that we must consider carefully because it implies that it is simply the attendance that matters in relation to the clause. That leads to further questions about the effectiveness of the training courses for which the fees are being charged. If only attendance is significant, one can envisage people going through the motions of attending courses.

*It being Eleven o'clock,* MADAM SPEAKER *interrupted the proceedings, pursuant to Standing Order No. 11 (Friday sittings).*

## Defence Review (Press Briefings)

11 am

**Mr. John Maples** (Stratford–on–Avon) (*by private notice*): To ask the Secretary of State for Defence who, in his Department or elsewhere in the Government, briefed the press yesterday on the contents of the strategic defence review and the outcome of the Cabinet discussion on the same subject.

**The Minister for the Armed Forces (Dr. John Reid):** As Members of the House will know, the strategic defence review has been conducted in an unparalleled open and consultative fashion. *[Laughter.]* I shall enumerate some of the briefings that have been given, including to those hon. Members who are laughing.

My right hon. Friend the Secretary of State for Defence has held three open seminars and made two major speeches on the subject. The second, on 12 March this year, set out the key emerging themes of the strategic defence review, many of which were reflected in this morning's press and other press reports. He set out themes including the importance of our forces operating together jointly to provide maximum operational punch and the tough decisions that remained, such as whether to replace our existing carriers with larger, more flexible and more usable ships.

In addition, we have received hundreds of contributions. We have talked and listened to our own people throughout defence on this matter. A BBC documentary has been transmitted, showing the processes by which the conclusions were reached on the strategic defence review and many of the issues involved.

The emerging conclusions have not only been discussed internally, but briefed to Members of the House, including the Defence Select Committee and the then shadow Secretary of State for Defence and his colleagues. Only this week, those conclusions were briefed to the then shadow Secretary of State, and we gave a briefing on general military matters to the shadow Secretary of State, the hon. Member for Stratford–on–Avon (Mr. Maples), who has asked the question today.

Any briefings that broke the conventions of the House, or such briefings as are being suggested by the hon. Gentleman, are deprecated by me, the Prime Minister, the Government and No. 10. However, it will be obvious that particular interest on this topic was engendered yesterday, first, by an item in *The Times*, which was in parts inaccurate, and, secondly, by an announcement by my right hon. Friend the Leader of the House that there would be a statement next Wednesday.

I confess to the House that I have discovered that one formal briefing, 11 pages long, on the strategic defence review was issued yesterday—by the Conservative central office political operations department. You may be interested, Madam Speaker, to know that, even before the conclusions in the review were announced, the Conservatives said in the briefing:

"the main thrust of our case is that it has just been a cover for 'cuts'."

I cannot answer for Conservative central office, the media, their sources or the stories that they write, but I can assure the House that there have been no formal briefings of the media on the outcome of the strategic defence review by Defence Ministers or officials. The House should hear, and I am sure will welcome, the conclusions of the strategic defence review on Wednesday, as announced by the Leader of the House yesterday.

On such an important and far-reaching subject, it is not surprising that there has been much speculation in the press. This is the most radical, deep, wide and open consultation and analysis carried out in the Ministry of Defence for decades. Given the nature and openness of the review, it would not be surprising if such speculation were, on occasion, well informed. That is surely a consequence of open government that we should all welcome, but the first people to know the true facts and the full outcome of the review will, as ever, be Members of the House.

**Mr. Maples:** It is a measure of the Government's contempt for the House that even when they are caught red-handed, as they have been twice today, they obfuscate. [Hon. Members: "It is you."] I do not know what is in the defence review. It is absolutely ridiculous for Labour Members to level a similar charge at us and try to obfuscate the issue.

I am not referring to the open consultation that the Secretary of State conducted before the conclusions were reached; I am referring to specific briefing of the press, yesterday and the day before, after conclusions had been reached. Who told Mr. John Deans of the *Daily Mail* and Mr. George Jones of *The Daily Telegraph* the specific conclusions? The Minister says that no formal briefing took place. It is very difficult for me or any other hon. Member to believe that. Those journalists were briefed. That may not have been done by the Minister or the Secretary of State. I suspect that it was done by his special adviser, who is apparently giving a series of lunches at our expense to brief journalists on these issues. Will the Minister deal with that specific point when he replies?

Someone briefed those journalists. It is not general speculation, and nobody who reads the articles could possibly think that. Those articles follow an article about the review in *The Times* yesterday, which must also have been the result of briefing.

**Dr. Reid:** It is inaccurate.

**Mr. Maples:** The Minister says that it is inaccurate. I suppose that is—it was probably based on briefing by the Treasury. The Government's spin doctors are briefing against each other at such an incredible rate that one does not know of whom to ask private notice questions such as this.

Will the Minister confirm or deny the activities of the Secretary of State's special adviser in giving a series of lunches to brief journalists on the review? *[Interruption.]* You see, Government Members so hate any criticism of their conduct that one cannot even get a hearing in the House.

The leaking is highly selective, and designed to get the good news in the public domain so that the mood has been set before the bad news comes out on Wednesday, and there will be plenty of bad news for the Territorial

Army, the Paras, the Navy and the Air Force. Of course, there will also be the cut in the defence budget that we expect. Of course, those facts are not being leaked.

Madam Speaker, you have in the past, and earlier today, made it clear how you deplore the practice of briefing the press before Parliament is told of major policy announcements. I cannot think of a more important policy announcement that the Government will make than the publication of the strategic defence review, but here we have unequivocal evidence of that practice continuing.

The Secretary of State for Defence personally assured me on Wednesday that he would not use that practice—particularly, as he said, because there were security considerations. He said also—and I ask the Minister of State to confirm this—that, when the press were briefed on the day of the statement, it would be done in secure conditions, they would not be allowed to have their mobile phones with them, and they would not be allowed to leave the Ministry until after he, the Secretary of State, had sat down in the House.

Will the Minister of State today give the House an unequivocal undertaking that the leaks and briefings will stop, and that he will do his duty to Parliament by delaying any further press briefing until after the statement on Wednesday? I ask him further to undertake to make a copy of his statement and the White Paper available to the Opposition on the morning of the day the statement is to be made, and not, as usual, only 20 minutes in advance. As we shall apparently be the last people to find out the contents of the statement, that does not seem an unreasonable request.

That practice is further evidence of the Government's contempt for the House, which we see every day and have seen twice this morning. The Minister has been caught red-handed. He should now promise to desist, and not do it again.

**Dr. Reid:** What a load of hogwash. I have already made it plain that there was no briefing on the conclusions of the strategic defence review. We would deprecate such briefing. I have already explained to the hon. Gentleman—perhaps he could not pick it up through his synthetic fury—that the review has been carried out in the most open and consultative fashion. It has included lunches. His predecessor was at one of those lunches, as were Lord Younger and the former Secretary of State for Defence, Michael Portillo. We have engaged in the widest form of consultation.

With regard to yesterday's speculation, it takes the biscuit when the hon. Gentleman and his friends at Conservative central office whip up interest by issuing an 11-page media briefing pack on the strategic defence review, and are then surprised when the newspapers cover the review. The only comments that I would make about the hon. Gentleman's strategic defence review media pack is that it got even more things wrong than most of the press combined.

When the facts and conclusions are stated, they will be stated to the House first. The statement will be the conclusion of the deepest, widest and most open consultation process that has ever been carried out in the Ministry of Defence. Complaints about that from a party that, during 18 years in government, never consulted anybody on anything before reaching conclusions, is the height of hypocrisy.

**Mr. Dennis Skinner** (Bolsover): I do not believe that any members of the Socialist Campaign Group went to lunch, so the consultation process sounds a bit one-sided.

As a result of seeing on the notice board that there was to be a PNQ on the strategic defence review today, I took it upon myself to go to the Library and read all the relevant newspapers to see to what extent that great briefing exercise had produced similar results in each newspaper. I am pleased that the hon. Member for Stratford-on-Avon (Mr. Maples) referred to *The Daily Telegraph* and other newspapers. I looked at *The Daily Telegraph*, *The Independent* and the *Daily Mail*. One said that a cut of £500 million would be announced next week; another said that £1 billion would be cut from defence expenditure—[AN HON. MEMBER: "Not enough for you."] No, not quite enough. Another newspaper—I think it was *The Independent*—said that the cut would be more than £500 million.

If that great briefing really took place, everybody would have been told the same figure. It sounds very odd. I do not believe that journalists are altogether dim. How could they have drawn such conclusions out of a briefing? Hon. Members should go and read those reports in the Library, because the evidence is there for people to see. The reason we are having this PNQ today is because the Tory Opposition are not capable of dealing with the job that they have to do in Parliament and are inventing stories to try and give the impression that people are briefing, whereas in reality all the stories tell a different tale.

**Dr. Reid:** As usual, my hon. Friend has hit the nail on the head. I assume that, if someone was briefing journalists, he or she would try to tell the same story to various newspapers. As my hon. Friend says, there are different stories in different newspapers. Some have extremely inaccurate reports, although none are as inaccurate as the briefings being put out by the hon. Member for Stratford-on-Avon. Once again, he has excelled himself.

The Opposition's motives for raising the matter are simple: they know that, after the most open consultation and the deepest analysis, we have produced a package, the conclusions of which will be announced next week, which will be good news for the House, the nation and the armed forces. It will enhance our capabilities and ensure that we have modern forces for a modern world. Having had nothing whatever to contribute to that for the past 10 months, Conservative Members are deeply embarrassed. Whereas they have shown that defence cannot be trusted in their hands, the Labour Government have shown that the country can place its trust in them on defence matters.

Lest I contribute to any inaccuracy, I said that Mr. Portillo had attended a luncheon meeting. I should have said that he was invited but did not attend—[HON. MEMBERS: "Ah."]—unlike the former Conservative Secretary of State, John Nott, the former Conservative Secretary of State for Defence, Lord Younger, and the right hon. Member for Bridgwater (Mr. King), all of whom did attend.

*[Dr. Reid]*

The huffing and puffing by Opposition Members has nothing to do with the open consultation process; it is due to the fact that they have been thoroughly inadequate on the topic of defence, and are attempting to score cheap political points.

**Mr. Clive Efford** (Eltham): On a point of order, Madam Speaker.

**Madam Speaker:** I can take points of order only after statements.

**Mr. David Heath** (Somerton and Frome): The Minister will be aware that Liberal Democrats believe that the strategic defence review should be based on the long-term military requirements of the United Kingdom—on foreign policy rather than narrow Treasury issues. Like other hon. Members, we have been concerned about the Treasury's predatory instincts in formulating the strategic defence review. If the reports in today's press are correct, the Treasury has largely been thwarted. Liberal Democrats would welcome that.

Has not the whole process of the review been characterised by leaks in every quarter to the press and other media? Every member of the press who can hold a knife and fork seems to know more about the process than Members of the House and Select Committee members. Ministers must have known that that has been happening, yet they chose to take no action, presumably because they sought departmental advantage in pretending not to see it happen.

Is not the Government's conduct in all Departments predicated on a wish to make announcements to the press and other media before they are made to the House? Was not that demonstrated clearly even this week, with the announcement of a new policy on arms sales, which was not available to hon. Members until 4 o'clock yet was on the morning news on the radio? Is it not time that Ministers remembered that their first responsibility in terms of information is to the House and nowhere else?

**Dr. Reid:** Of course, and I assure the hon. Gentleman that nothing will give me greater pleasure than seeing the Secretary of State announce to the House the conclusions of the strategic defence review and watching the mournful faces on the Opposition Benches.

I repeat that no conclusions have been briefed to the press by my Department. The hon. Member for Somerton and Frome (Mr. Heath) is supposed to be a member of a party that calls for open and consultative forms of government. We have done that with this defence review to an extent that has rarely, if ever, been done in the Ministry of Defence before. We have consulted and communicated with hundreds, indeed thousands—with hundreds of thousands—of people throughout the armed forces, and journalists, institutes and politicians of every political hue and favour, and with the official Opposition and the minority Opposition parties. They have all been briefed on this matter.

Is it the consensus of the hon. Member's party that we so conduct ourselves in future that we do not do so—that we exclude them from consideration, that, in order to maintain national security, we say nothing to anyone? I should be very surprised if he was supported in that view by anyone else in his party.

**Mr. Caplin:** We have now spent 19 minutes of a Private Members' day dealing with this private notice question. There appear to be important issues on the Order Paper today, Madam Speaker, as you said; indeed, the Liberal Democrats tried to have today extended, to allow more time, and I see them taking up time on this matter. I feel that there is a filibuster—an abuse of Parliament by those on the Conservative Front Bench and Back Benches. My question to the Minister is: will he publish, for all of us who are interested, the Conservative central office leak?

**Dr. Reid:** I have always regarded my job as being to spread enlightenment and education, and I do not think that that would be in any way enhanced by publishing that document.

**Several hon. Members** *rose—*

**Madam Speaker:** Order. I am aware of the business that is before the House, so, if I do call all Members who are standing—I do not commit myself to doing so—questions must be direct.

**Mr. Michael Colvin** (Romsey): It is pretty rich to accuse Conservative central office of this leak. I acknowledge the work that the Ministry of Defence has done in public relations. The Minister of State for the Armed Forces has referred to the widest consultation process ever. I simply raise the question whether that consultation was real consultation or just a public relations exercise to soften up the armed forces for what was going to be a bitter pill. The Ministry of Defence has certainly briefed the Defence Select Committee very assiduously.

I would ask a very important question. Contrary to what the hon. Member for Bolsover (Mr. Skinner) said, there is remarkable consistency in the figures quoted in the press reports. It all depends whether one is viewing the cuts over one year, two years or three years, or over the rest of the Parliament. The Minister knows as well as most of the rest of us do, as a result of the press leaks, that the proposed cuts of £2,000 million will be spread over a period of four years—perhaps, to begin with, just £500 million, or—

**Madam Speaker:** Order. I must keep hon. Members to the question before us. The question before us is not the defence review itself and what is in it; it is the briefing of the press, not the details of it. I ask Members to put their questions directly; otherwise, I must move on. May I now have a question to the Minister?

**Mr. Colvin:** My question is simply this. In view of the consistency of the press reports, will the Minister for the Armed Forces get the Secretary of State to authorise a full inquiry into these leaks before he comes to the House to make a statement next Wednesday?

**Dr. Reid:** The premise on which the question is based is false. There is no consistency in the press reports, any

more than there has been for the past 10 months. I therefore do not intend even to consider asking the Secretary of State to institute any inquiry.

**Miss Anne McIntosh** (Vale of York): A very serious charge has been made against the Government—that they have leaked, either from the Ministry of Defence or from the Treasury, precise figures of cuts to the Territorial Army and details of the precise equipment that will be ordered. The only query is about the length of the period over which the review will take place. Clearly the information has not come from Conservative central office—it has many claims to fame, but that is not one of them. Where have those precise figures come from, if they have not come from a leak from the Ministry of Defence or the Treasury?

**Dr. Reid:** The precise figures for the cuts in the Territorial Army in this morning's press came from an article six weeks ago in *The Times* by Mike Evans—which was again based on speculation—not from any brief that we gave.

**Mr. Edward Leigh** (Gainsborough): Will the Minister confirm, therefore, that no Minister or special adviser told *The Times* this week:

"Mr. Brown was not satisfied and demanded a cut of £2 billion in the defence budget"

and told the *Daily Telegraph*:

"it will not deliver the savings of £2 billion"?

Will the Minister confirm that no Minister or official told the papers that this week—indeed, that, if there was any briefing, it was apparently by Conservative central office?

**Dr. Reid:** I do not know the exact quotes. [HON. MEMBERS: "Ah."] I do not know the exact quotes, but I am happy to tell the hon. Gentleman that the Chancellor did not demand any arbitrary cut of any nature whatever. *[Interruption.]* If that is the gist of the quotes, it is accurate, and it is something that was not revealed there but has been said for 10 months by Ministers from the Dispatch Box.

This was a foreign-policy-led review, which has given us a configuration of modern forces for the modern world. It has done so within budget. It has enhanced our capability. It has back-filled the hollowed-out areas left by the previous Government. It is a good story, and that is what is getting up Conservative Members' noses.

**Mr. Bernard Jenkin** (North Essex): May I draw the Minister's attention to a small paragraph in today's *Daily Telegraph*? It reads:

"Ministers conceded yesterday that the Ministry of Defence would be offering significant savings from its £21 billion-a-year budget."

I draw his attention in particular to the words, "Ministers conceded". Does he agree that Mr. George Jones is a senior Lobby correspondent of high reputation? Does he think that he would write "Ministers conceded" unless he had had a briefing from Ministers or officials?

Will the Minister place in the House of Commons Library a schedule of contacts that he and his officials and Treasury officials have had with the *Telegraph* over the past few days, so that we may make up our minds ourselves whether there have been conversations between Ministers and officials on that subject?

**Dr. Reid:** Point one: I have the greatest respect for Mr. George Jones, a serious journalist. Point two: Ministers have never conceded that there were significant cuts made to the defence budget in here, outside here, in public or in private. Point three: significant cuts were never demanded to the defence budget. Point four: the request for a list of every person that we have met in the course of the last year, is a silly point—*[Interruption.]*—or of every person that we have met in the last few days—

**Mr. Iain Duncan Smith** (Chingford and Woodford Green): In the last two days.

**Dr. Reid:** Or in the last two days. The hon. Member for North Essex (Mr. Jenkin) is being stupid, and Conservative Front-Bench Members have been even more stupid in supporting him.

**Mr. Andrew Lansley** (South Cambridgeshire): Will the Minister understand that there is a world of difference between consultation in advance of the taking of decisions by Cabinet Committees and the briefing of decisions reached by Cabinet Committees? It is precisely on that latter point that it is an abuse of the procedures of the House for briefing to take place before the House is told. That is precisely what the stories suggest. Will the Minister accept that?

In his response to my hon. Friend the Member for Stratford-on-Avon (Mr. Maples), the Minister said that there had been no formal briefings by Defence Ministers or officials. Will he further confirm that there were no informal briefings by Ministers of any kind or officials of any Government Department?

**Dr. Reid:** That is the first sensible question that has been asked. Yes, there is a distinct difference between informing on the background, on the processes, and on the development of the thinking of the defence review, which has been going on for 10 months—and that has been done, and those who have been briefed have included not only journalists but officials—*[Interruption.]* I will come to the hon. Gentleman's second point. Indeed, a whole documentary was made on that very subject.

That is different from a briefing on the conclusions of the review, and the conclusions of the review have not been briefed by my Department. As far as anyone else is concerned, in terms of the speculation on what they have been saying, I do not know, but I do know that the Government, from the Prime Minister down, deprecate briefing, on or off the record, of any material which most appropriately should come before the House first.

**Mr. David Maclean** (Penrith and The Border): The Minister has been very careful in his choice of words this morning. We all appreciate that there is a difference between wide-ranging consultation before the conclusions are reached, and the conclusions. The Minister is careful to say, that there has been no briefing "by my Department". It is not good enough for the Minister to use that as a defence to the systematic leaking, which we have seen in the press, from the Government.

*[Mr. David Maclean]*

Will the Minister give us an assurance that he speaks for the whole Government, not just for himself, at the Dispatch Box? Will he give us an assurance that Ministers from any other Department, or No. 10 Downing street, or special advisers from any other Department, have not been systematically leaking part of the defence review?

**Dr. Reid:** I have already made it plain that the position I adopt, in deprecating any such briefings and being opposed to them, is fully shared by the Prime Minister and No. 10 Downing street. If the right hon. Gentleman is asking me whether anyone, in any Government Department, out of several hundred civil servants, has ever said anything to a journalist, I am not prepared to make such a wild statement, and nor could any human being. However, there have been no briefings, formal or informal, by officials or Ministers on the conclusions of the strategic defence review; I keep repeating it. If the right hon. Gentleman will not accept that, I am afraid that I cannot help him.

**Mr. Tim Collins** (Westmorland and Lonsdale): As the Minister says that he cannot rule out the possibility that such briefings took place, will he institute an inquiry? Is the Minister saying—may I have a yes or no answer—that, when George Jones reported this morning that he talked to Ministers yesterday, George Jones made that up?

**Dr. Reid:** I did not say that I could not say that there had been no formal briefings by anyone about this matter. I denied that there were any briefings on it, formal or informal. I could not say—because it is ludicrous to ask me to do so—whether any civil servant in any Department, among hundreds of thousands, had spoken at any stage over 10 months to anyone who happens to be a member of the press or who knows someone in the press. That sort of question shows how desperate the hon. Member for Westmorland and Lonsdale is, and how far he will go in an attempt to prove a conspiracy that does not exist.

So far as the hon. Gentleman's question is concerned, I repeat again: there has been no briefing on the conclusions of the defence review. The Opposition are annoyed, not because they think that there has been some briefing, but because they think that gradually emerging in press speculation—after 10 months of such speculation—is a good story on defence.

I cannot account for the infallibility of George Jones or anyone else. As far as I am aware, no politician or any reporter—however esteemed, and however much respect I have for him—is infallible. When the hon. Gentleman thinks about it, he will realise that it is ludicrous to ask anyone in the House to account for the veracity or otherwise of, or the motives behind, any report that is issued. I merely point out that what George Jones said in *The Daily Telegraph* is different from what Mr. Mike Evans, another highly reputable journalist, said in *The Times*, which is different again from what Mr. John Deans, another reputable journalist, said in the *Daily Mail*. There is no common thread, because there has been no briefing.

**Mr. Owen Paterson** (North Shropshire): In that case, if Mr. George Jones's article is proved to be accurate in detail, will the Minister come to the House next Wednesday and apologise, and launch a full inquiry into where Mr. Jones got the words "Ministers conceded yesterday"?

**Dr. Reid:** I will go further than that. I will relate to the hon. Gentleman the whole of my conversation with the said Mr. George Jones yesterday.

**Mr. Simon Burns** (West Chelmsford): You spoke to him.

**Dr. Reid:** Yes—I never denied that I spoke to him. I shall give a verbatim transcript of our total conversation, which was held not 15 yards from here, in the Lobby. Mr. Jones said, and I quote, "They got it wrong in *The Times* this morning, didn't they?", and I said, "Yes." He said, "I'm going to stick to my figures," and I said, "And I'm going for a coffee."

# Fireworks Bill

*Lords amendments again considered.*

## Clause 10

TRAINING COURSES

*Lords amendment:* No. 1, in page 6, line 6, after ("State,") insert—

("() authorise the making by the Secretary of State of provision about the charging of fees for the grant or variation of licences,")

*Question again proposed,* That this House doth agree with the Lords in the said amendment.—*[Mrs. Gilroy.]*

11.32 am

**Mr. Forth:** I believe, Mr. Deputy Speaker, that we were considering clause 10 of the Fireworks Bill and the amendments from another place relating to that clause.

In drawing my remarks to a close, I remind the House that we are talking about a cascade of possibilities that raises several questions that the Minister must answer. Clause 10 starts the cascade by saying:

"If fireworks regulations specify conditions ... they may make provision for courses."

The clause then goes on to outline three possible routes by which the training courses may be provided: directly by the Secretary of State; by a body or bodies—

**Mr. Deputy Speaker (Mr. Michael J. Martin):** Order. The right hon. Gentleman is quite right: there is a clause there. There are other clauses also, and perhaps he will have an opportunity to discuss them later. However, we are discussing the amendments, and the right hon. Gentleman must stick to them.

**Mr. Forth:** I am grateful to you, as ever, Mr. Deputy Speaker.

The amendments relate to the setting of fees and the Secretary of State's role in that process. I think that we can take it for granted that, were the courses provided directly by the Secretary of State or by a body established by her, the Secretary of State would have direct control over any fees charged. That goes without saying. However, it raises some important questions even at that level about the internal mechanism that would be provided within the Department of Trade and Industry to allow the Secretary of State to establish what the level of fees should be.

As my hon. Friend the Member for Gainsborough (Mr. Leigh) said, that question becomes even more important when we consider the determination of a dual level fee structure for those providing training in the private sector. The Minister must give us a much clearer idea about the probable direction that he and the Secretary of State will take: direct provision by the Department, recognition and establishment of other bodies, or reliance on the private sector.

Depending on which route is chosen, we will need to know much more about the attitude that will be taken towards fees. For example, will fees be set low in order to encourage training, or will they be set at a higher level in order to provide a level of profitability to the private licensed bodies? There is a series of important questions relating to the mechanism—we must know more about that also—that the Minister envisages being established within the Department to deal with the substantial level of bureaucracy that will be needed.

Can the Minister provide a precedent? Some of my hon. Friends have from time to time suggested that there may be a precedent in this area. If so, it may help the House—it will certainly help me—to be told about the approach that the Department might take to setting the fee levels.

On the face of it, that is a daunting task. The Secretary of State, the Minister and the Department must take a view about the number of people that they envisage will have to be trained, which will affect the number of operators and trainers required, and the approach to the setting of fees. Those matters are intimately interrelated and linked. Therefore, the more we know about what the Minister has in mind, the more clear we can be in our response to the amendments from another place. In that way, we shall make an informed judgment, and cast our votes appropriately when the time comes.

We are posing a challenge, but also providing an important opportunity to the Minister. The Bill has been little debated, although the Minister appears to attach much importance to it. I tried earlier in the year—

**Mr. Deputy Speaker:** Order. We will not worry about how often the Bill has been debated. We are concerned only about the amendments before us.

**Mr. Forth:** I am grateful, Mr. Deputy Speaker. We are worried about whether we shall receive a proper answer from the Minister. However, you have already told us that you will police the matter: your eagle eye will be upon the Minister and, if he does not reply, he will incur your displeasure. You helped us out in that regard, Mr. Deputy Speaker.

**Mr. Deputy Speaker:** Order. The right hon. Gentleman should not try to bring the Chair into the argument. Any hon. Member who speaks to the amendments will confine his or her remarks to those amendments—and that includes the Minister. That is what I shall do. I am not worried about the content of the speeches, so long as hon. Members keep to the amendments.

**Mr. Forth:** We shall worry about the content, Mr. Deputy Speaker. If the Minister fails to answer our questions, neither you, Mr. Deputy Speaker, he, nor anyone else will be surprised at the action we shall take.

I have tried to play a modest part in setting out this morning my worries and anxieties about the amendments, clause 10 and the Bill as a whole. I hope that the Minister will endeavour to provide more answers than he has managed so far, so that my colleagues and I can make an informed judgment about these matters.

**Mr. Rowe:** We would all be delighted if we could have prevented the deaths of four people in the past four years. However, the Bill and the amendments are deeply troubling. The entire process is in the hands of the Secretary of State; no provisions are laid down. Clause 10(1), to which the amendments apply, begins with the

*[Mr. Rowe]*

word "If", and clause 10(2) also begins with the word "If". It states:

"If fireworks regulations make provision for courses to be provided by licensed persons, they may . . . make provision"

for certain things. Their Lordships have amended provisions that may never be brought in; there is nothing in the Bill to say that they will. The alternative, of course, is more alarming: because the Bill and its amendments are drafted in this way, there is nothing to stop the Bill being extended further and further.

**Mr. Deputy Speaker:** Order. The hon. Gentleman should know better. I have already explained to hon. Members that what we have to consider is the charging of fees. That is all that is before us—not this clause or any other clause, just the Lords amendments. He must speak to those Lords amendments.

**Mr. Rowe:** I am sorry, Mr. Deputy Speaker. However, the amendments are governed by the word "if" and, if we are going to authorise the making by the Secretary of State of provision about the charging of fees for the grant and variation of licences, we are entitled to repeat to the Minister that we want to know what he has in mind. Does he have it in mind that individuals will receive a licence, which will allow them to perform their function as a letter off of fireworks as often as they wish during a year, or will they have to seek a specific licence every time they wish to perform that function? Clearly, that will have a considerable bearing on the value of the fee charged because, if it is clearly for a year, that fee will be greater. The licence might even be for life; once someone has taken the course and shown that he is able to perform safely, perhaps there will be a life licence fee.

**Mr. Lansley:** Does my hon. Friend agree that, subject to what Ministers say, there would be every reason for such a licence to be provided without time, as it were, because, if the licence is granted with reference to whether a person has the appropriate experience and qualifications, they are not likely to lose that experience and qualifications? Therefore, just one fee should be levied on one occasion.

**Mr. Rowe:** The precedent for that would be the driving licence. That would be perfectly reasonable, so I would be interested to hear the Minister say what he has in mind—if, of course, the regulations are ever made.

Amendment No. 3 authorises

"making by the Secretary of State of provision about the charging of fees for attendance at courses of training in the use of fireworks".

As my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) has already asked, will attendance by itself be enough, or will people have to have some sort of qualification at the end? If they are to be granted a qualification at the end, will it be eligible to be a national vocational qualification? If so, two things follow.

The fees for attendance at courses will vary sharply. For example, many training and enterprise councils—which are responsible for running NVQ courses—are keen to encourage people to undertake such courses because they represent a way back into employment, perhaps as part of the new deal. Are we seriously suggesting that all those people will have to pay a fee? I hope that the Minister will tell us whether it is intended that some people should be eligible for exemption from the fees, even if they attend a course. There is, of course, the other element: people who are already qualified who do not have to attend a course at all will presumably not be charged a fee.

Then we have the business about

"the making by the Secretary of State, or by any body or bodies established or recognised by the Secretary of State under this section"

of

"provision about any of the matters mentioned in subsection (5)."

I believe that you have already ruled, Mr. Deputy Speaker, that that does not allow me to talk about subsection (5), even though one of the amendments deletes subsection (5)(c), but what I think is important is the body or bodies established or recognised. That involves a considerable difference.

If the body is to be established by the Secretary of State, the charges will be much higher because it will have to be set up from scratch and enormous expenses will attach to it. If, however, it is a body recognised by the Secretary of State, all sorts of questions are raised. Will it be a training and enterprise council? Will it be, as has been suggested, a local authority? Will it be some body relating to the industry itself, in which case the Secretary of State would no doubt assume that the charges for setting it up and running it will fall on industry?

Industry might or might not care for that, but all these things will have a considerable impact on the level, nature and, indeed frequency, of the charges. Therefore, I am deeply uneasy about the amendments, which seem to confirm that their Lordships had too little care—as we have had in this House, I am ashamed to say—about the open-endedness of the Bill. This is a serious and difficult matter.

11.45 am

Let me revert for a moment to the grant and variation of licences. I am not clear what the variation of a licence would entail. Would it mean that an individual holding a licence would be entitled to perform his functions in some areas, but not in others? Would he be entitled to perform his function in events of a certain size? Those things matter. If the Secretary of State is to be empowered to vary people's licences, will that entail charging for a variation, or will people be able to apply for a variation of licence without an additional charge? Once they have bought their licence in the first place, will they be allowed to vary it without charge? Again, I do not believe that the Secretary of State or the Minister knows. I would be interested to hear what the Minister has to say.

The amendments merely compound my difficulty with the Bill.

**Mr. Lansley:** I have listened with considerable interest to the debate, and looked with care at this group of amendments. The hon. Member for Birmingham, Northfield (Mr. Burden) has been at pains—and not always within order—to ask whether hon. Members who are intervening support the Bill. For my part, I am happy to concur with the Conservative Front-Bench spokesman, my hon. Friend the Member for Eastbourne

(Mr. Waterson). I have no reason to oppose the Bill, but we are debating a group of amendments and I urge my hon. Friends and, indeed, Labour Members, to look with care at each of the amendments. I hope to explain why. I shall argue that, of the four amendments with which we are presented—Nos 1, 2, 3 and 4—we should agree with amendments Nos. 1, 2 and 4 but disagree to amendment No. 3. When the time comes, Mr. Deputy Speaker, I hope to seek your guidance about how we might pursue that route.

Let me explain why I take that view. We are dealing with the issue of fees, but in two respects: first, fees for the grant or variation of a licence—amendments Nos. 1 and 2 relate to that—and, secondly, fees for attendance at courses; there we come to amendments Nos. 3 and 4.

Amendment Nos. 1 and 2 are necessary. In that respect, I agree, as my hon. Friend the Member for Eastbourne agreed, with the view of the Delegated Powers and Deregulation Committee. It is right that, under the structure of clause 10 as presented to another place, the charging of fees for the grant or variation of a licence could have been determined by a body or bodies established or recognised by the Secretary of State, but not directly on the basis determined by the Secretary of State.

It is therefore right to reconstruct the clause by way of amendments Nos. 1 and 2 so that the provision in relation to fees for the granting or variation of a licence is not simply one of those matters to be determined after the granting of powers to bodies established by the Secretary of State. Where fees are concerned, there should be determination by the Secretary of State herself. I am happy with that. I shall not dwell on the considerable questions relating to the granting or variation of a licence, which have been touched on by my hon. Friends. I am simply concerned with whether the basis of determination of fees for the granting or variation of a licence will be the Secretary of State or some other body or bodies.

Amendments Nos. 3 and 4 bring us to rather a different point. On the face of it, it may seem that the two amendments are designed to do exactly the same thing in relation to the fees charged for attendance at courses—to reflect the argument that the provision for making fees should not be determined by bodies established or recognised by the Secretary of State but should reflect the will of the Secretary of State herself. I understand that the Select Committee carried the thought through from the previous point about the will of the Secretary of State being translated into the determination of fees by a body or bodies established or recognised by her.

**Mr. Rowe:** Does my hon. Friend have any idea whether the Minister expects the Secretary of State to pocket the fees for the issue of licences and, if he does, does he think that the same thing will happen with fees for courses? The two things are very different, since if the providers of courses are not entitled to keep the fees, they will not provide the courses.

**Mr. Lansley:** I am grateful to my hon. Friend. I made the point to my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) earlier. It would be helpful if the Minister told us that where the charging of fees for the grant or variation of a licence is involved, the Secretary of State would seek to recover only the costs incurred by the Department in providing the service of granting or varying a licence.

As regards fees charged for attendance at courses, it seems to me that it would not be for the Secretary of State to pocket any such fee unless she were herself to be the provider of such courses, which is contemplated under the clause. As I understand it, however, the Secretary of State has not told us to what extent she proposes to be a training provider in this context.

For my part—I shall not dwell on the point at length—it seems wholly undesirable that the Secretary of State should be the training provider. The thrust of policy under the previous Administration, which I hope will not be deviated from, was that training should be private sector-led and private sector-provided rather than being provided directly by Government Departments. My hon. Friend made a useful and interesting point and I hope that I have answered him to his satisfaction. However, he has taken me slightly from my train of thought and I should recover it.

I was referring to the Delegated Powers and Deregulation Committee, which in this instance carried through the logic of the point made about the setting of fees by the Secretary of State: the Committee applied exactly the same argument to the setting of fees by the Secretary of State in relation to charging for attendance at courses. However, in that context, I do not think that the Committee was taking a view on the substance of the issue of whether the Secretary of State should set fees for the charging of attendance at courses. It was simply considering the procedural question whether, if such fees are to be set, they should be set by reference to the determination of the Secretary of State, or whether a body or bodies established by the Secretary of State and recognised for this purpose should be allowed to set fees wholly without regard to the determination that the Secretary of State would make in the same respect.

Here I must depart from the view that has been expressed by my hon. Friend the Member for Eastbourne, even though my admiration for him knows no bounds. Although the Select Committee examined carefully the structure of the clause and—in a procedural sense relating to the structure of powers—made a sensible amendment, it is open to us, in examining amendments Nos. 3 and 4, to reach a different view on the substance of the issue, which is the question whether the Secretary of State should set a structure of fees for charging for attendance at courses.

That brings me back to my reasons for opposing amendment No. 3 while agreeing with No. 4: By doing so, we shall delete from subsection (5) the provision that the Secretary of State should make provision about matters relating to fees. That will delete that provision in substance from the policy of the Bill, as it were, and by disagreeing with the Lords in amendment No. 3 we shall not reintroduce the power for the Secretary of State to make provision for fees. I hope that it is clear to my hon. Friends why I propose that we should go down that path.

That brings me to the substance of the issue. I am sorry that I have had to explain the process of my thinking about these amendments in such an elaborate way. When amendments are grouped, it is not always easy to explain why one opposes one and accepts others.

I shall explain my view on the substance of the issue. The presumption—I say this from my experience with chambers of commerce, which were often training providers and participated fully in the establishment of

*[Mr. Lansley]*

training and enterprise councils—that lay behind the reform of training provision was that such provision was best provided by the private sector, and in a way that operated in a competitive and market-oriented fashion. I shall not dwell on the theory of that. I know that it is fully understood on the Opposition Benches. It may not be well understand on the Government Benches, but I understood that, in terms of training policy at least, the Government were not seeking substantially to depart from that which has been established.

I find it odd that the structure of the Bill should look to intervene in a market-oriented system of training provision by setting a structure of fees, or providing for the Secretary of State the power to set a structure of fees. That seems an odd way of proceeding in the absence of any assessment, as far as I am aware, of the character of the marketplace in which the Secretary of State will be intervening.

My right hon. Friend the Member for Bromley and Chislehurst made an important point in that respect. The number of people seeking training and the number of people providing training is of the essence. If the numbers are small, there may be a debate about whether it is right to have a managed market in the short run. If the market is to operate effectively, it must be one in which a substantial number of providers compete among themselves. I understand that, in that marketplace, there is no reason, in time—if not at the outset—why the number of trainers will not be perfectly adequate for a training market to be established.

**Mr. Rowe:** Does my hon. Friend have any idea whether the Secretary of State wants a substantial number of licensed people—in which case one would imagine that she would intervene to keep the price of training as low as possible—or whether this is a back-door attempt to remove fireworks altogether, in which case, presumably, she would intervene to keep the price at a level which would discourage people from taking training at all?

**Mr. Lansley:** My hon. Friend slightly anticipates my next argument, although not unhelpfully. The Secretary of State might set the fee at a relatively low level, with the intention of seeking to encourage large numbers of persons to seek training to undertake activities with fireworks in a safe manner. By doing that, she might well inhibit the development of a market for training because the training providers might find that they did not have sufficient recompense for their training activity.

There lies the difficulty of any Government or public body trying to intervene to manage the market in favour of a particular outcome. They often do not deliver the benefits sought. My hon. Friend may be right. The Secretary of State may set the fees at a low level to attract unskilled users of fireworks and make them skilled users of fireworks. In the process, she may set the fees at a level that brings in few good training providers. Frankly, she may bring into the marketplace providers at a level of fees that does not encourage them to provide training of the quality that is required to meet the underlying objective.

12 noon

**Mr. Paterson:** Does my hon. Friend agree that the real source of knowledge on fireworks is those who manufacture fireworks? Does he think that we could have an unhealthy collusion between those who manufacture fireworks and the Secretary of State in deciding fees and setting up training establishments?

**Mr. Lansley:** My hon. Friend makes an interesting and useful point. I suspect that he is right, and a significant part of the training that is to be provided—if it is to be provided in a market manner—will be provided at the instigation of manufacturers and in relation to their products.

**Mrs. Gilroy:** Perhaps the hon. Gentleman could name some of the manufacturers he thinks may enter into collusion. My understanding is that there are very few manufacturers left in this country, and that it is mostly a matter of importation.

**Mr. Lansley:** Heavens, Mr. Deputy Speaker. I certainly did not say that I thought that any manufacturer would collude or enter into collusive agreement. My hon. Friend the Member for North Shropshire (Mr. Paterson) was talking about that. My point is, in a sense, quite the opposite.

I am perfectly sanguine about the possibility that manufacturers may provide training. I am perfectly happy that, in a training market, one of manufacturers' objectives is to try to promote the use of their product. I have no difficulty with that. I see no reason why the supporters of the Bill should have a difficulty with that, so long as the licensing process is designed to ensure quality and safety in the provision, supply and use of the product.

In a relatively robust marketplace with low barriers to entry, if manufacturers seek by collusion or by abuse of a dominant position—*[Interruption.]* The Minister for Competition and Consumer Affairs and I have spent many happy hours debating the Competition Bill. He will know exactly what I mean by abuse of a dominant position. If manufacturers seek to do that in a relatively healthy marketplace with low barriers to entry, there will be no difficulty. The manufacturers will be circumvented by other training providers.

**Mr. Paterson:** It would help if I expanded my earlier comment to include importers. I was referring to those with a commercial interest in the sale of large numbers of fireworks in this country, who may wish to work closely with the Government to the exclusion of others.

**Mr. Lansley:** My hon. Friend is right to remind me that I have not pursued that point. It seems to me inherently undesirable that there should be collusion either between manufacturers and importers, or between them and the Government, in setting a fees level designed to carry through some kind of distortion to the marketplace for training.

By introducing the Bill, the hon. Member for Plymouth, Sutton (Mrs. Gilroy) and the Minister have assumed that there will not be a free market, as the licensing provision represents a barrier to entry—it is a statutorily determined monopoly on training.

**Mrs. Gilroy:** Is the hon. Gentleman aware that, under the regulations, it is entirely possible—indeed, probable—

that a wide part of the fireworks market will not be subject to training and, therefore, fees? He is straying wide of the mark.

**Mr. Lansley:** I thought that I was entirely in order in talking about the fees to be charged for attendance at training courses. The hon. Lady should not chide me, as I am not talking about those parts of the industry that will not be subject to fees. Perhaps she is shifting her position. The burden of my argument is that the Secretary of State should not be in the business of setting a structure of fees for attendance at courses. If she is saying that that is almost the case already, she should disagree to amendment No. 3.

**Mr. Maclean:** I was worried by the intervention of the hon. Member for Plymouth, Sutton (Mrs. Gilroy), which went to the heart of some of the problems in the Bill and the wide-ranging way in which it is written. On fees, she said that it is possible, even probable, that the regulations may not be relevant to large sections of the industry. We have to debate the Bill and the amendment on fees, but we have no idea what regulations the Government will make, whom the regulations will cover and by what judgment the fees will be levied. The Government are asking us to buy a pig in the poke.

**Mr. Lansley:** My right hon. Friend makes an important point, and gives a more effective riposte to the intervention of the hon. Member for Sutton than I could. If she is minded to intervene again, perhaps she will say what scope she envisages for the licensing system for those who run training courses. The Bill seems to suggest that, for safety reasons, a large proportion of the training of those who use and handle fireworks should be covered by a licensing process. It would be helpful to have the parameters set out.

My argument, as I hope the Minister and the hon. Lady will recognise, is not about scope and how far the licensing process should go; it is about the principle—whether the Secretary of State should determine the structure of fees for training. The statutory barrier to entry set by the Secretary of State is not to limit the numbers entering the training market, but to determine quality. There is no reason why, if enough people are licensed to provide training at the appropriate standard, a fully competitive market for training in the private sector should not be established.

I see no grounds for the setting of fees, or even maximum fees. If we go down that path, there will be many distortions, deliberate or otherwise. One risk, as has been pointed out, is that, although the intention is to increase the number of people who receive training, the number of training providers could be reduced or the quality of the training could be lowered. If the fee is too low, the intended objective may be compromised, and training providers may not be able to offer high-quality courses to meet the standards that the Bill suggests.

**Mr. Rowe:** My hon. Friend has prompted an important line of thought. It seems, prima facie, that the providers of the best training will have an expensive capital outlay for the range that they want. If they attract a large number of people because of the quality of their training, training costs could be driven down. If the Secretary of State has declared the fee that they are allowed to charge, there will not be that beneficial effect.

**Mr. Lansley:** That is a good point. Many distortions might result from a fee set at different levels.

My hon. Friend reminds me of another important matter. The fee will not necessarily remain at the initial level at which it is set by the Secretary of State. If she is the price setter, training providers contemplating coming into the market will have to build in a form of risk with which they are not used to dealing. I have worked with many training providers. They have to accept commercial risk within a marketplace, which is well understood.

If I were a provider, I would set out my stall, as it were. I would know roughly the number of people requiring training and the competition, and I would set the price according to what the market would bear. My question for the Minister is this: will the Secretary of State set the price at what the market will bear and how will she determine that when there is not yet a market? Of course she will not do so, because she does not know that price and will therefore set the fee in relation to costs.

**Mrs. Gilroy:** I am not sure whether the hon. Gentleman was present when I made a similar intervention on the hon. Member for Gainsborough (Mr. Leigh), but the significance of the training scheme under the Bill is that it may confer a statutory right to buy certain dangerous fireworks. Does he not think it right that a limit should be set on charges made for such a right?

**Mr. Lansley:** The hon. Lady questioned whether I had been here throughout the debate, and I can confirm that I have—I have left the Chamber only once, for a moment. Also, she was dealing with the wrong point. I have said that I support amendments Nos. 1 and 2, which relate to the charging of a fee for the granting of a licence or its variation. I do not dispute that point, and I do not understand why the hon. Lady should challenge me on it. Of course fees should be charged for attendance at courses People who want to be trained will go to training providers, who will charge a fee.

The question is whether the fee that is to be charged should be determined by the Secretary of State or the provider operating in the marketplace. The hon. Lady's intervention shows that she has not listened to the argument—indeed, she is not even aware of the structure of the argument. My question, which is the essence of the matter, is: will the Secretary of State set the price in a market that she is to control by judging what it will bear? Clearly, she will not do so.

It is in the nature of the beast that the Secretary of State cannot know what price the market will bear—the market has not established such a price. Therefore, she will either set the price too high so that training providers will receive a higher fee than they would if they were operating in a competitive marketplace without fees set by the Government, or she will set it too low. Short-run marginal costs are the normal basis on which Government Departments set such fees. If the fee is set on that basis, it will be below what the market will bear. Either way, there will be adverse consequences.

**Mr. Collins:** My hon. Friend is developing a powerful market-based argument. Does he agree that a further

*[Mr. Collins]*

difficulty with allowing the Secretary of State to set the fees is that training providers will have to club together to hire a lobbyist to make representations to her on a matter that is clearly vital to their commercial survival?

12.15 pm

**Mr. Lansley:** My hon. Friend is right. He illustrates the inherent inefficiency of trying to manage any market through Government intervention rather than market pressures alone.

If the Government set the fees, they will be either too high or too low. If they are too high, the training providers will take an excess profit—I thought that the Government did not like excess profits—and people may be deterred from seeking training. If they are too low, more people may seek training, but there will be fewer providers and they may cut corners.

I am astonished that the hon. Member for Sutton has not said that she is happy for us to disagree with the Lords in amendment No. 3, because having the Secretary of State setting the fees would only introduce inefficiencies and pose a risk that there could be manipulation for extraneous reasons: to impose a deterrent, for example. The Bill will achieve its objectives only by operating through the marketplace. We should support amendments Nos. 1, 2 and 4, but oppose amendment No. 3.

**Mr. Paterson:** I congratulate the hon. Member for Plymouth, Sutton (Mrs. Gilroy) on doing so well in the ballot and bringing her Bill so near to fruition. At 12.16 pm, it must seem tantalisingly close.

The Bill is extraordinarily ambitious. It strikes me as being like a game of consequences. I whole-heartedly concur with my hon. Friend the Member for Westmorland and Lonsdale (Mr. Collins) that, in considering the fees, we need to go right back to the explanatory and financial memorandum, which gives the Secretary of State extraordinarily wide powers.

The memorandum says:

"The financial effects of the Bill will depend on the content of such regulations and cannot at this stage be predicted ... the regulations may confer power on the Secretary of State to provide training courses."

Those are extraordinarily broad—

**Mr. Deputy Speaker:** Order. I will not allow the hon. Gentleman to go down this route. There have been other stages of the Bill at which these matters could be debated. We are now considering Lords amendments concerning the charging of fees for training, and the granting and variation of licences. The other powers have nothing to do with the amendments.

**Mr. Paterson:** I totally take on board your advice, Mr. Deputy Speaker, but surely the fees are set according to the regulations, which are decided by—

**Mr. Deputy Speaker:** Order. It is a question of taking on board not my advice but my instructions. The hon. Gentleman has had other opportunities to debate these matters. The other place has sent us these specific amendments, and we must confine ourselves to considering them.

**Mr. Paterson:** I will do my best to follow your instructions to the letter, Mr. Deputy Speaker.

The Bill requires a high level of training, in which there is no risk and no animal can be injured. That—

**Mr. Deputy Speaker:** Order. I am trying to help the hon. Gentleman. If he will talk about fees, he will be all right—and I shall be happy.

**Mr. Paterson:** I will try.

I am concerned about the practical consequences of the Bill and the ability to set fees at a realistic level. I have tried in my preamble to demonstrate that the Bill is so extraordinarily ambitious that it will be beyond the powers of the Secretary of State to set satisfactory fees. As I understand it, no fireworks will be sold by anyone who has not been on a training course and—

**Mr. Deputy Speaker:** Order. The hon. Gentleman keeps talking about the Bill. I do not want him to talk about the Bill in general terms. I do not want him to talk about any clause. He should talk only about the amendments before us. That is the difficulty in which he finds himself, and if he is unable to speak to the amendments, perhaps he will allow another hon. Member to speak. He cannot decide to go somewhere else in the Bill just because he cannot speak to the amendments.

**Mr. Paterson:** I apologise once again, Mr. Deputy Speaker. My concern is that the Secretary of State must set fees, but I do not see how he can do that under the Bill's requirements. He has four options. He may set fees without consultation, or he may palm the setting of them on to the industry so that it can make its own arrangements, or he may go to local authorities, or he may set up a quango. Surely, even allowing for the broadness of the Bill, the Secretary of State will not be allowed to set fees without consulting anyone.

My fear, as I said in an intervention on my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), is that the Secretary of State will, by working closely with the industry, distort the market in fireworks and the training of those who use them. The only people qualified to conduct training, and the only people with the space for training grounds in open areas in which there is no danger of hurting livestock, will be importers or manufacturers already involved in the industry. They have a vested interest in shutting other people out of the market, and their interest lies in setting extremely high fees. They will work with the Secretary of State to distort a market that they alone will be able to provide. That will make it difficult for new importers to enter the market or for people to set up new businesses to manufacture fireworks.

Perhaps the hon. Member for Sutton aims to stop fireworks, even though they are hugely popular on 5 November and at other celebrations. She shakes her

head at that suggestion, but I fear that that will be the consequence of working with the industry. Unhealthy collusion will set up a cartel to decide how fees are set.

**Mr. Collins:** The Lords amendments would be even more beneficial if the word "affordable" were inserted before "fees".

**Mr. Paterson:** I agree entirely. The point is that the industry will want the fees not to be affordable. There will be a lock-out, with the collusion of the Secretary of State. The Bill requires good training and requires the Secretary of State to set training fees. The interest of those already established in the market lies in shutting out anyone else. There will be a smaller number of huge public displays, with safer organisation. Perhaps that is what the hon. Member for Sutton wants. I, however, favour private activity, more choice and more independence, which is precisely what the Bill would stop. It will not be in the interests of those who are established in the industry to set the fees too low.

The Secretary of State should not be involved in setting fees. I am sure that enforcement will be deputed to local government, although local government is not mentioned in the Bill. Local government already has huge burdens. As my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) so wisely said, there is huge variation in the characteristics of local authorities. My hon. Friend the Member for Westmorland and Lonsdale and I come from rural areas in which there is plenty of room. It would probably be cheaper to set up fireworks use training establishments in a rural area where there are country spaces in which fireworks can land without hurting anyone.

**Mr. Collins:** I would not want my hon. Friend to think that our debate on the amendments implies any degree of support for large-scale fireworks training courses across the Lake District national park.

**Mr. Paterson:** No. I am sure that my hon. Friend's sheep farmers concur and will be cheering as they listen to the radio or watch on television. It is easier to provide training—and fees would be cheaper—in the country. There will be demands for lower fees from local government. Bromley and Chislehurst is a heavily populated, built-up area which may have considerable problems. People may have to travel. They may have to go all the way to the national park at Lonsdale to find a nice wide open space to do the training, and the fees may be greater. The Secretary of State is being given powers to set fees right across the country, regardless of local circumstances. That is unworkable. If fees are to be set, there must be flexibility to work with those with the extraordinarily difficult job of enforcing the regulations.

There is no acknowledgment of how training is to be checked and enforced. In an intervention, I asked whether some security force will whiz around the country on 5 November checking that every fireworks party is being run by people who have paid the fees and been to a course with which the Secretary of State is content. That appears not to have been thought of at all. With respect to the Bill's promoter, that is not practical.

**Mrs. Gilroy:** Has the hon. Gentleman read the "Firework Injuries Data Year 1997" survey? It has an illustration of a girl badly defaced with the caption:

"Face by boyfriend showing off with a firework."

Boys behaving badly. What price would the hon. Gentleman put on such injuries?

**Mr. Deputy Speaker:** Order. I have already ruled that these matters are not before us at the moment.

**Mr. Paterson:** Mr. Deputy Speaker, I will take your line and not take up that point. I am as concerned as anyone about injuries. I do not see that the setting of fees by the Secretary of State will reduce the number of fireworks injuries. Believing that passing a huge, blunderbuss Bill and giving the Secretary of State power to set fees and insist on training will make this hideous problem go away shows extraordinary faith. Dreadful injuries occur to a small number of people. The number involved is small compared with accidents at home or on the road. I do not believe that the problem will be washed away by giving such powers to the Secretary of State and setting fees.

Much worse, I foresee a black market in the sale of fireworks and, if necessary, in training. Fly-by-night companies will operate outside the legal domain. In contrast to what my hon. Friend the Member for Gainsborough (Mr. Leigh) sought during the Conservative years, when he worked closely with industry and sought consent, the Bill will split the consensus. It all comes back to the fact that the Secretary of State is being given far too wide powers. The powers to set fees are unrealistic and unworkable. Sadly, that will not achieve the laudable aims sought by the hon. Member for Sutton.

**Mr. Nigel Griffiths:** I shall explain why the Government support the Lords amendments and the Bill presented by my hon. Friend the Member for Plymouth, Sutton (Mrs. Gilroy). The heart of the issue is how we can introduce a regime to provide for training that can cut the number of injuries that occur every fireworks season.

Labour Members can speak with some satisfaction in the knowledge that the action that we have taken since the general election has led to a record decrease in the number of fireworks injuries—the largest fall for 23 years. That gives us a unique position to speak with some authority; in contrast to the position of some Conservative Members and the record of the Conservative party.

We support the Lords amendments to clause 10 because they give the powers needed to ensure that display and larger fireworks are used by properly trained people. In that desire, we have the support of everyone from those representing the industry to the Confederation of British Industry, which represents all industries, to the Royal Society for the Prevention of Accidents and organisations which represent the safety interests of the public.

Two things have come out of the debate. None of the Conservative Members who have spoken today contributed to previous debates. Perhaps that is why they are so ill-informed. The speech made by the hon. Member for North Shropshire (Mr. Paterson) beggared belief. He stated that everyone who sells or uses fireworks will have to pay some sort of licence fee. In fact, the vast majority of fireworks sold will not be subject to the Bill, and nor will people who let off fireworks in back gardens or anywhere else.

**Mr. Rowe:** Will the Minister give way?

12.30 pm

**Mr. Griffiths:** No. The hon. Gentleman also made a grave error; he belittled the number of injuries and compared them unfavourably with deaths in other sectors as if a large number of deaths in one sector means that we should not pay attention to the deaths and, more important, injuries from fireworks.

**Mr. Rowe:** Will the Minister give way?

**Mr. Griffiths:** No. The hon. Gentleman had a chance to participate in previous debates on this issue and he failed to do so.

**Mr. Forth:** On a point of order, Mr. Deputy Speaker. Can you confirm that it is not relevant whether a Member has participated previously? This debate is free standing. If the Minister is too afraid to give way to take proper questions from the Chamber, that is a matter for him, but it is nothing to do with an hon. Member's previous participation.

**Mr. Deputy Speaker (Sir Alan Haselhurst):** I can also confirm that that is not a point of order for the Chair. It is entirely up to the Minister to decide whether to give way to another hon. Member.

**Mr. Rowe:** On a point of order, Mr. Deputy Speaker. Is it not normal that, if a Front Bencher misinterprets something that an hon. Member says, he should give way to have it explained?

**Mr. Deputy Speaker:** That is not a normal point of order, either.

**Mr. Griffiths:** There was no misinterpretation of what the hon. Member said.

I come to my second point, which relates to fees. We are giving the Secretary of State the back-up power to set fees if there is not agreement on them by those who run the courses. There are two sets of fees. First, there are fees for licensing. It is interesting that Opposition Members now say that those who are licensed should set their fees. I did not notice them advance that argument for taxi drivers, publicans, builders or developers. That is a red herring. The second set of fees is course fees. Everyone in the House of Commons agrees that, if agreement can be reached on course fees, that is fine. We want a lot of providers to come forward and run courses. If a number of people are running courses, it is likely that the level of fees will reflect the market. That is what we all hope for, and it is exactly what is in the Bill.

What the other place has wisely suggested in its amendments, and in backing up the essence of clause 10, is that, if there is not agreement on fees or, if someone should, as hon. Members have suggested, have a monopoly of the market, the Secretary of State should have the backstop powers to set the fees herself.

**Mr. Maclean:** I merely wish to take the Minister up on his statement that the fees charged by companies will reflect the level of the market and that that is in the Bill. I cannot see what provision he has made in the Bill to ensure that the fees he will set will reflect costs or the market.

**Mr. Griffiths:** The right hon. Gentleman was not listening carefully to what I said, but that is hardly surprising. If several people provide courses, they will set the fees. As for the level at which fees should be set, it was made clear in the evidence that the other place took from Mr. Mason—and repeated by the hon. Member for South Cambridgeshire (Mr. Lansley) as a general principle of government—that the fees should reflect the general costs incurred and not higher costs, and should not be intended to produce a profit. I wholly endorse that principle. I hope that the right hon. Member for Penrith and The Border (Mr. Maclean) is reassured on that point.

**Mr. Lansley:** My point was made in relation to the costs incurred by the Secretary of State in granting or varying a licence. Where fees for attendance at a training course are involved, they can be set by the market. It would be helpful if the Minister explained in what circumstances he thinks the Secretary of State would or would not intervene to set fees that were different from those determined by the market in the normal way.

**Mr. Griffiths:** If there was one provider of training courses and a complaint was made that it had a monopoly on provision and that the fees it charged were unfair, my right hon. Friend might well hear representations on the matter and, after discussions, seek to make alterations. However, I do not believe that those circumstances will arise, because several groups—people who have taken a great interest in the industry over many years—are already interested in running courses. One is the CBI explosives industry group, which has considerable knowledge of the subject and is especially keen to develop and run a training course. Other organisations might also want to run training courses, but if they are to be able to do so and to set the fees that we have debated today, we have to pass the Bill.

I am sorry to say that the worst sort of filibuster appears to be going on. The British Pyrotechnists Association has been following our proceedings today; it was so concerned about the delays and filibustering that it took the opportunity offered by the private notice question to send a letter to me deploring the attempt being made by the Opposition—

**Mr. Deputy Speaker:** Order. The Minister himself is now in danger of going outside the scope of the Lords amendment that we are discussing.

**Mr. Griffiths:** The letter makes it clear that, in the Lords amendments and in accepting the need for fees, the BPA is able and willing to run training courses and wants the Bill to be passed quickly. The letter is signed not only by the chairman of the BPA, but by members of the CBI explosives industry group.

This morning, we have heard hon. Members who do not know the scope of the Bill and who do not care that the current arrangements mean that there is a higher than necessary number of injuries. I invite the House to accept

the Lords amendments and the whole Bill, because it has the support of the whole country, with the exception of the Conservative party.

**Mr. Waterson:** Will the Minister give way?

**Mr. Griffiths:** Yes, even though the hon. Gentleman has not been in the Chamber for substantial parts of the debate.

**Mr. Waterson:** That is wholly untrue, as was the Minister's previous assertion. As he spent much of my speech chuntering under his breath instead of listening to what I had to say, he probably did not hear me wish the Bill a fair wind—

**Mr. Forth:** Oh!

**Mr. Waterson:** I said that the official Opposition would not be voting against the Bill. Does the Minister remember my saying that?

**Mr. Griffiths:** Perhaps the hon. Gentleman did not hear the right hon. Member for Bromley and Chislehurst (Mr. Forth) saying, "Oh!" and groaning when the hon. Gentleman said that he wished the Bill a fair wind. It is the right hon. Gentleman who speaks for the real Conservatives, not the hon. Gentleman on the Front Bench—and that is the problem.

The House should accept the Government's view that the Lords amendment is acceptable and reject all the arguments against it made by Conservative Members because our record on this matter does us a great deal of credit. The record of certain Conservative Members does not do them credit.

**Mr. Leigh:** Why?

**Mr. Griffiths:** The hon. Gentleman asks why. When he was at the Dispatch Box doing this job between 1990 and 1993, the number of people injured by fireworks rose by 46.3 per cent., which means that up to an extra 335 people ended up in hospital because of his incompetent handling of his brief. I ask the House to accept the amendment, because our record of stewardship on the matter has shown a dramatic decline in the number of fireworks injuries and we want to ensure that the trend continues.

**Mr. Lansley:** The Minister is not responding to the carefully argued points made on the amendments. As he knows, I said that I was perfectly happy to support the Bill and, indeed, most of the amendments, but not the one relating to charging fees for training. The Minister is not responding to that argument, which is the subject of the debate.

**Mr. Griffiths:** I am not accepting the hon. Gentleman's rejection of the amendment, because it would hobble the Bill and ensure that there was an unworkable regime because of the innate hostility to fees. I am sorry that he has taken part in the filibustering.

**Mr. Leigh:** Will the Minister give way?

**Mr. Griffiths:** As I have mentioned the hon. Gentleman, I shall. Perhaps he would like to apologise to the House and the country for his stewardship on this issue.

**Mr. Leigh:** The point that the Minister made, which attacked me personally, was outrageous rubbish. He virtually said that I rape nuns and eat babies and that I was personally responsible for people dying because of fireworks injuries. That is an outrageous suggestion, and he should withdraw it. The Minister should reply to the serious concerns that we have raised in the debate. If he thinks the amendment so important, why did he not include it in the Bill in the first place?

**Mr. Griffiths:** One of the great advantages of a parliamentary democracy is that one listens to the informed views of others. We listened to the views on the amendment. It will improve the Bill, and we accept it for that reason. I fear that Conservative Members who have contributed to the debate and not taken the opportunity to contribute to the constructive framing of the Bill will succeed only in talking it out, which would deprive us of a valuable tool further to tackle fireworks injuries. I commend the amendment and the Bill.

**Mr. Maclean:** As the last Opposition Member to speak on the amendment, I want to say a few words. In view of the Minister's provocative attacks on some of my hon. Friends, I could be tempted to speak longer than my wont, but I shall keep my remarks relatively brief.

The Minister made a general attack, suggesting that some of my hon. Friends did not fully understand the Bill's scope. No one can understand its full extent because, in almost every clause, the Minister has taken to himself general powers to make regulations on any matter under the sun, including fees. I regret that the Minister did not confine his remarks to the amendments before us or deal with the particular questions raised by my hon. Friends.

I wish to make another point absolutely clear. It is some time since I was on the Front Bench. What my Front-Bench colleagues in the official Opposition think of the Bill is their concern. I speak individually, and the Lords amendments trouble me. The other place was no doubt concerned to build more safeguards into the Bill, and probably considered the amendments to be safeguards. I am troubled by them because they seem to arise from a misunderstanding of what the Government have the power to do sensibly and wisely. Governments often make the great mistake of believing that they can read the market and fix a price that the market will bear. The Government will have great difficulty in making a judgment on what fees should be charged for training.

The amendment contains no criteria for the level of fees, so the other place has not been up to its usual drafting standard. It has sent us an amendment giving the Secretary of State the power to set fees, but it has not done what it usually does—set criteria by which the

*[Mr. Maclean]*

Secretary of State may come to a conclusion on the fee to be set. If the criterion is the average or maximum price that the market will bear, or the level that would enable all the high-quality training that the Bill envisages to be carried out, that would give us some guidance on the level of fees that the Secretary of State has in mind and the criteria that she and her officials would use when determining the price to be fixed.

12.45 pm

When one reads the Bill, one sees the quality of training that must be given and the proficiency required. Training fees are referred to in clause 10, but they relate to every part of the Bill where training is stipulated. It is also stipulated in clause 5, under which people must show that they are proficient and qualified. I presume, therefore, that it is not merely a matter of the Secretary of State fixing fees in accordance with the cheapest course on the market.

I have experience—admittedly, many years ago—of training in industry. We would have had incredible difficulty had the then Government fixed the fees for the training courses that we provided. If I thought that the Government were fixing the fees, I would lay on the gold-plated, six-week residential course. When companies paid the fees themselves, we started with a five-day course and whittled it down to a two-day or highly intensive 10-hour course, and the fee structure was radically different.

Obviously, the Secretary of State will not want to set the fees prohibitively high. She will set them at a level of full cost recovery, as I presume that her administrative costs must also be added to the fees collected. If so, there will be a Government charge for administering the fee structure, and the Secretary of State will then pick a level of fees that she considers reasonable. If it were not reasonable, it would be subject to judicial review, but what is reasonable in terms of the Bill? If it came to judicial review, their Lordships would have to study all the requirements in the Bill and the quality standards that have been set. I shall not go down the route of discussing quality standards, because that would be outside the scope of the amendment. Nevertheless, the fees that the Secretary of State sets must take into account what people are supposed to know and prove that they are proficient in, under clause 5.

When one looks at the regulations that the Secretary of State has the power to make and the classes of people to whom they can apply, one assumes that only big organisations laying on big, commercial firework displays will be affected. However, according to my reading of the Bill, the Secretary of State has the power to make regulations stipulating that training may apply to anyone who lets off fireworks, even in small village displays. The Bill does not exempt those people.

**Mr. Nigel Griffiths** *indicated dissent.*

**Mr. Maclean:** The Minister shakes his head as if to say, "Oh no, we won't go that far. We are only trying to catch the big events organised by municipalities. We don't intend to go after the little fellow who has bought some fireworks to set off for his children." On the other hand, if the Minister is to be as successful as everyone wants him to be in reducing the number of accidents and injuries resulting from fireworks, should he not acknowledge that most of those injuries occur because some individuals behave stupidly with fireworks, not because big organised public displays go wrong?

I return to the fees issue. If the Minister wants to meet his safety objectives in the Bill, he must encompass in the training courses a range of people—not only the big Brocks, ICIs and CBIs of this world. He must get the training courses to the small punters who lay on little bonfire displays, and let off fireworks, on every village green. If those people are not caught by the training requirement, there is not much point in the training provisions, because such small displays probably make up the majority of firework displays in the country and, probably, the majority of accidents happen at small firework displays—but I shall happily be corrected.

If those one-off punters who have some fireworks on bonfire night are to be trained and fees are to be set, what sort of training courses will be necessary for them, and what level of fees will they be charged? The Minister has given us no hint of the criteria that he will apply when setting fees. I believe that he tried to argue that he would base the fee level entirely on market forces. I do not know how a Government Department can make a judgment on the right level of fees. Will it choose the average price in the market? Alternatively, will it choose the price that the market will bear, and how will it do so?

I had hoped that the Minister would categorically rule out using the fee mechanism to produce further policing. Some of my colleagues hinted that it could be done. The Bill would allow the Minister to do so because it does not set criteria to tie his judgment in setting the level of fees. The Minister did not answer my hon. Friends' argument that he could use the pricing mechanism to fund adequately only the gold-plated courses, forcing others out of the market. If he introduced regulations to outlaw firework displays by the little punters, he could force through the complete municipalisation—indeed, almost nationalisation—of firework displays.

It may be the view in some quarters that the only fireworks that people should be allowed to see are those that are laid on by big organisations and councils. That aspect of the Bill worries me, because it means that it can be used to get at individuals who want to set off fireworks themselves. I deplore all those foolish individuals who do not use fireworks safely; I wish that the Bill had been a small Bill, dealing exclusively with tightening safety rules relating to children, especially sales to children. However, the Minister has in the Bill a huge blunderbuss measure, with lots of powers in every clause. In my view, the power that he is taking for the Government to set fees will do nothing to reduce accidents.

The Minister may say that training will reduce accidents. It could do so if the right people were trained—which they may not be—but I do not, for the life of me, understand how giving the Minister the power to set fees will help to reduce accidents. The fees to be set by future Ministers are irrelevant to the safety arguments that the Minister put.

The Minister ranged widely in his speech and made some blatantly political points. I shall not take that route: I confine my remarks to the Lords amendment. The Minister has not dealt with the points raised, including the

point that I and my hon. Friends have made that the level of fees set by the Minister does not enhance the safety case one iota.

I regret that the Minister replied as he did, and that he did not specifically address any of the points raised by my hon. Friends. On Fridays, when we debate private Members' business, my hon. Friends have a perfect right to scrutinise legislation. The Lords amendments have not previously been seen. It is irrelevant for the Minister to say that some hon. Members present have not participated in earlier debates on the Bill. None of us had seen the Lords amendments relating to fees previously, and it is valid for any of us to participate in that argument today.

I hope that the hon. Member for Plymouth, Sutton (Mrs. Gilroy), who will probably reply briefly, will pick up some of the points raised by my hon. Friends. I am still disturbed not just by large parts of the Bill, but by the suggestion that the Government must set the level of fees because that will somehow improve safety, and lead to fewer accidents and fewer children being blinded. That is nonsense. No one wants to see children blinded or fools messing about with fireworks, but there is nothing in the Bill that will prevent people from misbehaving badly with fireworks—in the same way that no legislation can stop footballers misbehaving badly on the pitch.

The Minister is trying to create the false argument that, if hon. Members do not vote for the Bill, it will result in many more accidents involving young people. If the Minister wanted to reduce the number of fireworks accidents involving young people, he should have introduced a measure that was specifically targeted at that objective rather than introducing Henry VIII powers regarding regulations for everything under the sun, including training courses and fee setting by the Government.

**Mrs. Gilroy:** Before turning to the amendments, I point out to the House that my Bill was considered carefully by the House of Lords Select Committee on Delegated Powers and Deregulation, in addition to being debated in another place and in Standing Committee. Opposition Members have expressed concern about not having had an opportunity to scrutinise the Bill. However, we welcomed the contribution by the hon. Member for Solihull (Mr. Taylor) and accepted an amendment. That showed, from an early stage, that we were prepared to take account of points raised by hon. Members in an attempt to improve the Bill.

**Mr. Leigh:** Is this the hon. Lady's Bill or was it given to her by the Government?

**Mrs. Gilroy:** Hon. Members may know that I am the first member of the Institute of Trading Standards Administration to be elected to the House, and I have taken a great interest in issues to do with consumer protection and safety.

We have also received assistance from the Confederation of British Industry explosives industry group and the British Pyrotechnists Association. It is clear from the communication that my hon. Friend the Minister received, and to which he referred earlier, that those organisations do not object to the fee-making powers in the amendments.

Amendment Nos. 1 to 4 are related, and I shall discuss them together. They relate to clause 10 of my Bill, which includes powers to make provision for, among other things, fees for the grant or variation of licences for training providers and for attendance at training courses. My Bill currently provides for either the Secretary of State or any body or bodies established or recognised by the Secretary of State to make provision for such fees.

The amendments were prompted by concerns expressed by the Select Committee on Delegated Powers and Deregulation—I should have thought that Opposition Members would have more respect for such a body—when it considered very fully the various regulation-making provisions in my Bill. The Select Committee was concerned to ensure that fee setting remained within the control of the Secretary of State. In paragraphs 13 and 14 of its report—which I imagine that Opposition Members have considered fully—the Select Committee expressed the view that fees should either be approved by the Secretary of State or be subject to a limit specified in the regulations.

**Mr. James Paice** (South–East Cambridgeshire): Will the hon. Lady give way?

**Mrs. Gilroy:** No, I want to make progress. There is much more to be debated in the Bill, and hon. Members are waiting to consider other legislation.

The report also suggested that the Lords might consider whether a suitable ministerial undertaking would be satisfactory. In the Select Committee's view, that would have been sufficient. In any event, the Lords decided that the issue would be dealt with better by amendment.

The amendments to clause 10 will, therefore, ensure that only the Secretary of State will be able to make provision regarding fees for training licences and fees for attendance at training courses. That would also provide a means of ensuring that fees were not set at excessive levels.

**Mr. Paice:** I am very grateful to the hon. Lady for giving way.

**Mr. Deputy Speaker:** Order. The hon. Member for Plymouth, Sutton (Mrs. Gilroy) should make it clear when she is refusing to take an intervention. I understand that she has completed her speech.

**Mrs. Gilroy:** I am sorry, Mr. Deputy Speaker. I did not notice the hon. Member for South–East Cambridgeshire (Mr. Paice) attempting to get in. I was in the course of my last sentence, so I was concentrating on finishing.

1 pm

**Mr. Paice:** In that case, I would like to speak for a moment.

The Minister is right. I have only just come in, but the point that the hon. Member for Plymouth, Sutton (Mrs. Gilroy) is making goes close to a matter of great interest to me—training. Having run a private sector training company for years before I came into the House, and having been privileged to be the Minister with responsibility for training, I do not know of any other situation where the Minister is given the power to set the fees for attending a training course.

*[Mr. Paice]*

There are many other examples, including pesticides—the issue that the next Bill is about—driving forklift trucks and driving heavy goods vehicles, where the requirement is for training, rightly, but there is no example, to my knowledge, where the Minister is given such a power. That is why I was seeking to intervene on the hon. Member for Sutton. I wanted to ask whether she could name another piece of legislation in which the Government take on themselves the setting of fees for training courses.

I do not believe that there is any such example. It is a pity that the hon. Lady was not able to give way. Obviously, if she can come back and cite an example, I would be delighted, but, given that Labour says that it understands for the first time how industry and commerce work, I cannot imagine how it could possibly put into legislation the power for a Minister to set training course fees. Unless the hon. Lady or the Minister can give an example of legislation that gives that power to a Minister, I cannot see how the amendment can be acceptable.

*Question put*, That this House doth agree with the Lords in the said amendment:—

*The House divided:* Ayes 49, Noes 2.

**Division No. 327]** **[1.1 pm**

**AYES**

| | |
|---|---|
| Anderson, Donald *(Swansea E)* | Kaufman, Rt Hon Gerald |
| Anderson, Janet *(Rossendale)* | Kemp, Fraser |
| Austin, John | Kennedy, Jane *(Wavertree)* |
| Bradshaw, Ben | King, Ms Oona *(Bethnal Green)* |
| Brinton, Mrs Helen | Lepper, David |
| Buck, Ms Karen | Livingstone, Ken |
| Burnett, John | Lloyd, Tony *(Manchester C)* |
| Caplin, Ivor | McFall, John |
| Chaytor, David | McNulty, Tony |
| Cotter, Brian | Pickthall, Colin |
| Darvill, Keith | Pound, Stephen |
| Davey, Edward *(Kingston)* | Purchase, Ken |
| Davey, Valerie *(Bristol W)* | Robinson, Peter *(Belfast E)* |
| Dean, Mrs Janet | Rooker, Jeff |
| Dowd, Jim | Ryan, Ms Joan |
| Eagle, Angela *(Wallasey)* | Stunell, Andrew |
| Efford, Clive | Thomas, Gareth R *(Harrow W)* |
| Fearn, Ronnie | Tonge, Dr Jenny |
| Flynn, Paul | Truswell, Paul |
| Gilroy, Mrs Linda | Turner, Dennis *(Wolverh'ton SE)* |
| Griffiths, Nigel *(Edinburgh S)* | Wallace, James |
| Hall, Mike *(Weaver Vale)* | Williams, Rt Hon Alan *(Swansea W)* |
| Hall, Patrick *(Bedford)* | |
| Heath, David *(Somerton & Frome)* | |
| Hill, Keith | **Tellers for the Ayes:** |
| Iddon, Dr Brian | **Angela Smith and** |
| Jackson, Ms Glenda *(Hampstead)* | **Mr. Richard Burden.** |

**NOES**

| | |
|---|---|
| | **Tellers for the Noes:** |
| Paterson, Owen | **Mr. Edward Leigh and** |
| Walter, Robert | **Mr. Eric Forth.** |

*Question accordingly agreed to*

*Lords amendment agreed to.*

**Mr. Forth:** On a point of order, Mr. Deputy Speaker. For the sake of clarification, am I right to believe that you are grouping together two amendments that relate to two different clauses—clauses 5 and 7—and then, in a different grouping, two amendments, Nos. 6 and 8, that relate to a clause and a schedule? Does that complicate matters or is it how it should be?

**Mr. Deputy Speaker:** Madam Speaker has made the selection, which is perfectly in order. It is quite common practice that if amendments applying to different clauses and schedules are seen to be pertinent and relevant, they will be taken together. There is nothing wrong with that.

## Clause 14

PROHIBITION OF SUPPLY ETC. OF OTHER EXPLOSIVES.

*Lords amendment:* No. 5, in page 8, line 6, leave out—("under this section") and insert ("by virtue of this subsection").

*Motion made, and Question proposed,* That this House doth agree with the Lords in the said amendment.—*[Mrs. Gilroy.]*

**Mr. Deputy Speaker:** With this, it will be convenient to discuss Lords amendment No. 7.

**Mr. Bernard Jenkin** (North Essex): I do not wish to detain the House because, like my hon. Friend the Member for Eastbourne (Mr. Waterson), I am broadly sympathetic to the Bill and I want to see that it has a fair wind. I wish to speak to amendment No. 7, which creates something of a hurdle to the regulations that the Secretary of State might make under clauses 1(2) and 14(3). For the purposes of brevity, I will confine my remarks to regulations that might be made under clause 1(2).

As drafted, clause 1(2) contains a major deficiency, which raises a serious issue. It says:

"The Secretary of State may by regulations amend subsection (1)."

Subsection (1) is the heart of the Bill, as it contains the definition of fireworks. Subsection (1)(b) defines fireworks as devices that

"would be fireworks for those purposes if they were intended as a form of entertainment."

That gives some suggestion of how incredibly broad the definition is. It has nothing to do with the nature and properties of what one might consider to be a firework, but relates only to how the device might be used. It is not surprising, therefore, that it was decided that that broad definition should be amended. Without the amendment—

**Mr. Deputy Speaker:** Order. The hon. Gentleman may have misunderstood the narrowness of the amendment to which he purports to speak. The amendment relates entirely to whether the regulations should be subject to the affirmative resolution procedure. He may address the House only on that matter.

1.15 pm

Mr. Jenkin: I certainly agree with that ruling, Mr. Deputy Speaker. The purpose of the amendment is to determine whether such regulations should be approved by affirmative resolution of both Houses. The amendment relates to a serious deficiency in the Bill. It used to be a principle that one could not amend primary legislation by means of secondary legislation. As drafted, the Bill means not only that primary legislation can be amended by secondary legislation, but that that can be done under the negative resolution procedure. A Minister will be able to

propose a regulation, lay it on the Table and, 40 days later—with no reference to the House except for the rather ineffectual praying procedure that exists for negative resolutions—amend an Act of Parliament. Moreover, in this case, he will be able to amend the clause that goes to the very heart of the Bill.

I believe that we should support the amendment, but I make the fundamental point that even the positive resolution procedure, which requires the assent of both Houses of Parliament, is an inadequate protection for legislation that has gone through all stages in both Houses. We should not fall into the habit of framing legislation so that it can be fundamentally amended, even with the consent of both Houses. We should support the amendment, but the Bill is inadequately protected and deeply flawed, which explains why Lord Renton of Mount Harry said that it was the most extraordinary piece of legislation that he had come across in all his years in the law and in politics.

**Mr. Patrick Nicholls** (Teignbridge): I support amendment No. 7, which I hope is acceptable to the Bill's promoter.

**Mr. Deputy Speaker:** Order. The hon. Member for Plymouth, Sutton (Mrs. Gilroy) has already indicated that she supports the amendment.

**Mr. Nicholls:** I am grateful to you for drawing that to my attention, Mr. Deputy Speaker. As my hon. Friend the Member for North Essex (Mr. Jenkin) said, unless the amendment is agreed to, the Bill will be deficient; we will be unable to scrutinise it, as we will not know what the end result will be.

There have been a number of cases in which definitions in legislation have not been tightened up, with most extraordinary results. The amendment will in no way thwart the intentions of those who want the Bill to be enacted, but it will ensure that when the Minister has provisionally taken a decision and taken appropriate action, Parliament can consider that decision—albeit after it has been made—and say whether it is a good idea.

Finally it would have been a great deal better—this is an important point, which I want to place on record—if the principle that we could scrutinise what we are being asked to pass had been built into the Bill in its entirety, instead of a lot of mechanisms that mean that we do not know what its final shape will be. It is sad—I state it no more strongly than that—that when my hon. Friends have tried to point that out over and over again, they have for some reason been misunderstood not only by the promoter of the Bill but by the Minister, which says something about the Government's attitude to such legislation.

**Mr. Maclean:** Amendment No. 7, which was made in another place, states:

"Regulations under section 1(2) or 14(3) shall not be made unless a draft of the statutory instrument containing them has been laid before Parliament and approved by a resolution of each House."

To discuss sensibly whether the affirmative or the negative procedure should be used, one must look at those parts of the Bill. Clause 14(3) states:

"The Secretary of State may by regulations amend subsection (2)"—

of section 14. Clause 14(2) states:

"In this section 'explosives' has the same meaning as in the Explosives Act 1875."

The amendment also states that the affirmative procedure should be used in respect of amendments made to clause 1(2). Clause 1 states:

"In this Act 'fireworks' means devices",

and goes on to describe fireworks. Clause 1(2) states:

"The Secretary of State may by regulations amend subsection (1)."

From the tortuous way in which the Bill is written, I conclude that, if we accept the amendment, the powers that the Secretary of State has taken in the Bill to amend the meaning of a firework and an explosive in the fireworks and explosives Acts will be subject to affirmative resolution. I sincerely believe that we must accept it, as it is a tiny safeguard against the draconian powers that the Secretary of State has taken.

It is totally wrong that we should be in this situation in the first place, and that the Secretary of State should be able to take powers by regulation—just one of the many thousand regulations that she can make under the Bill. She has taken unto herself powers to amend the Acts defining fireworks and explosives. Thankfully, the other place has done its little bit to tighten up those draconian powers by stating that a draft must be laid before each House and approved by affirmative resolution.

Affirmative resolution must be the bare minimum if the Secretary of State is to have such powers. It would be extraordinary if regulations that amend the fireworks and explosives Acts could be passed through the negative procedure in this House. I am not sure of the extent of the Explosives Act. It is an important measure, but I think that it merely defines explosives—whether they are shotgun cartridges, smoke cartridges or mountain rescue flares. Obviously, the definition includes large pyrotechnics, explosives, military explosives and so forth.

That measure was enacted in 1875. People accept that pyrotechnics and explosives change from time to time. New ones are invented—

**Mr. Deputy Speaker:** Order. I have listened with patience to the right hon. Gentleman, but I must remind him that the amendment to which he is speaking concerns whether regulations made under clauses 1(2) or 14(3) should be subject to the affirmative resolution procedure—that point, and that point only.

**Mr. Maclean:** Thank you, Mr. Deputy Speaker. I shall concentrate on that. I was trying to make the point—I apologise if I did not make it clearly enough—that regulations may be a sensible way of dealing with changes in fireworks technology or—

**Mr. Deputy Speaker:** Order. There is no point in the right hon. Gentleman repeating his error.

**Mr. Maclean:** Their Lordships have said that the affirmative procedure would be better, and I believe that it is absolutely essential.

The director of consumer safety and standards, Mr. Peter Mason, said:

"The degree of distress and anxiety that would justify ministers coming to Parliament, even under a negative resolution procedure, to justify some of the actions that we have talked about, would have to be pretty extensive. What we have been anxious to do is to make clear that we can take into account various factors which are not

*[Mr. Maclean]*

available to us under the 1987 Act. It is certainly not the intention that these powers should be exercised for trivial reasons. In fact, I think that although subsection (2)(a) gives the vires for the regulations, one also has to pay attention to the political realities. We would have to be able to defend what we were doing through the consultation process, through Parliament's scrutiny processes and ultimately the negative resolution procedure. I do not think there is anything further I can say on that ... I would say about the negative resolution procedure that we have a lot of experience of making resolutions under the 1987 Act, using this procedure. It is certainly one that I regard as being effective in so far as we know that the stuff that we write is subject to review, it is capable of being prayed against ... I do not regard that negative resolution procedure as being in any way an ineffective constraint."

That is Mr. Peter Mason's view, not mine. We all know that the Government are embarked on a lot of legislation that contains order-making powers, the vast majority under the negative resolution procedure. It would be a disservice to the House, and to an industry that legitimately manufactures explosives for use by the military, and fireworks for the enjoyment of millions of people, if the principal Acts were suddenly amended by Ministers through the negative resolution procedure.

No matter what we all may say publicly about the wonderful scrutiny that we give matters in the House, the scrutiny that Committees give even to changes made by affirmative resolution is not what it used to be, and not what many of us would like it to be. The negative procedure allows a huge amount of important legislation to be enacted, and I found it extremely convenient when I was a Minister. I jumped at any chance to use it, because—

**Mr. Deputy Speaker:** Order. The right hon. Gentleman must not enter into a general discussion of two forms of procedure. The question is whether these specific regulations should be subject to affirmative resolution.

**Mr. Maclean:** My specific point is that the other place has determined that we should use the affirmative resolution procedure. The only general point that I was making was that the House sometimes does not give enough scrutiny to other legislation and—

**Mr. Deputy Speaker:** Order. The right hon. Gentleman is exceeding the bounds. For the second time, he has repeated a matter for which I have already reproved him. I shall be forced to look at the Standing Orders if he persists.

1.30 pm

**Mr. Maclean:** I have no intention of persisting, Mr. Deputy Speaker. I am sorry to have misunderstood your ruling, and I will comply with it entirely. I was coming to the end of my remarks.

Although the other amendments are of concern, amendment No. 5 provides an essential safeguard. The House still has an important part to play in the conduct of national affairs, even if that role is declining. We can take powers to make sure that legislation is scrutinised properly, and affirmative resolution is the right way to do that for the powers in an enormously draconian Bill. The other place has done a service to Parliament and to the people of the United Kingdom by insisting that we use that procedure.

**Mr. Forth:** In following the perceptive remarks of my right hon. Friend the Member for Penrith and The Border (Mr. Maclean), I am drawn to the fact that clauses 14 and 16 include powers on the prohibition and supply of explosives other than fireworks as well as fireworks themselves. There is an important distinction between fireworks and explosives, as my right hon. Friend said. Amendments Nos. 5 and 7 relate to key clauses in the Bill, to which clauses 14 and 16 refer explicitly. Amendment No. 7 also refers directly to clauses 1(2) and 14(3). Our debate, therefore, is about the definition of fireworks under primary legislation, and about explosives.

The arcane wording of—

**Mr. Deputy Speaker:** Order. Perhaps I can assist the right hon. Gentleman. If he thinks that he may have found a way to discuss the wider issues to which he has referred, let me tell him that amendment No. 5 is a drafting amendment, and there can be only the narrowest of debates on it. Amendment No. 7, as I have already reminded the right hon. Member for Penrith and The Border (Mr. Maclean), relates specifically to whether regulations to be made under specified clauses should be subject to affirmative resolution procedure. Both points are very narrow.

**Mr. Forth:** Indeed they are, Mr. Deputy Speaker. That makes them all the more interesting and relevant. They may have specific effects on businesses that supply fireworks or explosives, and on those who enjoy fireworks or who use explosives for legitimate reasons. The wording of amendment No. 5 is narrow, substituting

"by virtue of this subsection"

for

"under this section".

The form of words is somewhat obscure, but it certainly refers to explosives and fireworks, and to regulation making. I can understand why my right hon. Friend the Member for Penrith and The Border concentrated on amendment No. 7, which refers to clause 16.

We are in important territory here, which is not to say that the wording of previous amendments was not of importance. All words in every Bill are of crucial importance. When a Bill reaches the statute book, its words have legislative effect on every individual in the country. They can affect businesses and employment. Every word of this highly regulatory Bill has the potential—

**Mr. Deputy Speaker:** Order. By his own words, the right hon. Gentleman is extending his remarks well beyond the scope of the amendment. I must remind him to confine his remarks to the narrow amendment No. 7, to which he says he is speaking and which is about the affirmative resolution procedure—that, and that alone.

**Mr. Forth:** Indeed. We are discussing the extent to which the House agrees with the Lords. In making alterations to primary legislation, should Ministers be able to do it simply by regulation, as originally suggested—or, as has usefully been suggested in amendment No. 7, should we provide that

"Regulations . . . shall not be made unless a draft of the statutory instrument containing them has been . . . approved by a resolution of each House."?

I shall return to that, but I want to remind the House that we are discussing clause 1(2), which is fundamental to the Bill and, therefore, the functioning of the Bill.

**Mr. Deputy Speaker:** Order. No we are not. We are talking about whether the regulations should be subject to the affirmative resolution procedure.

**Mr. Forth:** Indeed, but amendment No. 7 refers to

"Regulations under section 1(2) or 14(3)".

**Mr. Deputy Speaker:** Order. The right hon. Gentleman is experienced enough to realise that we cannot go back to the substance of the clause to which the regulations refer. The debate is simply on the mechanical question whether the affirmative resolution procedure should apply.

**Mr. Forth:** I would not dream of challenging what you say, Mr. Deputy Speaker, but I should have thought that what I was saying was relevant to a discussion of the importance of changing the mechanism, which I was relating back to the seriousness of the substance to which the mechanism relates.

**Mr. Deputy Speaker:** Order. The right hon. Gentleman is challenging my ruling. If he wishes to continue to speak, I suggest that he confines himself to the terms of amendment No. 7.

**Mr. Forth:** That is helpful to me because I shall now embark on the main thrust of my remarks, which relate to amendment No. 7 and whether regulations should be made

"unless a draft of the statutory instrument containing them has been laid before Parliament and approved by a resolution of each House."

That is the crucial substance of the amendment, as my right hon. Friend the Member for Penrith and The Border rightly emphasised, which I wish to explore further.

Those of us with some passing familiarity with the proceedings of the House and the making of legislation know how crucial it is to have a mechanism to ensure that each House has a proper opportunity to consider statutory instruments, especially where they alter primary legislation, as in this case. Bills such as this, with provisions that would allow Ministers, by secondary legislation and the powers given thereby, to alter the meaning of primary legislation always cause nervousness, as you, with your long experience know, Mr. Deputy Speaker.

That is why there has been a broad welcome for amendment No. 7. The other place has given us reassurance that we welcome. If I may say so without incurring your displeasure and strictly in passing, Mr. Deputy Speaker, that yet again affirms the value of the work of the other House. I am sure that we all want to record our gratitude to it for allowing us to debate this matter and include the amendment.

The great danger was that, in its original form, the Bill did not offer us such a safeguard. We cannot know until we hear an explanation from the Minister or the Bill's promoter whether that was an oversight or whether it was deliberate. I hope that we shall be given some idea about that.

One of the difficulties of these debates has been that, for reasons known only to themselves, neither the promoter nor the Minister has chosen to explain why they are recommending, or not recommending, amendments. To some extent we are unguided in our reaction to them, because we have not yet had the privilege of such an explanation. That it obviously a matter for their judgment, but it puts us at a disadvantage, and it may be the reason why ever so occasionally we inadvertently stray from the strict material of the amendments. One would assume or hope that the understanding of the contents of the Bill is that much greater in the case of the Minister and the promoter, although I hope that they would—

**Mr. Deputy Speaker:** Order. I am going to say now to the right hon. Gentleman and the House that I am getting very close to considering that the right hon. Gentleman's remarks fall within the terms of Standing Order No. 42. I put him on final warning. I shall ask him to resume his seat if he persists in offending against that Standing Order.

**Mr. Forth:** I am grateful, as ever, for your guidance, Mr. Deputy Speaker. I wanted to emphasise that the provisions in amendment No. 7 are of great reassurance to us because they allow at least the possibility of the House of Commons and the other place giving some consideration to the proposals that may come forward in a statutory instrument. That may not allow us to amend the substance—the procedure does not allow for that—but at least it would provide that vital safeguard that we all increasingly look for against the power of the Executive to change legislation, make regulations and so on. That is the safeguard that is contained in the amendment. It is for that reason that I welcome the amendment today and wish it fair passage.

**Mr. Leigh:** This has proved an interesting debate. Everyone who has spoken so far has assumed that the amendment is worth while and that, if the Minister wishes to amend the definition of a firework, that decision should be subject to an affirmative resolution of the House. Everyone seems to think that that is what we should do. That is probably right, but I am not sure that we have considered what would happen if there were an emergency, in which case the affirmative resolution route might delay the Minister in taking urgent action to protect the public.

My recollection is hazy as to whether in the past the Minister has had to act urgently. I suspect that until now we have had a fairly good system under the Explosives Act 1875 and other consumer protection legislation that has given Ministers the power to intervene quickly to ban a product or to label it in a certain way to protect the public. Those who are promoting the Bill have, for perfectly justifiable reasons, produced a Bill which, because it is wide in its scope and contains Henry VIII clauses, has prompted the other place to insist on requiring the Minister to proceed by way of the affirmative resolution procedure if he wishes to label an item as an explosive.

Those who spoke in the other place said that Ministers should not be given free rein to do what they thought fit. Everyone who has spoken in today's debate has accepted that. I can give one practical example of a case in which the delay that may be engendered by the affirmative

*[Mr. Leigh]*

resolution procedure could lead to unfortunate results, and in which the existing procedure, whereby the Minister can intervene quickly, is more appropriate. I hope that the Minister can reassure me on this point.

What if the fireworks industry came up with a new product which, say, used compressed gas to fire a pyrotechnic shell? That would overcome the ban imposed on aerial shells after Mr. David Hattersley, a head teacher from High Wycombe, was killed by such a device when the explosive charge that was supposed to launch the shell went off sooner than expected while he was leaning over the launch tube. Under the existing procedure, the Minister could act quite urgently in such a case. However, as in the example I have given, the industry might attempt to circumvent the individual firework ban by using technology that is just beyond the scope of the existing legislation. The industry would not cynically attempt to circumvent what Parliament or the Minister had decided, but it might do what I have described in an attempt to make a safer product. In such a case, others might want the Secretary of State to act quickly to exclude the unproven new breed of device.

1.45 pm

The Minister should be able to ban such devices, as Ministers in the past have been able to do. My right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) and I, who have both had responsibility in this sphere, often had to act quickly to ban particular products. The first action taken by my right hon. Friend on becoming Under-Secretary of State for Industry and Consumer Affairs was to ban a particular product. In such circumstances, we would say, "We will ban the product without having to go through the delays engendered by the affirmative resolution procedure in Parliament, but then we shall give the industry a chance to discharge its burden of proof and, in that way, we shall determine whether the product is safe." At least we could act quickly in such circumstances.

What worries me is that, because Parliament is rightly concerned about the Bill's wide-ranging powers—in a sense, that is the devil in the legislation—Parliament is circumscribing the Minister's power to act quickly when public safety is at stake. On the other hand, I can understand why my hon. Friends feel that it is necessary for Parliament to be involved through the affirmative resolution procedure. I understand and support their argument that, because the Bill is so wide-ranging, it can almost reinvent itself in the sense that it can give ever wider powers to Ministers to determine what is or is not a firework. My hon. Friends do not want to give such power to Ministers.

**Mr. Jenkin:** My understanding, and I might have misunderstood, is that, in the normal course of events, and unless provision is made for emergency regulations, any regulations laid on the Table cannot come into force until they have lain on the Table for 40 days. Therefore, the amendment would not engender any further delay. If my understanding is incorrect, I hope that my hon. Friend will enlighten me.

**Mr. Leigh:** I have tried to think through in my mind whether or not the amendment would engender further delays. My personal understanding might be wrong and my hon. Friend's right, in which case the debate will have produced a proper outcome and I shall be satisfied. I simply wish to press the point, which is worrying to me, even though I understand why, because of the nature of the Bill and the way in which it is drafted, hon. Members want these matters to be brought before Parliament and the Minister to be obliged to explain—albeit in a truncated and often unsatisfactory debate—what is or is not a firework.

In Committee, hon. Members mentioned issues such as distress flares or bird scarers. The Minister might consider a distress flare to be a firework, especially given that, some time ago, an appalling act of homicide caused by a distress flare took place on the football terraces. Whether such flares should be included in the ambit of the legislation might be precisely the sort of issue that the Minister might want to discuss with Parliament.

The other problem is that distress flares are also used to protect lives at sea and on mountainsides, and therefore play a very positive role. In the case of an appalling incident such as the one that I described, in which a hooligan used a distress flare and caused injury, there would immediately be great public pressure on the Minister to bring the product within the ambit of the Bill.

Our concern about the amendment is that Ministers will be able to act very quickly. Of course, they would want to act properly, and would not take action without advice from officials, but occasionally Ministers and officials make mistakes and Ministers are put under pressure. If there is not a time for calm reflection and the matters cannot come before Parliament, a mistake may be made. We are worried that a product may be banned and that—although that may deal with a problem such as that which I described, which engendered public pressure forcing Ministers to act—there might be unforeseen consequences.

**Mr. Deputy Speaker:** Order. I have calmly reflected and decided that the hon. Gentleman is in danger of repeating himself.

**Mr. Leigh:** I shall not deal further with that particular case.

**Mr. Jenkin:** I may inadvertently have given the House misleading information. Having taken informal advice on statutory instruments, I understand that, unless the parent statute signifies that a statutory instrument cannot come into force immediately, a Minister may table a statutory instrument and it can come into force immediately, whether it is required to lie on the Table or requires affirmative resolution. Therefore, the amendment places no restriction on how quickly a new regulation can come into force.

**Mr. Leigh:** I am grateful to my hon. Friend and I respect his judgment, but I hope that he will forgive me if I say that I should like the Minister to confirm that point.

**Mr. Jenkin:** The Minister is not here.

**Mr. Leigh:** I do not understand why the Minister is not here, when we are discussing matters of public safety. I

am not sure that the Minister of State, Ministry of Agriculture, Fisheries and Food, who is present, is the appropriate Minister and capable—

**Mr. Deputy Speaker:** Order. That is very interesting and amusing, but it has nothing to do with the amendment before us.

**Mr. Leigh:** I understand, Mr. Deputy Speaker, but I was intervened on.

Other matters might cause the Minister to act, such as pesticidal smoke cartridges; shotgun cartridges; magnesium blocks, which are sold to help to light fires in emergencies; Hilti guns, which fire heavy-duty bolts and nails in the construction industry; alarm mines—

**Mr. Deputy Speaker:** Order. The hon. Gentleman is straying too far from the substance of the amendment, which concerns the simple question whether the affirmative resolution procedure should be used.

**Mr. Leigh:** I am coming to the end of my points, Mr. Deputy Speaker. In going through that list, I was showing you and the House that there may be doubt about whether or not numerous devices are fireworks, because of the nature of the explosive charges they contain. It is right that such matters come to the House to be considered properly and for the Minister to have to justify his actions.

**Mr. Leigh:** On a point of order, Mr. Deputy Speaker. It would be nice if the Minister could now reply to the debate.

**The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. Jeff Rooker):** For the avoidance of doubt, the Government accept the amendments sent from the other place.

*Question put,* That this House doth agree with the Lords in the said amendment:—

*The House divided:* Ayes 50, Noes 0.

**Division No. 328]** **[1.53 pm**

AYES

Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Austin, John
Bradshaw, Ben
Brand, Dr Peter
Brinton, Mrs Helen
Buck, Ms Karen
Burden, Richard
Burnett, John
Caplin, Ivor
Collins, Tim
Colman, Tony
Corbyn, Jeremy
Cotter, Brian
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Dowd, Jim
Eagle, Angela *(Wallasey)*
Efford, Clive
Fearn, Ronnie
Fitzpatrick, Jim
Flynn, Paul
Gilroy, Mrs Linda
Griffiths, Nigel *(Edinburgh S)*
Hall, Mike *(Weaver Vale)*
Heald, Oliver
Hill, Keith
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Kaufman, Rt Hon Gerald
Kemp, Fraser
King, Ms Oona *(Bethnal Green)*
Lepper, David
McFall, John
Maclean, Rt Hon David
McNulty, Tony
Paice, James
Pearson, Ian
Pickthall, Colin
Purchase, Ken
Robinson, Peter *(Belfast E)*
Rooker, Jeff
Ryan, Ms Joan
Savidge, Malcolm
Stunell, Andrew
Thomas, Gareth R *(Harrow W)*
Tonge, Dr Jenny
Turner, Dennis *(Wolverh'ton SE)*
Wallace, James
Walter, Robert

**Tellers for the Ayes:**
**Angela Smith and**
**Mr. Patrick Hall.**

NOES

**Tellers for the Noes:**
**Mr. Eric Forth and**
**Mr. Edward Leigh.**

*Question accordingly agreed to.*

*Lords amendment agreed to.*

**Mr. Colvin:** On a point of order, Mr. Deputy Speaker. In view of the fact that the Bill is largely an enabling measure, it would assist the House greatly if we knew the Government's line on the various measures in it. Is it in order for the Minister to remain seated for so long in this debate, when an intervention early in the debate, with a clear statement about the Government's view on the various enabling proposals, would have facilitated progress? Why have we been denied a statement? Is it in order for the Minister to remain seated for as long as he has?

**Mr. Deputy Speaker:** It is certainly not a question of order as to which hon. Member, whether on the Government Front Bench or not, contributes to a debate in the House. We are considering a private Member's Bill which is being piloted by the hon. Member for Plymouth, Sutton (Mrs. Gilroy).

**Mr. Nigel Griffiths:** On a point of order, Mr. Deputy Speaker. Is it in order for the hon. Member for Romsey (Mr. Colvin) to question whether there has been a Government response, when the Government gave that response and he was not here to listen to it, or to the answers to the very questions that he put?

**Mr. Deputy Speaker:** That is no better a point of order than the last one.

**Mr. Jenkin:** On a point of order, Mr. Deputy Speaker. We all understand that Ministers have duties outside the Chamber that necessarily occupy their time. In the previous debate on Lords amendments, it would have been very informative to have had the Minister's view—

**Mr. Deputy Speaker:** Order. I have just dealt with the substantive point of order raised by the hon. Member for Romsey (Mr. Colvin).

**Mr. Jenkin:** It is a separate point of order, Mr. Deputy Speaker.

**Mr. Deputy Speaker:** It does not sound like it.

**Mr. Jenkin:** Would it be in order for the Minister to answer now the points that were raised?

**Mr. Deputy Speaker:** Most certainly not. The hon. Gentleman must know that that confuses completely a point of order with a point of debate.

**Mr. Maclean:** On a point of order, Mr. Deputy Speaker. Will you check *Hansard* on Monday and the Minister's claims that the Government have responded to

*[Mr. Maclean]*

the debate? I have been here throughout this morning's proceedings and I did not hear any such response. I am not asking that you request the Minister to reply now—of course not—but I ask you to check *Hansard* in order to see what was said. The Minister's comments appear to be at variance with my understanding of what happened.

**Mr. Deputy Speaker:** What has been said will be on the record for all to see.

**Mr. Forth:** On a point of order, Mr. Deputy Speaker. Because the Minister was not here for large parts of the previous debate, I felt that it was appropriate to divide the House—if only in protest.

**Mr. Deputy Speaker:** I have already dealt with the point of order as to whether the Minister is obliged to take part in the debate.

*Lords amendment:* No. 6, in page 8, line 8, leave out ("this section") and insert ("subsection (1)").

*Motion made, and question proposed,* That this House doth agree with the Lords in the said amendment.—[*Mrs. Gilroy*]

**Mr. Deputy Speaker:** With this it will be convenient to take Lords amendment No. 8.

**Mr. Forth:** This is a clear case—perhaps the clearest that we have had to date—of how it would be helpful if, at the outset of our consideration of the amendments, we were given the courtesy of some brief explanation as to why the Bill's promoter, the hon. Member for Plymouth, Sutton (Mrs. Gilroy), recommends the amendments to the House. Amendment No. 6 may be detailed and technical—it may even improve the Bill—but it would assist the House to know why and how that is so.

That argument applies even more strongly to amendment No. 8. Those of us who have not had time to scrutinise the amendment this morning—we have been rather busy and in the Chamber all the time, unlike the Minister—want to know why the Roads (Scotland) Act 1984 is relevant to fireworks legislation. Given the obvious obscurity and very detailed nature of these amendments, in particular, it would be helpful if the Bill's promoter would do us the privilege of explaining at this stage the reasons for the amendments and why she believes that they should be accepted.

**Mrs. Gilroy:** The amendments are simply drafting and tidying-up measures. My father was a civil engineer who was much given to tidying the roads, and I am pleased to ensure that this Bill is kept tidy.

**Mr. Paice:** That raises the question whether it is right that the House should amend the Roads (Scotland) Act 1984 at this stage in the Parliament. The House has already passed legislation to create a Scottish Parliament, which will come into being next year following elections. As I understand it, the issue of roads in Scotland will be devolved to the Scottish Parliament. I suggest that it might be inappropriate at this stage in the Scottish Parliament's development for the House to do anything to alter legislation that the Scottish Parliament could change again 10 months hence.

I would have hoped that the hon. Member for Sutton would address that issue. If her father was a civil engineer, he would know the importance of having legislation absolutely right and tidy. If we are likely to have a change again next year, when there is a Scottish Parliament in place and a Scottish Minister with responsibility for roads in Scotland, one has to ask what is the point of introducing a change now.

**Mr. Leigh:** The hon. Member for Plymouth, Sutton (Mrs. Gilroy), who is promoting the Bill, did not choose to explain amendment No. 8, so it falls to me to help the House in its consideration by explaining what it is. The amendment relates to the prospective repeal of sections 30 and 80 of the Explosives Act 1875. When those are repealed, the two sub-paragraphs in question will no longer have any relevance.

I have been to the Library to consult the Explosives Act. In particular, of course, I have consulted sections 30 and 80. Section 30 says:

"Gunpowder shall not be hawked, sold, or exposed for sale upon any highway, street, public thoroughfare, or public place. If any gunpowder is hawked, sold, or exposed for sale in contravention of this section—

(1) the person hawking, selling, or exposing for sale the same, shall be liable to a penalty not exceeding 40 shillings; and

(2) all or any part of the gunpowder which is so hawked or exposed for sale, or is found in the possession of any person convicted under this section, may be forfeited."

What I do not quite understand—again, presumably, the Minister will not be prepared to tell us; certainly the hon. Member for Sutton was not prepared to tell us—is this. We are repealing or amending part of section 30 of an important measure, which was presumably passed by Parliament, in its wisdom, to protect people on the Queen's highway in Scotland, but it is not clear what the law in Scotland relating to public safety on the public highway will be.

**Mr. Forth:** My hon. Friend must recall that all that we have been offered so far by way of explanation is that the father of the promoter of the Bill was a civil engineer with a tidy mind. I do not know what my hon. Friend thinks about that as an explanation. I think that it is patronising and insulting. Unless we get something a lot better from the promoter or the Minister, I cannot see how we can possibly be persuaded of the merits of the amendment.

**Mr. Leigh:** I strongly suspect that the reason why the hon. Member for Sutton made that fatuous comment is that she had not done what I did, which was fairly elementary. I went back to the Explosives Act to ensure that, rather than these matters just being glibly wafted through the House of Commons without any debate, we considered why we were repealing part of the Act.

Of course I will be reassured on that point. I cannot believe that the Government have made such an elementary error as not to consider properly what is in the Act—of course they have—but we should like an explanation of why, when Parliament in its wisdom, passed section 30, it is now to be repealed.

Schedule 4 of the Consumer Protection Act 1987, amending section 80 of the Explosives Act, deals with the penalty for throwing fireworks in the thoroughfare. It says:

"If any person throw, cast, or fire any fireworks in or into any highway, street, thoroughfare, or public place, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale".

By the language, my hon. Friends will realise that that is an amendment to the Explosives Act—it is not the original words—but, again, it is an important protection for people going about their lawful business. Section 80 makes it clear that there should be a penalty for throwing fireworks in the thoroughfare.

What could be more unpleasant than going about one's ordinary lawful business on the thoroughfare and finding that someone is throwing fireworks around? This is a matter of public concern, and I hope, therefore, that, before we complete consideration of these matters, we shall get some help from the Minister. Will he assure us that nothing in the Bill as presently drafted, and none of its changes to existing legislation, will in any way lessen public safety on the highway or the protection that the Explosives Act has adequately provided for the best part of 130 years? I hope that I have made my points, and I look forward to the Minister's contribution.

2.15 pm

**Mr. Maclean:** Like my hon. Friends, I thought initially that amendment No. 8 was a fairly innocuous tidying-up measure, and that once we received an explanation from the Minister or the promoter, we might be happy to accept it. I do not hold it against the promoter, but I found her response extraordinary. I put it down to the hon. Lady's inexperience or perhaps to the wrong advice that she was given. However, it was an extraordinarily flippant remark to make—that this is just a tidying-up amendment and that her father, who was no doubt a distinguished engineer, was good at tidying up roads.

The House deserves a better explanation than that. I think that it was because the Minister declined to reply to the previous debate that my hon. Friends divided the House. Unless the hon. Lady can give an explanation that I would find more satisfactory, even I as a broad supporter of tightening fireworks safety, especially for children, would be driven to conclude that she deserved the vote to go against her for treating the House in such a flippant way.

Amendment No. 8 would insert in the schedule the repeal of part of the Roads (Scotland) Act 1984. I do not follow the complex legal arguments that my hon. Friend the Member for Gainsborough (Mr. Leigh) produced, and I am slightly surprised that the amendment relates to the legislation that he quoted.

The schedule refers to the Explosives Act 1875, the Explosives Act (Northern Ireland) 1970, the Explosives (Age of Purchase &c.) Act 1976, the Explosives Act 1875 etc. (Metrication and Miscellaneous Amendment) Regulations 1984, the Consumer Protection Act 1987 and the Explosives (Amendment) (Northern Ireland) Order 1996. The contents of the schedule deal with explosives. Suddenly, the promoter is asking us to accept an amendment from another place—the other place has added this amendment—

**Mr. Deputy Speaker:** Order. We are discussing not the contents of the schedule, but an amendment, and moreover a drafting amendment.

**Mr. Maclean:** Exactly, Mr. Deputy Speaker. We are discussing an amendment that would insert the repeal of parts of the Roads (Scotland) Act into the schedule, which deals with Acts relating to explosive substances. We have had no clear indication why the Roads (Scotland) Act should be included in the schedule. I would think that it is an innocuous measure. No doubt it deals with interesting and important matters relating to roads in Scotland. What is it about the Act that makes it appropriate to be included in a schedule dealing with explosives legislation?

Does the Roads (Scotland) Act 1984—the hon. Lady should tell us—include provisions relating to fireworks and explosives? I presume that such provisions must be in it somewhere. However, we have not had an explanation setting out why it is relevant for the Act to appear in the schedule and why the House should agree with the other place.

When we were considering the previous group of amendments, I thought that the other place had put forward some sensible suggestions to improve the Bill. We discussed them and the Minister, unfortunately, neglected to reply to the debate. However, we voted the lead amendment through. I think that that was sensible although some of my hon. Friends might have disagreed with the way in which the Minister behaved in refusing—

**Mr. Deputy Speaker:** Order. That is not relevant, as the right hon. Gentleman knows. We are discussing Lords amendment No. 8, a drafting amendment.

**Mr. Maclean:** Of course, Mr. Deputy Speaker. I shall not repeat my point.

I hope that in this instance we shall be given an explanation. I was trying to bring my remarks to a close by saying that if the Minister does not want a repeat of what happened earlier, we need an explanation of the relevance of the Roads (Scotland) Act in terms of its inclusion in the schedule.

I used to be familiar with some of the details of roads legislation; I used to take a little interest in it. I cannot for the life of me—I am willing to be informed by the Minister or by the hon. Member for Plymouth, Sutton (Mrs. Gilroy)—recall the particular provisions of the Roads (Scotland) Act 1984 that relate to fireworks. I assume that they relate more to explosives. As we are being asked to include the Roads (Scotland) Act 1984 in the schedule, could we have an explanation of why only Scotland is referred to? Are there not similar requirements for roads in England?

I will not go down that route, because it would be quite out of order, but I believe that the House is entitled to know the relevance of the Roads (Scotland) Act 1984, when other roads legislation relating to England is either not included or not relevant. Are these matters covered in some of the explosives or fireworks legislation contained in the schedule? The hon. Member for Sutton cannot get away with her skimpy explanation to the House today.

This is an important Bill, which contains a tremendous number of draconian powers, to which I shall not refer again. We have looked sensibly at amendments to the Bill today. These two important amendments were recommended by the other place, and I happen to believe that, in tabling amendments, the other place does a good job. However, we are entitled to a view of what the other place has given us. We need to know from the

*[Mr. Maclean]*

Government why the amendments are to be included and their substance, purpose and consequence. Also, if we fail to pass them into law, what will be the effect?

You say, Mr. Deputy Speaker, that they are technical or drafting amendments. They may be—in your opinion. We do not know from the Minister or the hon. Member for Sutton what they are intended to do. Amendment No. 6 is clearly a drafting amendment.

**Mr. Forth:** My right hon. Friend, who is a student and has been a practitioner of these matters, will know that an amendment may look innocuous—it may change only one word. However, he would surely concede that that can often contain within it substantial changes to the meaning of a clause, or even to a Bill. It is for that reason that he is right to say that, although there has been no debate on the matter, it is important—if only as a courtesy to the House—for either the promoter of the Bill or the Minister to give us a proper explanation of amendment No. 6, and then a bigger explanation of amendment No. 8.

**Mr. Maclean:** My right hon. Friend makes a valid point. Although an explanation would have been helpful, I assume that amendment No. 6—with which I was comfortable, and which proposes to delete "this section" and insert "subsection (1)"—would have no unintended legal consequences. However, I may not be correct. Perhaps my right hon. and hon. Friends have a different view. It would appear to be a technical or drafting amendment.

**Mr. Leigh:** My right hon. Friend keeps repeating that this is a technical or drafting amendment, but it is not.

**Mr. Nigel Griffiths:** It is.

**Mr. Leigh:** The Minister says that it is. I hope that he will intervene and explain, because he did even not bother to turn up for the previous debate, let alone reply to the points that I made on safety. Frankly, that was outrageous behaviour.

**Mr. Deputy Speaker:** Order. The hon. Gentleman is moving well away from the point of the amendment.

**Mr. Maclean:** It appears to me that deleting "this section" and inserting "subsection (1)"—I presume that that is subsection (1) of clause 14—might appear to be a technical amendment, making it simpler to understand. It may have different legal consequences—I am not certain. I am concerned that we have not had an explanation from the hon. Member for Sutton of the legal consequences of deleting "this section" and inserting "subsection (1)", so that the Bill would read:

"In subsection (1) 'explosives' has the same meaning as in the Explosives Act 1875."

There could be some unintended consequences.

**Mr. Paterson:** Before my right hon. Friend moves on from the Scottish aspect, and as he comes from Scotland, may I ask him whether he believes that the clause is compatible with Scottish law? Will there have to be a further redrafting through regulations, given that the Bill is so badly drafted?

**Mr. Maclean:** I must pick up my hon. Friend on one point. I do not think that there can be a further redraft to correct the anomaly. The Secretary of State has taken powers under almost every clause of the Bill considerably to amend other Acts, including the Explosives Act 1875, but I am not sure that she could redraft the Bill to change any mistakes that he has made in interpreting Scottish law.

None the less, my hon. Friend the Member for North Shropshire (Mr. Paterson) raised the valid point that the Bill would amend the Roads (Scotland) Act 1984. The Bill relates to fireworks and applies to the United Kingdom, but there has been no explanation of its consequences to the Scottish legal system. I believe that—I do not want to go down the route suggested by my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice)—the matter may more appropriately be dealt with in the Scottish Parliament, to which such powers will be devolved. However, that is not my main concern, and I may be out of order if I suggest that it would be better to amend the Roads (Scotland) Act 1984 through roads legislation or through a devolved measure in the Scottish Parliament.

We are discussing a suggestion from the other place that the Roads (Scotland) Act 1984 be added to a schedule of a United Kingdom Act of Parliament that deals with fireworks. I do not think that the Bill is an appropriate vehicle through which to amend that Act, as is suggested by the Act's proposed inclusion in the schedule.

**Mr. Forth:** The thought has occurred to me—it may have occurred to my right hon. Friend, too; I know how perspicacious he is in these matters—that, as the Bill seems to find it necessary to encroach on Scottish legislation, it will equally affect matters in England, Wales and Northern Ireland. If so, the Bill could contain a defect, although it is a bit late in the day for us to identify it. Perhaps the Minister or the promoter will make it clear why the Bill seems uniquely to affect Scotland and why, by implication, it does not have a similar effect in other parts of the United Kingdom. Has my right hon. Friend taken that into account in his analysis of the amendment?

**Mr. Maclean:** My right hon. Friend raises a good point. Clause 19 states:

"This Act may be cited as the Fireworks Act 1998."

It continues:

"This Act extends to Northern Ireland."

I do not want to trespass on any legislation relating to Northern Ireland or on the unique way in which, at the moment—

**Mr. Deputy Speaker:** Order. The right hon. Gentleman is now going beyond the scope of the amendment. He must confine himself to speaking about whether it is desirable to improve the Bill's drafting as proposed.

**Mr. Maclean:** Precisely, Mr. Deputy Speaker. I apologise for being tempted slightly astray. Amendment No. 8 relates to the Roads (Scotland) Act 1984, but we have a United Kingdom.

**Mr. Paice:** There seems to be a contradiction. Clause 19 clearly states that the legislation will extend to

Northern Ireland. Moreover, the schedule repeals Northern Ireland legislation. I find it odd that amendment No. 8 will amend Scottish legislation when, as far as I can see, the Bill contains nothing to suggest that it applies to Scotland at all.

**Mr. Maclean:** My hon. Friend is right. The legislation extends to Northern Ireland. Therefore, the parliamentary rules of interpretation are such that it would be regarded as a United Kingdom Bill, which I assume automatically—

**Mr. Deputy Speaker:** Order. The right hon. Gentleman may assume that he is well out of order.

**Mr. Maclean:** The amendment to the Roads (Scotland) Act 1984 suggested by the other place clearly applies to Scotland. That is obvious. We have a United Kingdom Act of Parliament before us. When the hon. Member for Sutton, who is promoting the Bill, introduced the amendment from the other place, she gave us no explanation about what it does. My hon. Friend the Member for Gainsborough, who has considerable legal expertise in such matters, was able to cite accurately from the various statutes those provisions—

*It being half-past Two o'clock, the debate stood adjourned.*

*Debate to be resumed upon Monday next.*

**Mr. Ivor Caplin** (Hove): On a point of order, Mr. Deputy Speaker. We are about to move on to the rest of the business. Would it be in order for any right hon. or hon. Members who want to object to state that clearly by standing up, so that it can be shown in the public record that they have objected to one of the forthcoming Bills?

**Mr. Deputy Speaker:** The objections are given in the usual way. It will be observed whether or not they are taken.

## Remaining Private Members' Bills

### PESTICIDES BILL

*Lords amendment considered.*

*Lords amendment No. 1 agreed to.*

### WASTE MINIMISATION BILL

*Order read for resuming adjourned debate on Third Reading [24 April].*

*Motion made, and Question*, That the Bill be now read the Third time, *put forthwith pursuant to Standing Order No. 77 (Third Reading), and agreed to.*

*Bill accordingly read the Third time, and passed, without amendment.*

### ENERGY CONSERVATION (HOUSING) BILL

*Order for Third Reading read.*

**Hon. Members:** Object.

*Third Reading deferred till Friday 6 November.*

### WEIGHTS AND MEASURES (BEER AND CIDER) BILL

*Order read for consideration (not amended in the Standing Committee).*

**Hon. Members:** Object.

*To be considered upon Friday 6 November.*

### BREEDING AND SALE OF DOGS BILL

*Order read for consideration (as amended in the Standing Committee).*

**Hon. Members:** Object.

*To be considered upon Friday 6 November.*

**Mr. Mike Hall** (Weaver Vale): On a point of order, Mr. Deputy Speaker. Is it in order that the right hon. Member for Penrith and The Border (Mr. Maclean) be recorded as having objected to that puppy farming Bill? It should be shown in *Hansard* that he—

**Mr. Deputy Speaker (Sir Alan Haselhurst):** Order. The House has a procedure for the recording of objections, which cannot be altered at this point. A procedure is in place. If it needs to be changed, it must be dealt with in another way.

**Mr. David Maclean** (Penrith and The Border): Further to that point of order, Mr. Deputy Speaker. Since the hon. Member for Weaver Vale (Mr. Hall) named me, is it appropriate for *Hansard* to record that I am supported by all animal welfare organisations, and only the—

**Mr. Deputy Speaker:** Order. It suffices that an objection has been taken—[HON. MEMBERS: "No."] Order. We are not debating that matter.

## ENERGY EFFICIENCY BILL

*Order read for consideration (as amended in the Standing Committee).*

**Hon. Members:** Object.

*To be considered upon Monday 6 July 1998.*

## COMPANY AND BUSINESS NAMES (CHAMBER OF COMMERCE, ETC.) BILL

*As amended (in the Standing Committee) considered.*

*Order for Third Reading read.*

**Hon. Members:** Object.

*Third Reading deferred till Friday 6 November.*

## PRIVATE HIRE VEHICLES (LONDON) BILL

*As amended (in the Standing Committee), considered.*

*Motion made, and Question*, That the Bill be now read the Third time, *put forthwith pursuant to Standing Order No. 75 (Third Reading), and agreed to.*

*Bill accordingly read the Third time, and passed, without amendment.*

## LOCAL AUTHORITY TENDERS BILL

*Order read for consideration (as amended in the Standing Committee).*

**Hon. Members:** Object.

**Mr. Deputy Speaker:** Further consideration what day?

**Ms Oona King** (Bethnal Green and Bow): On a point of order, Mr. Deputy Speaker. In the light of the history of the Bill, which was previously objected to accidentally by the right hon. Members for Bromley and Chislehurst (Mr. Forth) and for Penrith and The Border (Mr. Maclean), who were gracious enough to acknowledge the fact, and given that the former put it in *Hansard* that I had gone to extraordinary lengths to deal with the questions raised, would it be in order to ask whether the objection was a mistake, especially as the Bill has the full backing of the Confederation of British Industry?

**Mr. Deputy Speaker:** Order. I regret to say to the hon. Lady that an objection has been taken. Further consideration what day?

**Ms King:** Friday 6 November.

*Further consideration deferred till Friday 6 November.*

## LABELLING OF PRODUCTS BILL

**Mr. Deputy Speaker:** Not moved.

## ACQUISITION AND POSSESSION OF AIR WEAPONS (RESTRICTION) BILL

**Mr. Deputy Speaker:** Not moved.

## NATIONAL HEALTH SERVICE (EQUITY OF FUNDING) BILL

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 10 July.*

## EMPLOYMENT (AGE DISCRIMINATION IN ADVERTISEMENTS) BILL

*Order read for resuming adjourned debate on Question [6 February],* That the Bill be now read a Second time.

**Hon. Members:** Object.

*Debate to be resumed on Friday 6 November.*

## RELIGIOUS DISCRIMINATION AND REMEDIES BILL

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

## WELFARE OF PIGS BILL

**Mr. Deputy Speaker:** Not moved.

## HARE COURSING BILL

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

## WELFARE OF BROILER CHICKENS BILL

**Mr. Deputy Speaker:** Not moved.

## REPRESENTATION OF THE PEOPLE (AMENDMENT) BILL

**Mr. Deputy Speaker:** Not moved.

## HOUSING SERVICE CHARGES (AMENDMENT) (No. 2) BILL

**Mr. Deputy Speaker:** Not moved.

## SCHOOL CHILDREN'S CLOTHING AND FOOTWEAR (VALUE ADDED TAX) BILL

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 10 July.*

## DOOR SUPERVISORS (REGISTRATION) BILL

**Mr. Deputy Speaker:** Not moved.

**FOOTBALL SPONSORSHIP LEVY BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**LOCAL EXCHANGE TRADING SCHEMES BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**MOTOR ACCIDENT INJURY COMPENSATION BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**CHILDREN'S NURSERIES (SAFETY) BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**CRIMINAL JUSTICE (INTERNATIONAL CO-OPERATION) (AMENDMENT) BILL** [*LORDS*]

*Read a Second time.*

Bill committed to a Committee of the whole House.—[*Mr. Hall.*]

*Bill immediately considered in Committee; reported, without amendment.*

*Motion made, and Question,* That the Bill be now read the Third time, *put forthwith pursuant to Standing Order No. 77 (Third Reading), and agreed to.*

*Bill accordingly read the Third time, and passed, without amendment.*

**PREVENTION OF DELAY IN TRIALS BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**LEAD IN PAINT (HEALTH AND SAFETY) BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**WARM HOMES AND ENERGY CONSERVATION (FIFTEEN YEAR PROGRAMME) BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**COLD WEATHER PAYMENTS (WIND CHILL FACTOR) BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 10 July.*

**RECYCLED CONTENT OF NEWSPRINT BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**WATER INDUSTRY (AMENDMENT) BILL**

*Order for Second Reading read.*

**Mr. Deputy Speaker:** Not moved.

**HOME ZONES BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**LOCAL GOVERNMENT (EXPERIMENTAL ARRANGEMENTS) BILL** [*LORDS*]

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**GENEVA CONVENTIONS (AMENDMENT) BILL** [*LORDS*]

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 10 July.*

**PUBLIC RECORDS (AMENDMENT) BILL**

*Order read for resuming adjourned debate on Second Reading* [*30 January*].

**Hon. Members:** Object.

*Debate further adjourned till Friday 6 November.*

**LOCAL GOVERNMENT BOUNDARY CHANGES (REFERENDUM) BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**FARMING OF ANIMALS FOR FUR (PROHIBITION) BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 10 July.*

**COMPANIES (MILLENNIUM COMPUTER COMPLIANCE) BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**REFORM OF QUARANTINE REGULATIONS BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**VOLUNTARY PERSONAL SECURITY CARDS BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**MILLENNIUM CONFORMITY BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**LICENSING (AMENDMENT) BILL**

*Read a Second time.*

*Bill committed to a Standing Committee, pursuant to Standing Order No. 63 (Committal of Bills).*

**MENTAL HEALTH (AMENDMENT) (No. 2) BILL** [*LORDS*]

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 17 July.*

**BUILDING SOCIETIES (JOINT ACCOUNT HOLDERS) BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**SCHOOL TRANSPORT BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**DRINKS CONTAINERS (REDEMPTION) BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**ELECTRICITY GENERATION BILL** [*LORDS*]

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 6 November.*

**RESTORATION OF DAMAGE TO SITES OF SPECIAL SCIENTIFIC INTEREST BILL**

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 10 July.*

**SEA FISHERIES (SHELLFISH) (AMENDMENT) BILL** [*LORDS*]

*Order for Second Reading read.*

**Hon. Members:** Object.

*Second Reading deferred till Friday 24 July.*

**POLICE BILL**

*Order read for resuming adjourned debate on Second Reading* [*13 February*].

**Mr. Deputy Speaker:** Not moved.

**LANDMINES BILL**

*Ordered,*

That, in respect of the Landmines Bill, notices of Amendments, new Clauses and new Schedules to be moved in Committee may be accepted by the Clerks at the Table before the Bill has been read a second time.—*[Mr. Dowd]*

*Ordered,*

That, in respect of the Landmines Bill, if the Bill is committed to a Committee of the whole House, further proceedings on the Bill shall stand postponed; and that, as soon as the proceedings on any Resolution come to by the House on Landmines Bill [Money] have been concluded, this House will immediately resolve itself into a Committee on the Bill.—*[Mr. Dowd]*

## BUSINESS OF THE HOUSE

*Ordered,*

That, at the sitting on Tuesday 7th July, the Motion in the name of Mr. William Hague relating to the Social Security Amendment (Lone Parents) Regulations 1998 may be proceeded with as if Standing Order Nos. 16 (Proceedings under an Act or on European Community documents) and 17 (Delegated legislation (negative procedure)), were applicable thereto.—*[Mr. Dowd]*

**Mr. Hall:** On a point of order, Mr. Deputy Speaker. On a previous point of order, the right hon. Member for Penrith and The Border (Mr. Maclean) claimed that his objection to my puppy farming Bill had the support of all animal welfare organisations. I want to put the record straight, because that is not true. Both the National Canine Defence League and the Royal Society for the Prevention of Cruelty to Animals support—

**Mr. Deputy Speaker:** Order. I have already ruled that we cannot have a debate on a point of order.

## North-East London Probation Service

*Motion made, and Question proposed,* That this House do now adjourn.—*[Mr. Dowd.]*

2.45 pm

**Mr. John Cryer** (Hornchurch): I thank Madam Speaker for giving me the chance to debate NELPS, the north-east London probation service. I also thank my hon. Friend the Minister for answering the debate. I know that it is pulling the short straw for Ministers to have to answer on Friday afternoons when they have a long way to travel afterwards. This is my third Friday Adjournment debate. As ever, the House is not a fevered throng of Back Benchers, with one or two exceptions.

A while ago, the national chief probation officer for England, in discussing the lack of resources for the probation service said:

"We cannot deliver unless we are adequately resourced."

That is the starting point for my comments.

Without doubt, the problems faced by the Government and the probation service are the result of the actions of the Conservative Government, who, year on year, made a series of cuts and created the mounting paperwork foisted on the service across the country. I chose to debate NELPS because I was approached by individuals working in the service, and because, a few weeks ago, I went to a meeting in Stratford town hall of the National Association of Probation Officers. The desperation and unhappiness of years of cuts and mounting case loads and paperwork was palpable. From that meeting and my communication with individuals, I have found that there is genuine concern among probation officers for the service's future.

The odd thing about the meeting was that all the officers who turned up had been threatened—I use the word advisedly—three times by the management of the probation service. They had had three letters which said something like, "It is only fair to warn members what may happen if they bring the service into disrepute." It was spelled out clearly in three separate letters to every union member at the meeting that any comments that were frowned upon would be met with disciplinary action. I deprecate that action by the management.

More recently, when I secured this debate, I helpfully received a letter from the Association of Chief Officers of Probation describing the national situation. It said:

"Although the national allocation from the Home Office to all probation services in 1998/99 was only 0.1 per cent. lower in cash terms than 1997/98, this represents an average real terms cut of 4.7 per cent ... The total number of offenders (on community sentences and pre and post release from prison) under criminal supervision by the probation service has increased from 136,000 in 1992 to 184,700 in 1997, a rise of 35 per cent."

That is the national situation.

The local situation in north-east London is that this year NELPS faces a cut of £717,000, or 7 per cent. of its budget. Last year—the last cut made by the previous Government—the cut was £500,000. Meanwhile, case loads have increased dramatically. Some time ago, the previous Government introduced an initiative which my hon. Friend the Minister will know all about. New centres were created for the probation service. The first one in north-east London was in Barking. There are now others in Stratford and in my borough of Havering. The previous Government set up the new centres purely because the

*[Mr. John Cryer]*

probation service was becoming unmanageable as a result of the increased work load and the cuts introduced by them. They would not admit that then, and they probably would not admit it now, but that is the reality.

In those centres, clients—as they are called these days—have the chance to have alcohol or drug counselling, or whatever else. Sadly, what is happening now and has happened for some time is that clients, especially petty offenders, are seen by such counsellors instead of by probation officers. The reason for setting up the centres was to allow clients to see counsellors as well as having the standard meetings with probation officers and counselling from them.

When the centres were set up, it was said that high-risk clients would be seen individually by probation officers in the old style. However, that is not quite working as it should. When the system was started, each probation officer was told that he or she would have 25 cases. The first team to be set up was given 45 cases each—almost a doubling of the work load. That was immediate, and since then the number has increased again. That is high-risk cases, not low-risk cases. High-risk clients are deemed to be destructive or dangerous.

In community service, each officer used to have a case load of 35. That went up some time ago to 55, and I assume that it is now higher, although the figure is not available. So in all areas we have seen a hugely escalating case load for probation officers.

At the start of 1995, NELPS had 154 probation officers. At the start of this year there were only 126—a cut of 28. In the past two years, NELPS has lost 16 probation officers. This year, the 7 per cent. cut will mean the loss of 20 posts. Not all those posts will be probation officer posts; some will be in administrative support. However, administrative support has also been cut in recent years. For example, some time ago two probation officers had one secretary between them. That has increased to a ratio of one secretary for three probation officers. It is now proposed that there will be one for five. That is against a background of increasing case loads and paperwork, so probation officers now find themselves doing more and more administrative work such as writing letters rather than concentrating on the work they are there to do, which is to deal with some of the most chaotic and destructive individuals in our society and protecting the public from them, in which they have a good record.

A number of officers have told me, and I was told at the meeting in Stratford, that they have to spend every day prioritising casework, because they are overloaded. They are so surrounded by paperwork that they have to prioritise. One of them said to me that what worried her was that one day she would make the wrong decision and prioritise the wrong case, which could mean that someone was in danger or perhaps someone died.

I talked to a probation officer the other day who said that a client came in who was anorexic. She obviously had a criminal past, but she was anorexic. She told him that she had not eaten for three days. He had to say, "There is nothing I can do. I am just up to my eyes in it. I have to deal with other things first." He said to me, "What if I've made a mistake? What if she turns up dead in a week or two because she doesn't start to eat again? But I really have no choice—I have to prioritise my cases."

The result of all that is that the clients, especially those who have been in prison, are seen far less frequently than they were, say, five years ago, which in turn means that they are more likely to reoffend. In addition, it is petty offenders rather than high-risk offenders who are neglected, yet I would argue that it is really petty offenders of whom people are more wary.

In my constituency, many people, especially older people, come to see me, not with any specific problem relating to criminal activity, but because they are generally worried about it. I know that my hon. Friend knows all about that, and that Home Office Ministers spend a lot of time dealing with the increasing fear of crime; however, the sort of people who come to my surgery are not, generally speaking, afraid of armed robbers or murderers, but of petty criminals—they are afraid or being burgled or of their car being pinched and written off.

Yet those are the very criminals who are been seen less and less often by probation officers. People who are given community service orders frequently do not start their orders straight away, even though history leads me to conclude that, statistically, starting a community service order late means that the individual has far less chance of finishing it. That brings us back to the point that people who do not receive the attention of probation officers are more likely to reoffend.

There are clear implications for the Crime and Disorder Bill. The Bill puts more duties on probation officers, and provides for an increase in the resources going to the probation service, but currently the case load of probation officers is increasing while their number is being cut, so there is a risk that the economic tide within the service might act as a destructive force against the legislation.

The latest example of the increase in paperwork is activity sampling, which is basically a time-and-motion study. A probation officer who takes part in activity sampling will make a note of what he or she is doing every 15 minutes of every day for a fortnight, despite the case load and heavy burden of work that is currently on probation officers' plates. Two probation officers to whom I spoke about activity sampling told me that they had not been able to do it; they were not taking part in such studies, because they had far too much work on at the moment and they had better things to do with their time than take part in time-and-motion studies.

Unsurprisingly, sickness levels in the probation service have risen, mainly as a result of stress. For example, within two months of a team being set up at NELPS, it was destroyed, as all seven members went off sick. The vast majority suffered stress-related illnesses, which are becoming more and more common throughout the service.

The evidence is that the probation service does a highly effective job. All the probation officers I have met are deeply committed to their work, but they all tell me that, over a number of years, not only the past year or two, their job satisfaction, enthusiasm and willingness to tackle some of the most fundamental problems of society have drained away. They are overloaded with work and with paperwork, and are prevented from doing the job that they are there to do, which is to look after the most destructive members of society.

My basic plea is to ask my hon. Friend the Minister whether we can see our way to getting back into the probation service the resources that were taken away by

the previous Government. Can we see our way to reducing the amount of paperwork and administrative work that probation officers have to do and so allow them to get back to their real job, which is to look after former prisoners and other chaotic and destructive people?

2.59 pm

**The Minister of State, Home Office (Ms Joyce Quin):** First, I congratulate my hon. Friend the Member for Hornchurch (Mr. Cryer) on his good fortune in being allocated this Adjournment debate. As he pointed out, this slot in the timetable is probably preferable for a London or south-east-based Member such as himself rather than for a Tynesider like me. I congratulate my hon. Friend also on his choice of subject, because the future of the probation service is very important for crime and disorder policies and the Home Office agenda.

The debate gives me an opportunity that I have not had before at the Dispatch Box to pay tribute to my hon. Friend's father, whom I primarily remember as a Member of the European Parliament. We were representatives at the same time, and we would cheerfully have admitted to having somewhat different views on the European Union. None the less, we worked determinedly and enthusiastically together on the Economic Affairs Committee in the European Parliament, particularly on such issues as the future of manufacturing industry, to which we were both passionately committed.

Let me make it clear that I, and the Home Office, feel that the probation service has a key role to play in the criminal justice system. I was glad that my portfolio gave me responsibility for probation as well as for prisons. It seemed to me that that was a way of emphasising the custodial and non-custodial aspects of sentencing, which are both important.

We know that the previous Government's policy was "prison works", which seemed to imply that there was no other worthwhile form of sentencing or punishment. That is not our view. While prison is appropriate for serious offenders, and can and does work in some cases, probation too can and does work. One of my heartening experiences as a Minister has been to see many examples of good practice in probation services around the country, and the work that is being done through the "what works" agenda to make sure that good practice becomes as widespread as possible.

It is common sense to say that prison is right for some offenders, and punishment in the community is right for others. What matters is that the public are protected, and, whether offenders are being supervised by the probation service or serving a custodial sentence, that their experience is, as far as possible, constructive and likely to reduce their chances of reoffending.

My hon. Friend obviously spent a good deal of time considering resources. I shall respond by explaining the national position on resources, as well as addressing some of the specific issues of the north-east London probation service.

The bulk of probation service funding comes, of course, from central Government. That support increased year by year until 1996-97, when it peaked. Since then, it has been reduced to £346.5 million in 1997-98 and to £343 million in the current year. In real terms, that represents an overall reduction of a little over 7 per cent. By far the largest and most important component of central Government support is cash-limited current grant, which this year stands at £328.8 million.

For every £4 of the money provided by the Home Office, a further £1 is provided by local government. In other words, 80 per cent. of every probation service's revenue budget comes from central Government, and 20 per cent. from the relevant local authority. I shall explain in a moment how Home Office current grant is divided between the 54 English and Welsh services.

As my hon. Friend recognised, the problems of resources were, by and large, inherited from the previous Government. We made it clear that we were committed to maintaining public spending in line with their spending plans in our first two years in office. Therefore, probation services have been affected as they would have been by the previous Government's spending plans. However, in the meantime, we have set up a comprehensive spending review to take a fresh look at work load and at the priorities across Government, to help us to determine spending for 1999-2000 and beyond. The comprehensive spending review will allow us to ensure that future spending reflects the priorities of this Government, not the previous one.

My hon. Friend mentioned the contact that he had had with the Association of Chief Officers of Probation about the resource needs of the probation service. In a recent letter to Members of Parliament, ACOP drew attention to the fact that the overall number of probation service staff is decreasing due to financial pressures, while work load continues to rise.

The Government's position on that is clear. We recognise that the probation service as a whole has handled an increased work load with reduced resources, and has streamlined its operations and achieved important efficiency gains. None the less, it is apparent from the data available to the Home Office, particularly the inspection reports prepared by Her Majesty's Inspectorate of Probation, that there are still wide variations in performance between services.

When I looked at the figures for unit costs, I noticed that there was a marked difference between the different aspects of the probation service's work. For example, the costs of writing pre-sentence reports and welfare reports, and of supervising offenders on probation orders, varied considerably across the service. Although we must bear in mind the fact that, in some cases, there are good reasons for that, in others the reasons seem to be less clear cut. My hon. Friend will understand that we have a responsibility to ensure that the variations can be explained by valid reasons, not simply by variations in standard between one service and another.

My hon. Friend asked me about Government funding of the probation service. We recognise that Government funding will need to take account of genuinely new work, such as the provisions in the Crime and Disorder Bill. A number of provisions in that Bill, such as the drug treatment and testing orders, home detention curfew and extended supervision, have considerable work load implications for the probation service. Although some of those measures will be piloted in the first instance, particularly drug treatment and testing orders, we must ensure that the measures that we are introducing are properly resourced, so that they are brought in as the House would want, once the legislation has been approved.

*[Ms Joyce Quin]*

As my hon. Friend knows, the finance planning process associated with the comprehensive spending review is now coming to an end, and before long the Government will announce the outcome. Therefore, some of the answers to my hon. Friend's questions will be contained in that announcement. The overall Home Office grant available to the probation service will then be allocated by means of a funding formula that takes account of each service's major items of work load, together with demographic factors, in order to rank the 54 English and Welsh probation service areas according to their comparative resource needs.

Before this debate, I looked at the resource figures for north-east London, and was interested to see that, in recent years, its proportion of total available Home Office current grant has remained pretty much the same. I also compared the position of NELPS with that of the neighbouring services in London and the south-east. I found that, in light of the funding that has been made available to neighbouring areas, which have many similar problems and challenges, it has not in any sense been unfairly discriminated against.

Obviously, because figures are not yet available, it is impossible for me to say today whether NELPS's proportion of next year's Home Office grant will be similar to this year's, but I give my hon. Friend an assurance that, under the formula, we shall carefully study the relative needs of different probation areas, to try to ensure that we are satisfied that the allocations between different areas are as fair as they can possibly be.

My hon. Friend mentioned contacts that he had had with the local branch of the National Association of Probation Officers. I have seen the press release that the branch produced on 1 June 1998, and the response from the deputy chief of NELPS, which my hon. Friend referred to. There was some disagreement between the two about the actual effects of financial pressures, but I am advised that the figures for probation officer posts lost were less dramatic than the press release said.

I believe that the press release mentioned 16, whereas I understand that the reduction in the number of probation officer posts was five, or nine if one includes all probation grade posts, including managers. There have been no compulsory redundancies in that process, although I accept the staff's real concerns about the stress that they are under, and their worries about being unable to carry out their tasks effectively.

Some of the points that my hon. Friend made, especially about secretarial back-up and so on, relate to matters which are also capable of being addressed by a more successful implementation of information technology in the probation service. The Home Office and I are keen that the probation service should benefit from the most modern information technology available, allowing probation service officers to access information directly from the system. That will help with many secretarial tasks, and it will represent an important gain, in that it will allow information to be collected quickly and more efficiently, and transmitted much more efficiently to other parts of the criminal justice system.

There is a real need to enable information technology systems in the criminal justice system to talk to one another much more directly, and to have much more direct communication than they have had until now. That will ensure that prisons, the probation service, the Crown Prosecution Service and the other parts of the system communicate more effectively, and reduce delays in the system, which are expensive—sometimes for the probation service in particular. We want to reduce delays to a minimum.

None the less, I do not want to be too alarmist about some of the probation service's difficulties. I believe, on the basis of information that has been given to me by Her Majesty's inspectorate of probation, that there is no evidence that the public are being jeopardised as a result of recent pressures. I am very glad that, these days, the probation service works closely with the police, local authorities and social services in assessing risk; as a result, performance in that respect is improving.

The press release issued by the branch of NAPO spoke of some of the difficulties caused by the need for officers to deal with more prisoners as a result of the probation work they do in prison. It also said that sometimes those prisoners are held a long way from home, requiring probation officers to make quite long journeys. However, I should tell my hon. Friend that we are keen to address some of those issues in the prisons probation review.

We have already concluded our review, and shall be going out to consultation in the near future. During that consultation process, we will be keen to ensure that probation services and prison establishments feel that they can submit their views for our consideration. As the purpose of the review is to promote greater and more efficient integrated working between the prison and probation services, we believe that it presents a real opportunity for probation services to advance ideas not only about how they can become more efficient but about future Home Office funding priorities and probation service work.

We are conscious of the fact that probation officers invest a great deal of time in dealing effectively with offenders. It also true that there has been some pressure—

*The motion having been made after half-past Two o'clock, and the debate having continued for half an hour,* MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

*Adjourned at fifteen minutes past Three o'clock.*

# House of Commons

*Monday 6 July 1998*

*The House met at half-past Two o'clock*

PRAYERS

[MADAM SPEAKER *in the Chair*]

# Oral Answers to Questions

## SOCIAL SECURITY

*The Secretary of State was asked—*

### Housing Benefit Fraud

1. **Mr. David Hanson** (Delyn): What steps she is taking to tackle housing benefit fraud organised by landlords. [47468]

**The Minister for Welfare Reform (Mr. Frank Field):** I thank my hon. Friend for his persistence with this question. Since the general election, we have made it easier for local authorities to stop payments to bogus landlords, to recover such payments and to collect information on other properties that the landlords may have and from which they may be making bogus claims.

**Mr. Hanson:** Will my right hon. Friend confirm that it is unacceptable for £4 billion-worth of housing benefit fraud to be perpetrated each year, and that the steps that he took in the regulations in November last year will go some way towards helping to prevent that abuse? Prevention is certainly better than the taxpayer being swindled by fraudulent landlords.

**Mr. Field:** I can confirm all my hon. Friend's assertions. I draw to the attention of the House the record of his local authority, which has doubled its fraud savings target and introduced mechanisms for checking whether landlords are bogus, to prevent such claims from being made in the first place.

### Pensioners

2. **Mr. Gareth R. Thomas** (Harrow, West): What representations she has received on the Government's proposals to assist the poorest pensioners. [47469]

12. **Mr. Chris Mullin** (Sunderland, South): What representations she has received on her proposals to assist the poorest pensioners. [47479]

15. **Mr. Phil Hope** (Corby): What action she is taking to help the poorest pensioners. [47482]

**The Secretary of State for Social Security and Minister for Women (Ms Harriet Harman):** We have received representations on a number of issues facing the poorest pensioners. An estimated 1 million of today's pensioners are not receiving the income support to which they are entitled. We are taking steps to tackle that by a programme of research into why so many pensioners do not receive their entitlement, and a programme of action involving nine pilot projects to test ways of getting more automatic help to pensioners.

**Mr. Thomas:** Age Concern Harrow and Harrow Pensioners Action Group, two excellent organisations representing elderly people in my constituency, share my concern and that of my right hon. Friend about the number of elderly people not taking up their right to benefit. When does she expect her Department's research to be concluded, and can she assure the House that its findings will be acted on speedily?

**Ms Harman:** We have already had interim findings from the research, showing that pensioners are losing out on between 24p and £51 a week in income support. We have also identified, through the interim report—I will let my hon. Friend have a copy—some of the reasons why they do not claim: the complexity; not understanding the system; and not wanting to have to prove that they are poor. We will take all those issues into account. The full report will be published at the beginning of next year, and we will certainly take action thereafter.

**Mr. Mullin:** Is my right hon. Friend aware that, in the long term, the answer is not to offer pensioners more effective ways of claiming benefit but to make them independent of benefit, and is not the best way of doing that to phase back in the link with earnings?

**Ms Harman:** In the long term, we need what has always been important to allow people to have a decent standard of living in retirement: the basic state pension topped up by a good second pension. We are committed to the basic state pension as the foundation of income in retirement, but we are also committed to extending occupational pensions and introducing stakeholder pensions so that people can put money aside and get good value for money from pensions on top of the basic state provision.

**Mr. Hope:** Is not it an indictment of the system that 1 million pensioners are not claiming the benefit to which they are entitled—a situation that we inherited from the previous Administration? Is my right hon. Friend aware of the independent report, "We All Need Pensions—The Prospects for Pension Provision", by Tom Ross, which says that there is likely to be a rise in pensioner inequality and that the majority of the poorest pensioners are women? Can she assure me, and the pensioners in Corby, that the Government will make meeting the needs of the poorest pensioners an urgent priority?

**Ms Harman:** We will take immediate action to meet the needs of the poorest pensioners without waiting for the results of our review, and we will create a better long-term framework. We want to tackle the problem of growing inequality among pensioners caused by the growing gap in retirement incomes. We must tackle the problem of

avoidable drops in income in retirement by making sure that people have a decent second pension. We must ensure that low earners or those who do not earn have a decent standard of living in retirement, which is the state's responsibility.

**Mr. John Whittingdale** (Maldon and East Chelmsford): How does the right hon. Lady justify the fact that 300,000 of the poorest pensioners who do not pay tax but who have small savings will be deprived of their income as a result of the abolition of dividend tax credits? Is she aware that despite assurances given during proceedings on the Finance Bill, Ministers have done nothing to help those pensioners?

**Ms Harman:** The best way to ensure that everyone can enjoy security in retirement is to build a thriving, skilled, well-paid economy. The opportunity to work and to put money aside for retirement is important. Companies providing occupational pensions will benefit from the reduction in corporation tax. Rebates for personal pensions will increase from April 1999. There is no long-term problem for occupational schemes. The Government are taking a long-term view of the economy, and of sustaining the investment that will lead to strong pensions. The pensioners who are losing out are those who have no second pension, no state earnings-related pension scheme, no occupational pension and no savings. [HON. MEMBERS: "Answer the question."] I am.

**Mr. Dafydd Wigley** (Caernarfon): Will the Secretary of State take note of the question put by the hon. Member for Sunderland, South (Mr. Mullin) about the loss of the link between pensions and earnings? Her party campaigned vigorously in opposition for the re-establishment of that link. Pensioners have lost £20 a week as a result of the loss of the link, and those who are already pensioners have no opportunity to get a second pension. What will she do to make sure that the basic state pension is at an acceptable level, and that people do not have to revert to income support?

**Ms Harman:** The Conservative Government's ending of the earnings link has certainly contributed to the growing gap in income in retirement. The poorest pensioners have been left behind. We have acted; within two years, an extra £400 million will be invested in support for pensioners, which will mean more money for pensioners than they would have had if we had reinstated the earnings link for this year and next.

**Mr. Steve Webb** (Northavon): The Government's plans for the poorest pensioners are believed to include a guarantee for older, poorer pensioners, if we are to believe the latest leak—and leaks from the Department of Social Security seem rather reliable. Will the Minister set out her thinking on how money can be guaranteed for the oldest, poorest pensioners?

**Ms Harman:** In the short term, we want to see more pensioners on income support because we want all the pensioners entitled to income support automatically to receive their benefit. In the longer term, a combination of basic state pension and wider provision of second pensions will mean that fewer people are left to depend on means-tested benefit. The basic state pension is part of that equation.

**Mr. Quentin Davies** (Grantham and Stamford): The right hon. Lady failed spectacularly to answer my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale). Let us hope that she does better with me.

Why have the Government taken the heartless and thoroughly sickening decision to tell local authority social services departments to change the operation of the rules so that where poor pensioners have their assets eroded to £16,000 through payment of residential and nursing fees, they will no longer be allowed to top up fees from their remaining £16,000? As a result of that, many poor pensioners will be forced to move to cheaper homes. Does the right hon. Lady realise that a forced move can be threatening to the health of old, frail people? It may even threaten their lives. Do the Government care?

**Ms Harman:** The Government are very concerned about health and social services for all pensioners, particularly the poorest pensioners. The responsibility for social services authorities and for health service provision for the elderly lies with my right hon. Friend the Secretary of State for Health. However, we work across Government to see how different departmental policies affect pensioners. The Under-Secretary of State, my hon. Friend the Member for Southampton, Itchen (Mr. Denham), is chairing a ministerial group to explore how Departments work together to ensure proper support and provision for pensioners.

## Child Support Agency

3. **Mr. Bob Blizzard** (Waveney): When she expects to announce her proposals for changes to the Child Support Agency. [47470]

**The Parliamentary Under-Secretary of State for Social Security (Mr. Keith Bradley):** My right hon. Friend the Secretary of State for Social Security will be making a statement within the hour.

**Mr. Blizzard:** I thank my hon. Friend for that most surprising answer. I am sure that all hon. Members are hoping that the new system that my right hon. Friend is about to unveil will be fair to the child and to both parents, and will work administratively. As a valedictory to the present system—[HON. MEMBERS: "Oh."] I hope so. Does my hon. Friend agree that the current system has lost all credibility as a result of its record of inaccuracy, delay and failure to communicate? That system has been a nightmare for the many people caught up in it. In view of that fact, does not the new system deserve a new name?

**Mr. Bradley:** It would clearly be totally inappropriate for me to give details at this stage of the proposed changes. However, I agree entirely with my hon. Friend that the Child Support Agency has experienced problems and that its staff have had difficulties dealing with the system that Parliament put in place. It is appropriate to put on record that the staff have worked extremely hard to make the system work as efficiently as possible against a background of legislation that is almost impossible to

understand. I am confident that the statement that will be made later this afternoon will address many of the problems that my hon. Friend has identified.

## Child Care

4. **Mr. Stephen Pound** (Ealing, North): What steps she is taking to improve the quality of child care. [47471]

**The Parliamentary Under-Secretary of State for Women (Ms Joan Ruddock):** Quality is one of the three watchwords of our national child care strategy, which aims to ensure good-quality, affordable child care for children in every neighbourhood.

Our plans to raise quality of care include: better integration of early education and child care, a more consistent regulatory regime, and a new training and qualifications framework for early years workers.

**Mr. Pound:** I thank my hon. Friend for that answer. In Ealing, North, many parents are becoming increasingly reliant on child minders and ensuring the quality of that care is becoming increasingly important. Many child minders are low paid and receive little or no formal training. Is my hon. Friend prepared to comment further on the present system? Does she have confidence in it?

**Ms Ruddock:** Many parents have confidence in the present system but, as I have said, we are always looking to raise quality in this area. We want to improve the image of working with children and to make it an attractive career. We are concerned that 70 per cent. of child minders do not have formal qualifications. However, some local authorities—including my own—provide a great deal of training and advice for child minders. We want to encourage them to gain qualifications and to achieve nationally recognised standards, and we are doing a great deal of work in that field. My hon. Friend will be aware of the current consultation paper on regulations and the overall strategy in which I hope that all hon. Members will be involved.

**Mr. Simon Burns** (West Chelmsford): Does the Minister accept that child benefit is important for many parents—particularly lone parents—when it comes to providing quality child care? Will the Minister confirm reports that the Secretary of State intends to change the date for payment of child benefit to 16-year-olds from the first Monday in September to 26 June? Will that not mean that some mothers will lose up to £856 and that all parents will lose £114 on average? Will the Minister tell the House why, given that state schools usually recess for the summer in mid to late July, the date of 26 June has been chosen? Is the Secretary of State confusing that date with the rising date of public schools, such as Fettes college and St. Paul's school?

**Ms Ruddock:** I really do not know where the hon. Gentleman gets his information from. In respect of his benefits inquiry, the answer is definitively no.

## Child Support

5. **Mr. Tony McNulty** (Harrow, East): What action the Government have taken to improve support for children through the social security system. [47472]

**The Secretary of State for Social Security and Minister for Women (Ms Harriet Harman):** Our commitment to support families and children is central to our policies to modernise the welfare state. We will increase benefits for all families with children by increasing child benefit for the oldest child by £2.50. We are increasing benefits for children in the poorest families by increasing the child allowance on income-related benefits by £2.50 from November. We are ensuring that parents can work, and that work pays.

**Mr. McNulty:** I thank my right hon. Friend. Does she agree that the new Labour Government have done more in the past year to help children through the social security system than the Conservatives ever did? Given their record and policies, which caused so much neglect and abject poverty for children, rather than sneering at our policies, should not they hang their heads in shame?

**Ms Harman:** I welcome my hon. Friend's points. We have not only taken action to give extra benefits to the families with the poorest children but, above all, by helping their parents into work, we are helping such children to become better off than they could ever be in workless households.

**Mr. James Gray** (North Wiltshire): In that case, will the Secretary of State assure us that she has no plans to abolish child benefit for 17 and 18-year-olds still in full-time education?

**Ms Harman:** We have said that child benefit for those over 16 will be subject to review. My right hon. Friend the Chancellor said that before the general election. He has expressed his commitment to child benefit and increased it. He has said that we want to do even more and that we are going to make it fairer by clawing it back from higher-rate taxpayers.

**Mr. Malcolm Wicks** (Croydon, North): Given that disproportionate numbers of our poorest citizens are children under five, will the Department consider reviewing the pros and cons of introducing an under-fives child benefit premium? That would not only target poverty without a means test, but give parents of children under five a proper choice about whether to seek employment in the labour market or stay at home to look after their children.

**Ms Harman:** As ever, my hon. Friend raises an important point. It was always an assumption and a principle of benefit policy that as children get older, they get more expensive and therefore their benefit should be increased. It is also evident that some of the poorest children have been young children in poor families. My right hon. Friend the Chancellor took a step towards sorting this out when he introduced the premium for children in workless families under 11, on the basis of the Joseph Rowntree research report. My hon. Friend made a further point about the problems of children under five. We will carefully examine poverty among young children.

## Lone Parents

6. **Mr. Jim Cunningham** (Coventry, South): What progress has been made in increasing the take-up of work by lone parents. [47473]

**The Parliamentary Under-Secretary of State for Social Security (Mr. Keith Bradley):** The Government are committed to providing viable choices for lone parents who, in the past, were written off to a life on benefit. The new deal for lone parents is a major step in achieving this objective, and independent research has shown that it is having a clear effect on the number of lone parents getting off income support. Our approach is in tune with what lone parents want: the opportunity to work, and a better quality of life for their children. Progress is encouraging—10 per cent. more lone parents moved off income support and on to family credit in 1997 than in the preceding year.

**Mr. Cunningham:** I thank my hon. Friend for that answer. How many personal advisers are employed in Coventry to help lone parents? How many lone parents in Coventry has it been possible to assist? I congratulate him on the last quarterly figures, which show that 30,000 lone parents have found employment. Put another way, the number of lone parents now out of work is below 1 million, which is a lot more than can be said for the time when the Conservative party was in power.

**Mr. Bradley:** I thank my hon. Friend for his question, although I am not able today to give him the precise figures for Coventry alone; I shall look into that. I have visited the new deal for lone parents pilot area in the midlands and seen the quality of the personal advisers and of the support that they are giving lone parents, who welcome the opportunity to return to work. The national roll-out of the new deal for lone parents will follow in October and, currently, many more personal advisers are being trained, which will be of further major benefit to lone parents in the midlands.

**Mr. Graham Brady** (Altrincham and Sale, West): Can the Minister explain why his Department has rejected the model set out in the new deal for the young unemployed, which is that the objective should be to increase employability, and adopted instead in the new deal for lone parents an objective of getting people into work?

**Mr. Bradley:** I do not accept the hon. Gentleman's premise. The new deal for lone parents equally looks at the employability of lone parents, helps with the barriers to work such as child care, looks at the appropriate training they require and ensures that there is a link between that and the labour market. We have a common approach towards all unemployed people to ensure that they can maximise their opportunities to return to work, which is what they want to do.

**Mr. Derek Foster** (Bishop Auckland): My hon. Friend will know that I strongly support the new deal for lone parents and the making work pay strategy. Will he investigate the circumstances, which I am sure neither he nor my right hon. Friend the Secretary of State intended should arise, in which a lone parent on family credit with one child leaving school at the end of June can be £25 a week worse off than a lone parent in identical circumstances on income support?

**Mr. Bradley:** I recognise that that matter has been raised in the press—the hon. Member for West Chelmsford (Mr. Burns) has already commented on it. The press report is totally inaccurate: the date for child benefit has not changed. Similarly, we inherited the date for family credit, which was changed in July 1996. Any proposal that now has an effect on work disincentives that we inherited will be looked at by the Government.

**Mr. David Rendel** (Newbury): Does the Minister accept that the increase in the number of lone parents who are finding a job specifically as a result of the new deal is a mere 0.9 per cent., and that each costs about £22,000? Given the rate at which the money is being used, what plans has the Minister for continuing to help lone parents to get into work when all the money allocated from the windfall tax has been used up?

**Mr. Bradley:** Yet again, the Liberal Democrats are interested only in criticising a scheme that, by their own admission, is helping lone parents to get back to work. I do not accept the hon. Gentleman's figures, because much of the cost arises from the initial expenditure on getting the scheme up and running. For once, the Liberal Democrats should applaud a Government who are trying to help people to get back into work, instead of adopting their usual practice of criticising anything that comes forward.

**Fiona Mactaggart** (Slough): My hon. Friend will be aware that many lone parents in Slough and elsewhere have been able to get into work, in part because of individual advisers. However, a matter that concerns me is that lone parents in work have nobody to share the burden of family crises and other problems that occur while they are at work. Is there a case for continuing support once lone parents are in work, to help them to retain their employment by helping them to deal with family crises? Does my hon. Friend plan to give lone parents better support so that, having won a job, they can hang on to it and earn a better income for their family?

**Mr. Bradley:** My hon. Friend is absolutely right. I have visited most of the lone parent schemes in the country and what is remarkable is not only the support given to lone parents trying to obtain work, but the fact that that support continues after they have got into work to ensure that any crisis can be addressed immediately, so that the person can remain in work and does not have to return to benefit. Linked to that is an obligation on employers to look closely at their own employment policies and to make them much more family friendly, so that they can appreciate the problems that a lone parent might experience and, in conjunction with the lone parent's personal adviser, sort out the problem and ensure continued employment.

**Mr. Iain Duncan Smith** (Chingford and Woodford Green): Is not the Minister avoiding the point? The Liberal Democrat spokesman, the hon. Member for Newbury (Mr. Rendel), made exactly the right point, which is that at a cost of £22,000 to £23,000 per job, the programme is very expensive. It is no good the Minister saying that those are the wrong figures and that they include start-up costs when there is a continuing rolling cost, such as the recent advertising campaign of £2.15 million which was intended to get more lone parents involved.

Is not the real truth that the Minister avoids the fact that there is a series of failings in the programme, such as 15 per cent. of women who are lone parents falling out of work within three months and 75 per cent. of the women written to not even bothering to reply? The Government are going national with the programme in October, and they have absolutely no idea of how effective or ineffective it is because they will have no measurement available until, at the very earliest, next year.

**Mr. Bradley:** Once again, I reject the figures that the Opposition spokesperson has identified. Independent researchers have said that the Opposition figures are "meaningless". Most importantly, we cannot afford to allow lone parents who want to work to remain on benefit without substantial help from the Government to get them back into work. The Opposition did nothing but leave lone parents to languish on benefit. No help was forthcoming; no schemes were brought forward which helped lone parents back into work. The Labour Government can be proud of the new deal for lone parents.

If the hon. Gentleman went round the country, met the lone parents who have got back into work and talked to them, he would see a great beam on their faces. For the first time, they are getting the help and support that they require. If the hon. Gentleman talked to them, he would not ask ridiculous questions in the House on the adequacy of the scheme.

## Crime and Disorder Bill

7. **Mrs. Alice Mahon** (Halifax): What representations she has received on the impact of the Government's proposed crime and disorder legislation on women. [47474]

**The Parliamentary Under-Secretary of State for Women (Ms Joan Ruddock):** I thank my hon. Friend for her question. Women's organisations, many of which depend on volunteers, do not find it easy to enter into partnerships with public bodies such as local authorities and the police. In their representations, women's organisations have made the point that there is not enough working together of all the key players, including women's organisations. The provisions in the Crime and Disorder Bill for effective inter-agency working should, we believe, address these problems.

**Mrs. Mahon:** My hon. Friend will be aware that one of these organisations, the Women's Refuge Movement, undertakes valuable work on domestic violence. However, quite often it does not get the co-operation at local level that we would all like to see. Will my hon. Friend ensure that the national guidelines for co-operation between local authorities, women's refuges and the police are implemented?

**Ms Ruddock:** I thank my hon. Friend for that question and I want to give her the reassurance that she seeks. Co-operation at local level, as my hon. Friend says, between different agencies has not always been as good as it might be. For the first time, a statutory duty will be placed on local authorities and the police to create partnerships to tackle crime. One of the main duties of these partnerships will be to undertake audits to establish local crime statistics and experiences, with the idea that crime should be reduced. In looking to devise those audits and carry them out, we expect that women's organisations will be able to give valuable expertise to the other partners that they might otherwise lack. I give the assurance that domestic violence will be one of the crimes that we regard as extremely serious and that we shall give guidance on the new partnerships.

**Miss Anne McIntosh** (Vale of York): The Home Secretary gave a clear commitment to the House that women victims in rape cases would not be cross-examined by the defendant. Has that commitment been dropped and overturned by him?

Last week, there was the tragic suicide of a woman prisoner. Will the Government now be minded to support my Prevention of Delay in Trials Bill, which provides that women should not be kept on remand for more than 110 days before being brought to trial?

**Ms Ruddock:** I am sure that the hon. Lady should properly direct that question to my right hon. Friend the Home Secretary. I certainly have no knowledge of any change of heart on his part. We have made recommendations about the treatment of rape victims and they are now being consulted on. I will, of course, refer the hon. Lady's remarks to my right hon. Friend, and I undertake to write to her in due course.

## Housing Benefit Fraud

8. **Dr. Julian Lewis** (New Forest, East): What incentives she is giving local authorities to decrease the number of cases in which those committing housing benefit fraud are not prosecuted. [47475]

**The Minister for Welfare Reform (Mr. Frank Field):** The Government have released £200,000 of taxpayers' money so that legal resources in the Department can be made available to local authorities to bring, we hope, successful prosecutions where they are so desired.

**Dr. Lewis:** The Minister was recently reported as having told the Child Poverty Action Group that it is not true that most benefit fraud is accidental. He will be aware of the Public Accounts Committee's criticism that only one case of detected fraud in every 100 proceeds to prosecution. Will he explain what further measures might raise the prosecution rate? Will he confirm that any steps that are to be taken will be revealed first to the House, and not, like the Child Support Agency proposals, to the press—let alone to the dreadful Derek Draper to enable him to stuff his bank account with another £250 an hour?

**Mr. Field:** Tomorrow, I shall meet the Chairman of the Public Accounts Committee to follow up the very points that the hon. Gentleman has raised. I hope that we shall shortly be able to make a statement to the House on our counter-fraud strategy.

**Mr. Jeremy Corbyn** (Islington, North): Does the Minister recognise that one of the disincentives to local government in managing housing benefit is the enormous administrative cost associated with that benefit, which must be borne by local government? In effect, local government throughout the country is asked to subsidise

the Department of Social Security in that respect. Will the Minister make proposals fully to fund all the costs of administering housing benefit?

**Mr. Field:** The answer to the first question is yes. The answer to the second question is that I shall think about it.

**Mr. Iain Duncan Smith** (Chingford and Woodford Green): Does the Minister of State essentially agree with the Public Accounts Committee's report and its general criticism? Will he tell the House when he is likely to introduce a Green Paper on the changes?

**Mr. Field:** The Public Accounts Committee's report is a serious document, and I drafted part of the reply to it. As with the Green Paper on welfare reform, counter-fraud proposals will be brought before the House soon.

**Ms Margaret Moran** (Luton, South): Does my right hon. Friend agree that one of the reasons why we have such a legacy of fraud in housing benefit is the reduction in assistance to local authorities that the previous Government introduced in their final days, which prevents local authorities from effectively detecting and prosecuting fraud? Does he agree that another problem is the failure to ensure that we have a coherent information technology system linking the Benefits Agency and local government, as I witnessed when I worked in Luton Benefits Agency office for a day last week? The information technology system is crumbling and needs greater co-ordination. Will my right hon. Friend ensure that measures are taken swiftly so that we have a comprehensive review of the information technology system to link the Benefits Agency and local government and achieve more effective tracking of housing benefit and fraud?

**Mr. Field:** My hon. Friend's second question is linked to the point made by my hon. Friend the Member for Islington, North (Mr. Corbyn). That is an issue that we take seriously. We are also concerned that some local authorities do not bring any prosecutions whatever. The biggest fine that fraudsters can face is the loss of benefit, and they can then continue to claim in the same local authority area or that of a neighbouring local authority. I hope that shortly we shall put plans before the House which deal with each of my hon. Friend's questions.

## Minimum Wage

10. **Mr. Tim Loughton** (East Worthing and Shoreham): What is her estimate of the net effect on benefit levels of the introduction of the minimum wage. [47477]

**The Parliamentary Under-Secretary of State for Social Security (Mr. Keith Bradley):** The national minimum wage is one element of the Government's strategy to make work pay. People receiving in-work benefits may see a reduction in the amount of benefit paid, as they would with any increase in income. However, the current benefit system is structured so that increases in income are not deducted pound for pound from benefit entitlement.

The introduction of the working families tax credit and the child care tax credit will increase the return from work for low and middle-income families with children and ensure that recipients keep more of any increase in income. In addition, major changes in the national insurance system from April 1999 will reduce contributions for low-paid workers.

**Mr. Loughton:** Will the Minister confirm that, if a single mother of two who is working full time and currently earning £3 an hour is lucky enough still to have a job when the minimum wage of £3.60 is introduced, her family income will rise by just £3 per week, with £2 clawed back by the Exchequer in lost benefit? Only 7.5p per hour will go to that employee. Does the hon. Gentleman agree that, for all the soundbites about attacking poverty pay, the minimum wage is just a tax on business, designed as a revenue-raising exercise for the Treasury?

**Mr. Bradley:** The national minimum wage is an essential part of our strategy to put a floor under in-work benefits and ensure, by combining the minimum wage with the working families tax credit and the child care tax credit, that people in work are significantly better off than they are currently. We shall ensure that, as the national minimum wage and the changes that we are making to in-work benefits through the tax system unfold, people see the benefit that the Government are bringing about by that combination of measures.

**Mr. Peter L. Pike** (Burnley): Is it not a fact that those on low pay throughout the country know that, as a result of what the Government are doing on the national minimum wage, national insurance, tax and benefits, they will get a much fairer deal than they ever would have done under a Tory Government? Is it not also a fact that employers paying a fair wage to their employees are fed up with paying in taxation to subsidise those who are paying poverty pay?

**Mr. Bradley:** My hon. Friend is absolutely right on every point.

**Miss Julie Kirkbride** (Bromsgrove): With several reports this morning showing that Britain sadly appears to be on the edge of a recession, I wonder what work the Department of Social Security has done to estimate what the impact of a minimum wage will be if the economy is to dip into recession, bearing in mind the fact that the minimum wage will not only increase the wage bill nationally for those on low pay, but have a knock-on effect on differentials.

**Mr. Bradley:** I refer the hon. Lady to the appropriate Departments: the Department of Trade and Industry for the national minimum wage and the Treasury for the state of the economy. However, on the changes that we are making in the social security system, the working families tax credit and the child care disregard have been warmly welcomed throughout the country by those who recognise that work should pay, and that employers should pay a decent wage.

**Mr. David Winnick** (Walsall, North): Whenever a Conservative Member gets up to attack the minimum wage, would it not be useful to find out how many jobs that Tory Member has and the likely total income

received? Is it not the height of hypocrisy for such people to criticise a scheme which would give the lowest-paid workers something of a lift-up?

**Mr. Bradley:** Once again, my hon. Friend makes a valid point. The previous Government were not prepared to put a floor under benefit levels. They allowed family credit and other in-work benefits to take the strain of low wages, ensuring that very poor employers did not take their responsibilities seriously and provide a decent wage for their employees.

## Part-time Workers Directive

11. **Judy Mallaber** (Amber Valley): What assessment she has made of the impact on women of implementing the part-time workers directive. [47478]

**The Parliamentary Under-Secretary of State for Women (Ms Joan Ruddock):** This Government are committed to part-time workers having at least the same rights as full-time workers. This is particularly important to women as 83 per cent. of part-time workers are women. Implementation of the part-time workers directive will remove discrimination against them and increase the status of part-time work generally. This, I suggest, is a positive step for all those who choose to work part time in order to balance work and family life.

**Judy Mallaber:** I thank my hon. Friend for that answer. Does she share my regret that Britain, which has the second highest proportion of part-time workers in Europe, is one of the last countries in Europe to introduce legislation covering part-time workers? Does she agree that the 1984 equal pay directive was implemented inadequately, creating hurdles for women seeking equal treatment, and that such directives provide minimum standards on which Governments may improve? Will she therefore give an assurance that she will work closely with her colleagues in the Department of Trade and Industry to ensure that the directive is implemented in a way that gives effective rights to part-time workers?

**Ms Ruddock:** I thank my hon. Friend for that thoughtful question. I very much share her concern that, as a result of the previous Government's failure to sign the social chapter, employees in this country were denied a raft of improvements to their working lives. She draws attention to the deficiencies of the equal pay legislation. I assure her that we share the concern that it has not brought equality of pay to women; at present, women are paid about 80 per cent. of the average for men.

The Equal Opportunities Commission has been undertaking a consultation on that matter, and soon we, as a Government, will receive its recommendations. I assure my hon. Friend that the Ministers for Women are working closely with the Department for Education and Employment in considering those recommendations and preparing to give our opinions on them. We are also working closely with the Department of Trade and Industry to ensure that women's interests are served by the proper implementation, as my hon. Friend suggests, of the part-time workers directive in United Kingdom law.

**Mr. Nicholas Soames** (Mid-Sussex): Given the changing patterns of work in the United Kingdom, which are to be welcomed, and given the great value of part-time jobs to women and, indeed, to men, does the Minister agree that the steps rightly taken to protect those jobs should be balanced by our making sure that there is sufficient scope for latitude in regulation, so as not to hinder the creation of many more part-time jobs for women?

**Ms Ruddock:** The hon. Gentleman has not asked me a specific question. The wording of his remarks is not at all clear. As he knows, the Government have repeatedly said that we want flexibility at the workplace, properly protecting workers but preserving the interests of employers who have taken advantage of flexibility and given us a vibrant economy.

**Lorna Fitzsimons** (Rochdale): Does my hon. Friend agree that the part-time workers directive is part of the Government's acknowledgement that family-friendly employment is essential to create stable environments at home and at work? We must ensure that women can continue to play a vital role in employment—there has been an explosion in the number of women in part-time work—and that they can work secure in the knowledge that there will still be enough flexibility for them as mothers to play a full role in home life, especially when the children are sick. Can my hon. Friend assure me that the Ministers for Women will work with the Department of Trade and Industry team to ensure that the White Paper on family-friendly employment considers the responsibilities of women and families when children are sick, and when women need to dip in and out of employment?

**Ms Ruddock:** My hon. Friend will be aware that the Government have in circulation a consultation document on fairness at work, which lists the ways in which the Government propose to legislate for a range of opportunities for people to combine their working lives with good parenting. For example, the parental leave directive which is to come into UK law will make provision for people to have time off work around the time of the birth or adoption of a child. We are also considering time off for family emergencies. The consultation will attempt to define such emergencies.

We recognise overall that child care provision must underpin employability and opportunities, especially for women who still have the major caring responsibilities. For both women and men, family-friendly employment practices by employers will be encouraged and promoted by the Government, because we consider that appropriate in modern times.

**Mrs. Theresa May** (Maidenhead): As was evident from the figures that the Minister gave in response to the main question, part-time work offers many women opportunities to enter the workplace that flexibly meet their needs and those of their family circumstances. Conservative Members have noted that, when asked to do so by my hon. Friend the Member for Mid-Sussex (Mr. Soames), the Minister failed to support the continuing need for a flexible economy and an increase in the number of part-time jobs for women.

From the figures that the Minister gave, it is clear that any loss of part-time jobs will disproportionately affect women. What assessment has she made, therefore, of the number of women who will lose their part-time job as a result of the Government's policy to sign up to the social chapter? What discussions has she had with fellow Ministers on the impact of that policy on women, or was she absent when the discussion of the impact of that policy on women was held, as she was when her right hon. Friend the Chancellor of the Duchy of Lancaster announced the Government's new policy on the appointment of women to public bodies?

**Ms Ruddock:** I shall answer the second point first. I am sure that the House is unaware that the hon. Lady referred to an occasion on which I was not present when the publication of an important document on public appointments of women and men was announced. The Ministers for Women had contributed substantially to that programme. We have a principled position of 50:50 women and men in public appointments. For various reasons, the date chosen for the announcement was one on which I was speaking at an important conference in Bristol. There is no difference between my right hon. and hon. Friends and me on these matters: 50:50 women and men in public appointments, which the previous Government signally failed to achieve.

The hon. Lady asked whether any assessment had been made of the number of women who would lose their part-time jobs as a result of the Government's policy of signing up to the social chapter. The Government as a whole have examined the issue of the social chapter, and the various measures that we think will improve the conditions of United Kingdom workers in comparison with those in other member states. We have not concluded that those measures will result in a loss of jobs; on the contrary, the view of the Government, employers and workers themselves is that they will provide a flexibility in the workplace that will enable our workers to continue to enjoy opportunity and employment. We do not think that there is any question of the new measures' leading, in themselves, to a reduction in jobs.

## Pensioners

13. **Mr. Gordon Prentice** (Pendle): If she will review the 25p per week pension addition to pensioners aged over 80 years. [47480]

**The Parliamentary Under-Secretary of State for Social Security (Mr. John Denham):** The pensions review is looking at the central areas of insecurity for elderly people, including the value and uprating of the basic pension.

**Mr. Prentice:** Is it not an absolute disgrace that the 25p age addition for pensioners over 80 has not been increased since its introduction in 1971? If it had been uprated since then, it would probably now be worth about £1.70 or £1.80. Is it not a fact that what pensioners over 80 really want is a decent state pension? If we are to continue with the age addition, it should be uprated—otherwise it should be scrapped.

**Mr. Denham:** My hon. Friend is right: no Government have uprated the age addition since it was introduced. That is one of the reasons why a fundamental pensions review is necessary.

Many older pensioners are the poorest, which is why the House has welcomed the pilot projects set up by my right hon. Friend the Secretary of State to look into ways of securing more automatic help for the poorest pensioners. As the House has already heard this afternoon, we are finding that those pensioners—many of whom are the oldest—are going without between 24p and £51 a week, and we are taking action to deal with that problem for the benefit of the poorest and oldest pensioners.

## New Deal (Sick and Disabled People)

16. **Mr. Mark Oaten** (Winchester): If she will make a statement on the consultation process undertaken in connection with the new deal for sick and disabled people. [47483]

**The Parliamentary Under-Secretary of State for Social Security (Mr. John Denham):** The Government have four strategies for helping disabled people who want to work. We are providing the active help and encouragement that people with disabilities need to move into work under the new deal for disabled people; taking obstacles to work out of the benefits system; making sure that work pays; and promoting radical change in the workplace to ensure equality and opportunity.

In developing the new deal, we have been consulting closely with disabled people and the organisations that represent them, and with other interested parties. We have ensured consultation at each key stage of the programme's development, and we will continue to do so.

**Mr. Oaten:** Does the Minister share the concern felt by many disability groups about the fact that, of all the new deal programmes, those aimed at encouraging disabled people to return to work are taking the longest to get off the ground? We were promised that the contracts for the pilot schemes would be awarded in June, but to date there has been no announcement. Can the Minister reaffirm his Government's commitment to making progress, so that disability groups realise that getting disabled people back to work is at the top rather than the bottom of the Government's agenda?

**Mr. Denham:** It is not true that disabled people are at the bottom of the Government's agenda. The new deal pilots are very important, as we need to establish what measures will be most effective in enabling disabled people to work.

We received more than 120 bids in the first tranche of bidding for the new deal pilot projects. We aim to let the first contract shortly, and I hope that we shall be able to make an announcement very soon.

### Disability Living Allowance

17. **Mr. Jonathan Shaw** (Chatham and Aylesford): If the mobility component of disability living allowance related to people living in accommodation provided by the NHS will be included within the welfare benefits review. [47485]

**The Minister for Welfare Reform (Mr. Frank Field):** Yes.

**Mr. Shaw:** I am grateful for that reply, succinct as it was. Is my right hon. Friend aware that people with learning disabilities and physical handicaps who move from long-stay hospitals to live in community homes run by health trusts are classed as in-patients? As a consequence of changes to the higher mobility component within disability living allowance that were introduced in 1996, they are no longer able to claim it. Such people, however, are classed as out-patients in respect of prescription charges and are allowed to receive the benefits of that classification. Does my right hon. Friend agree that that is an anomaly, and that a review is required? Will he liaise with the Department of Health to ensure that that vulnerable group of people are able to get out and about, as they need to if they are to take part in community life?

**Mr. Field:** Yes to the first question; yes to the second; and yes to the third.

### Additional Pension Contributions

18. **Mr. Julian Brazier** (Canterbury): What representations she has received on the subject of individuals being required by law to make additional pension contributions into private sector funds. [47486]

**The Parliamentary Under-Secretary of State for Social Security (Mr. John Denham):** Many submissions to the pensions review have argued that compulsory second-tier pensions should be extended to groups not covered, and that the minimum second-tier contribution should be raised from current levels. We are looking at these proposals seriously, and will publish our response in a Green Paper on pensions later this year.

**Mr. Brazier:** The previous Government were rightly proud of the growth in private sector pension provision and the rise in living standards for millions of pensioners which that has provided and will provide. Will the Minister none the less accept that if any Government went further than encouraging such provision, and coerced people by the force of law to engage in it, they would be morally obliged to stand behind any such fund which failed?

**Mr. Denham:** As I said earlier, we are considering these issues carefully, and the type of pension vehicle that might be suitable for second pension savings is an important part of our consideration. It is certainly true that, whatever we do on pension policy, we need more cost-effective, value-for-money and flexible second pensions than are currently available, especially for those who cannot join an occupational pension scheme. We must not, under any circumstances, have a repeat of the pension mis-selling scandal for which the previous Government were so clearly largely responsible.

**Madam Speaker:** Dr. Iddon.

**Dr. Brian Iddon** (Bolton, South-East): Thank you, Madam Speaker. On a previous occasion—[HON. MEMBERS: "Question 19."] I beg your pardon, Madam Speaker; Question 19.

**Mr. Stephen Pound** (Ealing, North): My hon. Friend has a speech for every occasion.

### Benefit Integrity Project

19. **Dr. Brian Iddon** (Bolton, South–East): If she will make a statement on measures taken to improve the quality of treatment under the benefit integrity project of those suffering from mental illness. [47488]

**The Parliamentary Under-Secretary of State for Social Security (Mr. John Denham):** The benefit integrity project seeks to secure the correctness of certain awards of disability living allowance. In June 1998, we decided that people who have been awarded DLA because they fall within our definition of severe mental impairment should not be contacted directly as part of the project.

We are working closely with disability organisations to improve the operation of the project.

**Dr. Iddon:** It is Monday, I am afraid, Madam Speaker. On a previous—

**Mr. Stephen Pound (Ealing, North):** At least my hon. Friend has that one right.

**Dr. Iddon:** On a previous occasion—if my hon. Friend the Member for Ealing, North (Mr. Pound) will allow me to continue—my right hon. Friend the Secretary of State kindly told the House that she was discussing with Mencap the way in which mentally ill people are dealt with by the benefit integrity project. My hon. Friend the Minister has also told the House that seriously mentally ill people might be excluded from it. I welcome what he has said this afternoon, but my concern is that a large number of mentally ill people are still losing their benefits by being put through the benefit integrity project. May I suggest that more sympathetic consideration be given and that specialist doctors be employed so that we can genuinely assess those people?

**Mr. Denham:** I am grateful to my hon. Friend for his support for the further changes that we have made to the operation of the benefit integrity project. I can of course assure him that we shall continue to meet and consult organisations of and for disabled people on the project's operation, and we shall always consider further proposals for the improvement of its running. We take steps to ensure that those who advise our adjudication officers on DLA decisions are properly medically qualified to deal with the range of conditions that come before them and to seek additional information where that is necessary.

## Home Buyers

21. **Ms Linda Perham** (Ilford, North): What plans she has to assist home buyers on income support following the recent further rise in interest rates. [47491]

**The Parliamentary Under-Secretary of State for Social Security (Mr. John Denham):** There are no plans at present to change the way in which help with mortgage interest is calculated, using a standard rate. The standard rate is based on variable rates of mortgage interest that are charged by the main building societies and excludes discounted and fixed-rate mortgages, which are available to many borrowers.

**Ms Perham:** I welcome that answer. Actually, I do not welcome it; I am so used to saying that sort of thing.

Every time interest rates go up, another trickle of people come to my surgeries who are on income support and who find it very difficult to meet the payments. Will Ministers continue to liaise with the Council of Mortgage Lenders to take a sympathetic attitude on repossessions?

**Mr. Bradley:** I am grateful to my hon. Friend. We have regular discussions with the Council of Mortgage Lenders and it assures us that it will take a sympathetic approach to ensure that people remain in their homes. I announced an increase in the standard rate to 8.34 per cent. from 31 May and the Government are committed, through their housing review, to ensuring that there is sustainable home ownership.

# Child Support

3.30 pm

**The Secretary of State for Social Security and Minister for Women (Ms Harriet Harman):** Madam Speaker, with your permission, I will make a statement on the Government's Green Paper on reform of the child support system.

We promised to reform the welfare state, so that it is modern and fair and strikes the right balance between rights and responsibilities—reform on the basis of work for those who can, and security for those who cannot. Children are first and foremost the responsibility of their parents, but we have a responsibility as a Government to ensure that parents are in a position to support them—that they are working if they can—and that children get the support they need. That is why, as a Government, we place so much emphasis on policies for families. We have increased child benefit for all families. We have embarked on a major welfare-to-work programme to ensure that mothers and fathers can work and improve their children's standard of living.

The new deal for lone mothers will ensure that mothers work, if they can. The new deal for the long-term unemployed and the young unemployed will mean that fathers, many for the first time, can support their children through work. Those new deals, with the minimum wage and the working families tax credit, are important parts of banishing child poverty. Therefore, welfare to work, the first part of our welfare reform, is under way. The second step in welfare reform, to ensure that children are properly supported by their non-resident father, is what I bring to the House today.

The child support system is like no other part of social security. In most of the benefit system, there are just two stakeholders: the benefit recipient and the taxpayer. In child support, there are four: the child who needs an adequate standard of living and is entitled to the father's support; the father who has a responsibility to support the child and needs enough left to live on and to discharge his other responsibilities; taxpayers who need both to support their own children and to contribute through their taxes to prevent other people's children from living in poverty; and the mother, who needs a dependable source of income for her family.

Getting the system right and fair for all four is not an easy task. Few people would seriously disagree with those objectives of child support. Most agree that the current system is not working to deliver them.

In identifying the need for reform, I seek to make no party political criticism of the previous Government. We are all wiser with the benefit of hindsight. Nor will I dwell for too long on the statistics that show the failings of the child support system, except to remind the House that there are 1.8 million children living in families on income support or family credit, in respect of whom fathers pay no maintenance at all. One in six of all children in this country are being brought up supported only by their mothers working, or, more usually, by the benefits system. What message does it send to boys, who may one day become fathers themselves, when the financial responsibilities of fatherhood can be wholly delegated either to the welfare state or to the mother alone?

Seventy per cent. of lone mothers claiming income support try to avoid co-operating with the Child Support Agency. Their co-operation takes their time and energy, and can cause further conflict with the child's father, but if they are not working, it brings no financial gain to their children, as all the maintenance paid by the father is deducted from their benefit.

The formula for assessing maintenance is so complicated that the CSA has to spend 90 per cent. of its time assessing maintenance or keeping assessments up to date, and it is left with only 10 per cent. of its time to chase up payments. The complexity of the formula means that fathers do not know where they stand, and often the first demand for maintenance tells them that they are already thousands of pounds in arrears. Complexity leads to errors.

Our reform of child support involves replacing the byzantine complexity of the current formula with a simple percentage. The assessment of maintenance will no longer require more than 100 separate bits of information. It will no longer require fathers to report their new partner's income. It will rely only on identifying the number of children the father has, where the children live and how much income he has after deduction of tax and national insurance.

We propose that, for one child, 15 per cent. is deducted from the father's net income and paid in maintenance; for two children, 20 per cent.; and for three or more children, 25 per cent. There will be special rules for fathers with a low income. For fathers who are on benefit or whose net income is below £100, we propose maintenance of £5 a week, with a sliding scale for those between £100 and £200.

In assessing the amount of maintenance, we propose to take into account children in a second family. Our Green Paper sets out, for consultation, two different options for reaching the right balance between the children in the first and second families, but both our options are about taking second families into account.

Moving from a complex formula to a simple percentage will have a number of advantages. Men who father a child with a woman with whom they are not living will know that they will have to pay 15 per cent. of their weekly income to that child for the next 16 years. Men who separate from their wife and children will know, before they take on other commitments, that they will have to put money on one side for their children. The CSA will be able to spend dramatically less time assessing maintenance, and more time ensuring that it is paid. Everyone will understand the system. The aim is to ensure that more fathers pay, rather than that fathers pay more.

There is also the issue of what the children receive when the fathers pay. Almost from the outset, the complaint has been made that, for every pound paid in maintenance by the father a pound is deducted from the mother's income support. When mothers who are not working co-operate with the Child Support Agency, it may mean that maintenance is paid by the father, but no maintenance is received by the child. Fathers who do not pay feel that they are merely defying the CSA, and are not disadvantaging their own children.

We are proposing to change that. The child will, in future, receive a child maintenance premium. The first £10 of maintenance paid will go to the mother for the child, and will not be deducted from her benefit. So when a father pays, he will know that he is fulfilling his responsibilities and that his child is better off. When a

*[Ms Harriet Harman]*

mother on income support co-operates with the CSA, she will ensure that he is paying his fair share, and that the child gets up to £10 more a week.

As well as a simple percentage, we need a better child support service. We propose a three-stage process. First, when the mother applies for maintenance, the father will be contacted. In most cases, an assessment can be made over the telephone, and he can start paying right away. Secondly, if either parent has concerns about the assessment, there will be a review, where the situation can be explained or sorted out. Thirdly, if either parent wants to challenge the basis of the assessment—for example, the calculation of income—their case can be assessed by an independent tribunal.

We also propose that the tribunal should be able to set maintenance at a different percentage rate if the non-resident parent can show that he incurs special expenses in supporting the child—for example, where the cost of paying the maintenance will make him unable to afford the costs of visiting the child.

Although we propose these reforms, there will need to be time to consult, to take legislation through the House and then to change the computer systems. However, people currently in the system cannot wait that long to see progress. We need to do what we can within the existing system to make it work better for them.

We therefore intend to press forward with the introduction of more telephone lines, and service outside normal working hours. We will take further action to tackle the backlog. We will spend an extra £12 million this year, in addition to £30 million already committed over the next two years to sharpen up our service.

The CSA staff have borne much of the brunt of the complexity and unpopularity of the system. Much of the criticism that should have been directed at the system has been heaped on them—usually unfairly. However, we are counting on them—and I know we can do so—to improve the current system and then make a first-class job of the new system.

This is a Green Paper. Its proposals are for consultation until the end of November this year. We hope that there will be the widest possible debate. To ensure that fathers, mothers and the taxpayer all feel that the system is fair is not an easy task. The need for reform is obvious. The demand for reform has been voiced in hours of debate in this House, hundreds of pages of official reports and thousands of letters of public complaints. I believe that we have charted a new way forward.

I will conclude with a word of caution. Relations between men and women are not always easy. Relations between men and women who are parents of the same child but do not share the same home are often intensely difficult. No reform of the child support system can ever change that, but it can work better than it does now, and it can better serve those children who have a right to the support of both their parents, irrespective of where they live. It is above all for them that I present the Green Paper to the House today.

**Mr. Iain Duncan Smith** (Chingford and Woodford Green): I thank the Secretary of State for her courtesy in giving us the Green Paper and her statement at 12.30 pm today. That was much appreciated, and gave us the opportunity to look at them in detail.

This is a very important statement—no one for one moment would downgrade it. The Opposition welcome the idea—stated by the Minister of State and the Secretary of State today—that, in essence, because the House of Commons was the place that put through the original legislation and agreed it, it is the House of Commons that must rectify the problems and inequities. We must all shoulder that requirement across the board, regardless of party.

I wish to concentrate on the questions arising from the statement. I hope that I can do so constructively, but some of the questions are detailed; if they cannot be answered now, I hope that answers will be placed in the Library or sent to me.

The Government claim that, as a result of the disregard, 75 per cent. of absent parents and parents with care will be better off. Will the Secretary of State give full details of the gainers and losers, as calculated by the Department? If those calculations have not been made, I hope that they will be. For example, will the disregard be for both in-work and out-of-work benefits? I am not sure of the answer, even after reading the statement and the Green Paper.

The Government also claim that the change to the system will be revenue-neutral, but have they included the cost of the £10 disregard and of the transitory arrangements in that calculation? How will the system apply? It is not clear whether the Secretary of State intends changes on that; will the new system apply to people on benefits, or to everyone regardless of whether one of the partners is on benefit?

The Secretary of State made much of simplicity, which is a great goal. However, the claim that the arrangements can be made over the telephone may be a touch optimistic, given some of the complex questions that arise. She said that there would be alterations for those with second families, and she offers alternatives. What is the basis for the two alternatives—which are very different—in the Green Paper, and what calculations will the Department make on the implications for both the taxpayer and the absent parents?

Paragraph 27 of the Green Paper deals with special expenses. It says:

"We therefore propose to allow a tribunal to set a different level of maintenance in certain, exceptional, circumstances."

That is part of the real key; it raises a huge issue, from which I do not think anyone should shy away.

What effect will a tribunal have on the system's simplicity? We could be shifting all the decision-making problems from the first part of the system to a second stage. I understand—I am not certain of this—that a similar problem has arisen in Australia. There is simplicity in the first instance, but all the tribunal cases and exemptions jam up the system later, so nothing is solved.

How much variation from the flat rate will a tribunal be allowed? What will the special expenses include? How will the new system deal with those on low incomes with high living and travelling costs, which currently count as protected income, but would not under a simple, flat-rate system?

Will a tribunal have the flexibility to include housing costs, high travel-to-work costs, high travelling costs to see the children, allowances for pensions, long-term

illness or disability, pre-separation debt that the absent parent took on for the benefit of the family, pre-1993 financial arrangements that cannot be stopped or that it would be unreasonable to stop, and pre-1993 transfers of property or capital that were not fully reflected in the maintenance assessment? If a tribunal has to assess all those matters, the system will quickly lose its simplicity and speed. Those issues must be addressed.

The Green Paper acknowledges the problem of dealing with existing assessments, which was one of the main problems that the Child Support Agency encountered. It is unclear in the Green Paper—I may be wrong—exactly what the Government plan to do. I think that the Secretary of State is being a touch optimistic when she says in paragraph 7 on page 40:

"We are simply suggesting a change in liability within existing agreements, similar to the re-assessment that takes place when parents' circumstances change."

That brief section of the Green Paper holds the key to whether the changes will be perceived as a success. What calculations has the Department made of the costs of option A and option B, which are outlined in the section?

Dealing with the backlog could be the biggest problem. The Green Paper does not seem to deal with the CSA's backlog and how those cases that still await assessment will be resolved under the new system. That will give rise to some of the most divisive issues; there may be iniquity between those who have co-operated and finalised their assessments and those who will now deliberately delay because they recognise that a new assessment may be made. How will the Secretary of State deal with those backlog cases? Does she recommend considering them on the basis of the new system, or is she saying that all cases are backlog? The Green Paper points to that, but I am not certain how it will work when the cases come in.

What research has the Department carried out into the setting of the percentage? Who will be the gainers and the losers in that area? The backlog will create some problems. Some people may say, "I would rather have been assessed under the new system than the old," and others may say the reverse.

When will the legislation be introduced? That is an important question for the Secretary of State. We have the Green Paper and presumably we will have a White Paper, and then the legislation. If the system is introduced around the millennium, it will have another impact, as she will be asking her Department to make major changes in the way it makes calculations through its computer system, at the same time as it is being asked to make such changes as a result of the millennium. The Government need to think about that carefully, and I wonder whether they have. What are the cost implications of those sorts of changes?

Finally, what did the Secretary of State mean when she said that the absent parent would be paying 15 per cent. of his net pay for the next 16 years at least? Might there be some other changes beyond 16 years, and what does she mean by net payments—what does she include or not include?

The main point about which many lone parents, particularly absent fathers, are concerned is the way in which the other partner in the marriage, the ex-marriage or the relationship often uses access rights as a tool against the absent father—or, in this case, the absent mother. What discussions has the right hon. Lady had with other Departments to find out what can be done about that and whether there are other ways in which those problems can be resolved, when rights might already have been laid down by the courts?

To depart for a moment from the sense of common purpose, I must point out that much of this statement was already known to the public at large as a result of a series of leaks. Perhaps the Secretary of State could also say how, on 25 January, *The Sunday Times* and *The Sunday Telegraph* came up with the points that are in the Green Paper; how *The Observer* and *The Sunday Telegraph* reported the "extra cash" that lone parents were to receive on 28 June; and how *The Daily Telegraph* on 29 June reported that there would be a sliding scale reducing the assessments made for absent parents. How did *The Daily Telegraph* and the "Today" programme come up with the 15 per cent. calculation on Monday 29 June, and why did the story about the £10 bonus appear in *The Guardian* and *The Times* on 2 July?

This is a big issue for the House. It is the last chance for the Child Support Agency to prove itself—to prove whether it will work and whether it can resolve the problems with which it was meant to deal. To use a hackneyed expression, perhaps it is dining in the last chance saloon. Perhaps the CSA never can work—we do not know, but we will see. We want changes to be made to make the system work. Therefore, the question for the Secretary of State is whether it will work. We will judge that success against the answers to those questions. I wish it, as ever, the best of luck in securing that outcome.

**Ms Harman:** I thank the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) for the genuinely constructive spirit in which he greeted the Green Paper. I, too, deplore the leaks. I have done no briefing of our proposals, and nor has anyone on my behalf. I regret the fact that the details were in the newspapers before they came to the House.

The hon. Gentleman asked a number of questions, which were all relevant and important, and I will try to deal with them quickly one by one to enable as many other hon. Members as possible to ask questions on this important topic.

There will be a £10 child maintenance premium for those on income support, which will be paid to the mother for the child only if the maintenance is paid. For family credit, the child maintenance premium will be £15, so there will still be that incentive to work.

The hon. Gentleman asked about the assertion that the system will be revenue-neutral. In calculating revenue neutrality, we took into account the cost of the child maintenance premium and the transitional cost that he rightly identified of moving from the existing to the new system. The system is for those on benefits as well as for what are described as private cases.

The point about tribunals is extremely important. If something has gone wrong in the assessment of income or there is a dispute about where the children are living, people must have the right to go to an independent tribunal. A large amount of people's weekly income is affected, so either side must have the opportunity to put a case before an independent tribunal, exactly as happens with tax affairs. That is essential for the credibility of the system.

*[Ms Harman]*

The hon. Gentleman rightly identified the fact that the gateway to the tribunal will be critical in striking a balance between people perceiving that the system is fair, and not going back to all the complexities and individual variations that have bedevilled the current system and have been the central reason for its failure.

I believe that the tribunals should be able to consider matters of fact and assessment about income, the number of children, and where they live. We propose that the tribunal should be able to vary the percentage of income paid in maintenance if there are special issues relating to the cost of child support: for example, when there is a choice between making the payments or seeing the child. In the narrow circumstances in which the percentage may affect the emotional and financial support of the child, it is right to allow the tribunal not only to examine all the facts, disputed as they will be, but to assess whether, in an individual case, 15, 20 or 25 per cent. would be fair.

If we do not keep the gateway narrow, we will return to a situation in which everybody appeals automatically, the appeals system will cause delays, we will be back to the same old problems, and the promptness and fairness that we want to introduce will be lost.

The hon. Gentleman talked about people moving from the current system to the new system. New cases will obviously start with the new system once it is introduced. For existing cases, we canvassed two options. People could either move into the new system when they come up for review, which happens every two years, or we could review them in advance by assessing what they would have to pay under the new system; but there would have to be phasing, because it would not be fair for either the non-resident parent or the parent with care suddenly to have a big change in income. We need to do a great deal of work to reduce the backlog. Progress is being made, and that will continue.

The hon. Gentleman asked about timing. We have to hold consultations, do the drafting, introduce legislation and set up computer systems. There is an urgent need for reform, but we simply must get it right. As he said, we cannot afford to get it wrong. There are 1 million non-resident parents, 1 million lone parents, 2 million children and a great deal of money and concern at stake. We must act as fast as we can, but not so fast that we get it wrong.

The young man who has a baby with a woman with whom he is not living would have to pay 15 per cent. for 16 years, but that could be extended to 19 years if the child stays on in further and higher education. The payment for one child will be 15 per cent., but that could last for 16 years or more.

I agree absolutely with what the hon. Gentleman said about rights of access and maintenance. My starting point has always been that children have two parents, and have the right to both the financial and the emotional support of both. The mother does not have the right to deny access to the father when it is in the child's interests and has been ruled so by the courts. Children need not only their parents' money, but their time.

These matters are extremely complex, but I hope that we have made progress, and that that progress can continue.

**Mr. Malcolm Wicks (Croydon, North):** Does the Secretary of State agree that the large number of children in Britain affected by family insecurity and the resulting poverty and deprivation will burn a hole in Britain's future unless we make her reforms work? The House of Commons has been good at espousing the principle of parental responsibility, but somewhat shriller in attacking child maintenance in practice. Often, the voice of men has overcome the needs of children.

During consultation, will the Secretary of State do her best to build a true consensus in Parliament, including those parties that have previously attacked the principle? Will she also seek consensus among the public so that we can ingrain in our culture the idea that having a child—as mum or dad—brings rights and joys, but also responsibilities, including the financial responsibility to maintain the child?

**Ms Harman:** I absolutely agree, and I will do as my hon. Friend suggests. I pay tribute to his important work on child support, and the understanding and wisdom that he has brought to bear.

**Mr. David Rendel** (Newbury): I, too, welcome the fact that someone is trying, at last, to do something about the Child Support Agency. I also welcome the Secretary of State's important judgment that there is a place for tribunals in the new system. The main question is the size of the gateway. If there is a narrow gateway, a great many people will feel that the system is unfair and that their circumstances have not been properly taken into account. If people cannot agree the amount of maintenance with their ex-partners, that disagreement will be bad for children.

Will not the Secretary of State find, as the experience of the CSA shows, that the small number of exceptions for which she has allowed is bound to grow, until most people, if not all of them, go through the tribunal system? Would it not be best to acknowledge that, and to get the system right now?

**Ms Harman:** I thank the hon. Gentleman for his congratulations, which I share with the Under-Secretary of State for Social Security, Baroness Hollis, who has done a huge amount of work to bring our proposals forward. The hon. Gentleman asked what would be taken into account. The principle is that the system will deal with a specific child, a specific father and the father's responsibility to pay for that child out of his net income. That is the simplification we seek.

A broad gateway, which would allow thousands of matters to be taken into account at tribunal, would take us back to the current system, which is not fair. We must remember that the current system tangled people up until they did not know where they stood. If our system sets a clear percentage, but allows the other parent to go to tribunal and to bring up hundreds of different circumstances that can change the percentage, we will return to lack of clarity. It is fair to set 15 per cent. of net income for one child. That leaves 85 per cent. of net income for the father to spend as he sees fit, or to live on.

The average assessment per father under the new set of formulae will be lower than that under the current system. I know that you, Madam Speaker, take a great interest in assessments, because of Child Support Agency cases in your own constituency. The average assessment per father is £38 under the current system, but the average payment

is only £25. Under our system, the average assessment will be about £29, but we expect the average payment to be proportionately higher, because more fathers will pay.

**Mr. Terry Rooney** (Bradford, North): I should confess that I am the only Member who sat on the Committees that dealt with all three pieces of existing legislation. Will the Secretary of State promise us that, at the end of consultation, there will be a draft Bill, but also draft regulations? With social security, the devil is always in the detail, and no one who dealt with the first Bill foresaw how the regulations would turn out in practice.

**Ms Harman:** I am sure that my hon. Friend will play an important role in bringing forward this reform. He has had a long-standing interest in this matter on behalf of his constituents and on a wider basis. The number of reports that we have received—to which my hon. Friend has contributed—about the problems with the CSA bear testimony to the need for reform. It is now down to the Government and the House to take that reform forward.

**Mr. Dafydd Wigley** (Caernarfon): In welcoming today's statement, may I ask whether the Secretary of State accepts that there could be a danger in moving from a system that is too complex to one that is too simplistic? Will she give an assurance that account will be taken of particular circumstances, such as high travel-to-work costs in certain parts of these islands? Will she ensure also that the net income of self-employed people is assessed? That can be an extremely difficult exercise. Will that sensitivity be built into the system, in order to ensure that it works fairly?

**Ms Harman:** When it comes to assessing the net income of the self-employed, we shall bring the situation into line with the Revenue, and calculate our assessment on the same basis as that used by the Revenue. There is a big problem with non-compliance with maintenance assessments on the part of the self-employed, and we must sort it out.

The right hon. Gentleman heralds the start of calls to make the system complicated again. We must resist those calls—we have a choice, and we are proposing that we must resist them. We cannot have fairness and complexity side by side. If a system is too complicated, it will be unfair because of its complexity. We think that we shall achieve clarity through simplicity and getting the system right by using the correct percentages. People will know where they stand, and they will be able to start paying right away. That amounts to fairness and justice.

If we are united in our criticism of the current system—and we are—we must recognise that there is only one way forward. Only one substantial change can make the difference: turning our back on the complexity and all the individual circumstances—we tried that approach, and it failed—and moving to a simpler system that is more like the tax system. People pay their taxes on a fixed percentage of their income, and they should be able to pay for their children in the same way.

**Mrs. Gwyneth Dunwoody** (Crewe and Nantwich): The CSA has proved to be very adept at getting large sums of money from people who are salaried, but getting absolutely nothing from the self-employed. What is there in this newly proposed scheme that will carry the power of enforcement so that lone parents do not go through the empty and deeply depressing exercise of asking for moneys that are never forthcoming, and that are constantly taken into account by other agencies?

**Ms Harman:** My hon. Friend makes a very important point. She, too, has been a well-informed and balanced critic of the Child Support Agency. Simplifying the formula will allow the Child Support Agency to spend more time on enforcement. Great frustration is experienced by parents with care, who report their circumstances and who believe that they are never looked into because the Child Support Agency is too busy assessing maintenance and has no time to chase up the payments.

If our basis for assessment is the same as that of the Revenue, the self-employed will simply need to show us the assessment that they have given the Revenue, which has been approved, and we can proceed. That is another benefit of simplification. [HON. MEMBERS: "Answer the question."] I have answered the question about enforcement: there will be more time and more co-ordination with the Revenue under the new system, so the situation will be clear.

**Mr. Douglas Hogg** (Sleaford and North Hykeham): Does the right hon. Lady accept that many people believe that the Child Support Agency, as a decision-making body as opposed to an enforcement body, should be abolished? Does she understand that many people believe also that maintenance orders should reflect the individual facts and circumstances of every case? That cannot be addressed through a formula: it involves the exercise of inquiry and discretion.

If that is so, I think that the Secretary of State will accept that that cannot be done by officials. In all circumstances, is it not right to contemplate returning the whole process either to the courts or to quasi-judicial tribunals, and leaving to the agency only the enforcement function?

**Ms Harman:** One criticism of the court system that preceded the Child Support Agency was that, without a formula and with decisions left to judicial discretion, there was huge variation and a sense of unfairness. One set of parents might be awarded £15-a-week maintenance while another set with an identical income might be awarded £40 a week by a different court. Such unfairness led the previous Administration, with our support, to introduce a formula instead of judicial discretion.

I agree with the right hon. and learned Gentleman that there is a problem if we seem to give discretion to officials or a bureaucracy. It is much simpler and clearer if officials are responsible for ensuring that the calculation is made correctly, while we decide what is a fair percentage for maintenance. If something goes wrong with the calculations, the tribunals are a quasi-judicial element in the system.

Unfortunately, the courts did not work—I wish they had. The CSA, with its complicated formula, has not worked—I wish it had. We are trying to take it forward. I think that a simple formula with fair rights of appeal offers some hope.

**Mr. Robin Corbett** (Birmingham, Erdington): Does my right hon. Friend think that someone should say a big

*[Mr. Robin Corbett]*

"sorry" to the thousands of people who have suffered anguish and misery from the monumental incompetence of the Child Support Agency? Will she reconsider the backlog? It is estimated that it will take three years to get through it. Is she really going to turn civil servants loose on the impossible task of going back over the ground to do the assessments on the basis that she now proposes? Would it not be sensible to a take some short-term measures to achieve brutal fairness, as it were, until the new formula is in place, in order to avoid expensive duplication?

**Ms Harman:** We should all say, "Sorry," to the children in respect of whom no maintenance has been paid, to the mothers, to the fathers who have been tangled up in a system that has presented them with thousands of pounds of arrears that they feel that they can never hope to pay, and to the staff who have been given an impossible job. We should all be determined to reform the CSA.

**Mr. Archy Kirkwood** (Roxburgh and Berwickshire): The Secretary of State deserves the support of the whole House in her attempt to reform the CSA. This is the last chance, because much work needs to be done to rebuild public confidence in the CSA after its past actions. I exhort her to hasten slowly. It is right that this be done with due dispatch, but, once this important consultation process is over and a draft Bill is available, will she consider allowing the Select Committee on Social Security to produce a pre-legislative, interim report, so that some of the points on consensus and the complexity of regulations can be properly considered?

**Ms Harman:** The hon. Gentleman, who is the Chair of the Social Security Select Committee, makes an important proposal by offering that his Committee will consider the legislation in draft and hold pre-legislative hearings. We all feel that, last time, the House agreed the principle but the implementation was not got right. There were some things that we could not have foreseen, but others that we could. I hope that proper consultation—certainly I take up his offer and will make the draft Bill available so that he can conduct pre-legislative hearings—will make the reform proceed on a stronger footing.

**Mr. Dennis Skinner** (Bolsover): Is my right hon. Friend aware that one of the problems with the original scheme in 1992 was that it was pushed through just before a general election? In my view and that of many who were around at the time, it was not properly scrutinised. One of the redeeming features of this scheme is that it will be dealt with in a proper manner. It will get a lot of time, and people will be able to scrutinise it to make sure that we try to get a decent result, notwithstanding the fact that we are talking about trying to find a formula against the changing social fabric of society, and that ain't easy.

Tribunals are important, because that falls into line with other social security tribunals, with many of which we have been involved over many years. May I enter a plea that there should be equal representation of men and women on those panels? May I also argue that there should be no more closures, such as those that took place under the previous Government, of industrial tribunal centres, because they will be used much more than they have been in the past? If my right hon. Friend the Secretary of State manages to crack this hard nut, she could get the finest accolade of all—she could end up among Draper's 17 useful people.

**Ms Harman:** I am sure that my hon. Friend, who, above all, takes seriously his duties in the House, will be a key scrutineer of the Government's proposals. He makes a good point about equal representation: with a three or two-person tribunal, it is right that we should have equal numbers of men and women. He also makes the point about locally accessible tribunals, and that, too, is important. In every town, there are people who have concerns about child support, and we do not need to make it impossible for them to appeal by making them travel miles.

I shall discuss the issue with my right hon. Friend the Lord Chancellor to ensure that, when we introduce the tribunals, we have equal representation, and that the tribunals are locally accessible. I thank my hon. Friend for making those important points.

**Mr. Edward Leigh** (Gainsborough): No doubt the Secretary of State will win plaudits for trying to simplify the system, until, that is, we hear in our postbag from the losers—we shall not hear from the gainers, I fear.

Is the right hon. Lady aware that she has created an essentially valueless system? Many people already feel that they can lose their spouse, their home and their children, without any account being taken in existing family law of their behaviour or that of their spouse. Now, it will make no difference whether one wants to go and see one's absent children, or whether one has high travelling costs—nothing will make any difference.

Is the right hon. Lady aware that that will cause much grief and despair, and that, while we might raise children out of physical poverty, we might well reduce them to psychological poverty? Is that the right way of going about things, or should we not have a proper, flexible system that takes account of people's desire, if at all possible, to look after their children, not only financially but physically? Looking after children is about care and compassion, not just money.

**Ms Harman:** I think that one need not exclude the other. It is important for children to know that their father is financially supporting them, as well as has time for them. I said that in response to an earlier question. There is a morality that runs through the proposal: it is that parents have a responsibility for their children and that children are, first and foremost, the responsibility of their parents. The role of Government is to make sure that children get the financial support to which they are entitled when they do not live with both parents.

I would not say that the system is valueless. It seeks to enforce the value that children are entitled to the financial support of their parents. However, what it does not do is make moral judgments about how families end up as they are. If a Government try to make it a public policy to make men and women stay happy in their marriages, they will not succeed. What we can do, as a Government, is make sure that men and women can work, that they can support their children and that there is a simple system of ensuring that, when the parents separate, the children do not lose financially.

**Caroline Flint** (Don Valley): I welcome the statement today, and the fact that children are put to the forefront

of the proposals. I am sure that all of us, when dealing with our case work and leaving our surgeries, wonder about the children who are caught up in the middle of a battle between so-called adults, who are at that time acting more like young children.

Will my right hon. Friend assure us that, in reducing the amount of time that has to be spent on assessment, the development of a more personalised service—one that helps to create better communication between both parents and a better understanding of what is necessary for parents to comply—is prioritised? People's dissatisfaction at not being able to have face-to-face meetings adds to the stress, and often to the hostility between the two parents.

**Ms Harman:** I can give my hon. Friend that assurance. CSA staff will need to spend less time sweating over a hot computer making endless calculations. Even if they can understand those calculations, they can never hope to explain them to those who will have to pay under the assessments. They will therefore be able to spend more time on enforcement and chasing up payment, and on explaining the payments and the basis of the assessments, so there will be a more personalised face-to-face service.

**Miss Julie Kirkbride** (Bromsgrove): The Secretary of State has been as clear as she possibly can be about the existing flexibility in the system, such as travel-to-work costs, housing costs and debt costs, which are all to be removed under the right hon. Lady's new plans. Bearing in mind the question of my hon. Friend the Member for Gainsborough (Mr. Leigh), when he said that there will be losers in the system, who will be banging on our surgery doors, will the right hon. Lady give us an estimate of how many losers her Department thinks there will be?

**Ms Harman:** The hon. Lady talks about losers. How would she describe the 200,000 or more fathers who we think, with a simplified system, will end up paying maintenance for the first time? Presumably, on the hon. Lady's balance sheet, she would describe them as losers. Surely we could not possibly describe those fathers just as losers without explaining that their children will be gainers from their paying maintenance to the tune of up to £10 a week.

That is the difficulty that I tried to set out at the outset. There is a square formed by the taxpayer, the child, the father and the mother. Although it is important under the new system to consider what people's relative but different situations will be, the simple assertion of gainers and losers, which we are able to use in other parts of the benefits system, tells only part of the story in this instance.

**Mr. Jimmy Hood** (Clydesdale): May I welcome my right hon. Friend's statement? I am sure that the House will appreciate its importance and the need for it. I am pleased to see my hon. Friend the Minister for the Armed Forces in his place, because last week I received a letter from a regimental sergeant after 22 years of service in the Army, serving his country. He has been charged more than £600 a month out of his salary by the CSA. Not one penny of that is going to his children or the wife. He has been forced out of employment. The position is the same throughout the gamut of employment. The CSA, which has been a disaster, has forced people out of employment into dependency, costing the taxpayer more, not less.

I make a special plea for the single parent, usually a mother, who is in employment, where the CSA has walked away from her because she was not in benefit and did not chase the other parent to pay a fair contribution to the children.

**Ms Harman:** My hon. Friend makes an important point about the CSA supporting the mother in work to ensure that the father pays a fair share, and that she has a reliable income stream to go towards the children.

Perhaps I can offer to look into the specific case to which my hon. Friend has referred just to check that everything is in order in the circumstances that he has outlined. Finally, may I say how good it is to see my hon. Friend back, and in what great shape he looks?

**Sir David Madel** (South-West Bedfordshire): A frequent mistake made by the CSA is to add overtime and bonus payments to basic pay and assume that it is all basic pay. The result is that people receive demands for increased contributions during the financial year. Will the reforms stop the CSA demanding increases until the end of the financial year, when it and the Revenue will know how much has been earned?

As Members, will we have the power to call in tribunals to examine particular cases? Here is one such case. When an ex-wife stops earning because she has remarried to somebody who is not short of a bob, why should the ex-husband receive a demand for an increased payment to the CSA? There must be something wrong there.

As for CSA staff, my constituents are always polite and courteous, as I am sure are those of all other Members. All our constituents are polite and courteous. Therefore, we expect CSA staff to be equally polite and courteous to our constituents, with the result that everybody will be happier.

**Ms Harman:** The income of the first wife's new husband or partner will not be taken into account in the new system. We shall look only at the father's income, and his financial responsibility to the child. With the complexity in the investigation of countless different personal circumstances in which the CSA has been engaged, there has come a sense of invasion of privacy and of things being taken into account that really should not be. The simplicity of the new formula should remove that, and the CSA will not have to ask whether a man is a new boyfriend or whether he is just passing by.

We are not proposing that Members of Parliament should be able to take cases to the tribunals. The only parties who would be able to do so are the parents.

**Mrs. Anne Campbell** (Cambridge): Does my right hon. Friend agree that many parents who are living apart share not only custody but care of their children, and that such arrangements should be encouraged and supported? If necessary, will she consider making available taxpayers' money to pay for the extra travelling and housing costs that such arrangements might entail?

**Ms Harman:** My hon. Friend makes an important point. In the old days, it was very simple—the man and woman were married, they had children, and if he left, she kept the children and he saw them at weekends. Under the current system, that pattern is increasingly less

*[Ms Harman]*

common. There are much more complicated arrangements of shared care, which are often in the interests of the children, who spend the maximum amount of time with both parents.

To reduce maintenance liability, the current system takes such arrangements into account only if the child spends 104 nights or more with the non-resident parent. We propose that, for the purposes of setting maintenance, the level should be 52 nights or more, and for every night that the child spends with the non-resident parent, his weekly maintenance liability should be reduced by one seventh. That is fair, and it is not a complexity that people could not understand or would not think was fair.

**Mr. Nick Gibb** (Bognor Regis and Littlehampton): Given that most countries that have a fixed percentage formula apply the formula to the father's gross income, will the Secretary of State explain why she decided that her formula should apply to the net income? Secondly, will she confirm to the House that the criterion that brings the CSA into play in the first place—namely, that the spouse with care is on income support or that one of the spouses elects to involve the CSA—will not change as a result of her statement today or the Green Paper?

**Ms Harman:** The hon. Gentleman asks whether it is right to base the formula on an assessment of gross income or net income. The important point is that people are able to understand how much money they have left after deductions of tax and national insurance, which are then taken out of the picture, how much of their remaining income they should allocate for their child, and how much they then have left to live on. I am afraid that I did not catch the hon. Gentleman's subsequent question.

**Mr. Gibb:** It was about the criterion for involving the CSA.

**Ms Harman:** If a lone parent makes a claim for income support or family credit, that triggers an application for child support. If a lone parent who is not on benefit makes an application, that, too, triggers an application for child support. We do not envisage proposing to change either of those criteria.

**Mr. Chris Pond** (Gravesham): Given that between 40 and 60 per cent. of CSA decisions are deemed to be in error, I very much welcome the statement, as other hon. Members have. I welcome also my right hon. Friend's agreement that the Social Security Select Committee may have an opportunity to consider the proposals prior to legislation being introduced. Will my right hon. Friend urge the Select Committee to include in its consideration and consultation process the inefficiencies and incompetence of the CSA's operations, without putting the blame for those on staff? Simplification will help, but it will not remove all the problems.

**Ms Harman:** I know that my hon. Friend takes very seriously his role on the Select Committee. He implied that he would like to examine further the administrative nitty-gritty of the system. I welcome that, and I am sure that the staff would also welcome it. He has played a key role in issues of child poverty. He is right to refer to the high error rate. We must deal with those issues, and I look forward to my hon. Friend's important and constructive involvement in the debate.

**Mr. Simon Burns** (West Chelmsford): May I wish the right hon. Lady well on the inevitable tightrope that she will have to walk in the coming months, before any legislation reaches the statute book?

Will the right hon. Lady please clear up an issue that is causing concern? As I understood it, she said, in answer to my hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith), that the new arrangements would apply to parents on benefit as well as to those who are not on benefit but who make their own private arrangements. If that is what she said, it suggests that she is planning to extend the remit of the Child Support Agency to all families in which the relationship has broken down, and it is important that she tells us whether that is right.

If the right hon. Lady is planning to keep the criterion as it is, that is understandable; but if she is suggesting that she will extend it, in accordance with the original, 1991, plans—later abandoned—for the CSA to apply to all relationships that break down, regardless of whether any of the parents are on benefit, that would cause the Opposition great concern, because it would extend the remit and compound the problems that she is trying to mop up by making the system more effective, more efficient and more acceptable.

**Ms Harman:** I am grateful to the hon. Gentleman for giving me a chance to clear up a misunderstanding that, clearly, I have unintentionally caused. There is no intention that the CSA should extend its remit to cases where parents are not on benefits and where they have not called in the CSA. We have quite enough on our plate for the 1 million on income support, their 1 million former husbands, the 2 million children and all those who are not on income support or family credit who call in the Child Support Agency. I hope that I have put the hon. Gentleman's mind at rest on that.

I thank the hon. Gentleman for his best wishes; why do they give me a sense of unease, though?

**ESTIMATES DAY**

[1ST ALLOTTED DAY]

**ESTIMATES 1998-99**

**Class IX, Vote 1**

# Further Education

[*Relevant documents: Sixth Report from the Education and Employment Committee of Session 1997–98, on further education, HC 264-I, and the Department for Education and Employment's departmental report: "The Government's Expenditure Plans 1998–99" (Cm 3910).*]

*Motion made, and Question proposed,*

That a further, revised sum not exceeding £6,019,940,000 be granted to Her Majesty out of the Consolidated Fund to complete or defray the charges which will come in course of payment during the year ending on 31st March 1999 for expenditure by the Department for Education and Employment on voluntary and special schools; the Assisted Places Scheme; the provision of education for under-fives; city colleges and other specialist schools; grant-maintained schools and schools conducted by education associations; music and ballet schools; the school curriculum and its assessment; the youth service and other educational services and initiatives; careers guidance and services; payments for or in connection with teacher training; higher and further education provision and initiatives; loans to students, student awards and other student grants and their administration; the payment of access funds; reimbursement of fees for qualifying European Union students; compensation payments to teachers and staff of certain institutions; expenditure on other central government grants to local authorities; the provision of training and assessment programmes for young people and adults; initiatives to improve training and qualifications arrangements and access to these; the promotion of enterprise and the encouragement of self employment; payments for education, training and employment projects assisted by the European Community and refunds to the European Community; events associated with the UK presidency of the EU; the UK subscription to the ILO; help for unemployed people; the promotion of equal opportunities, disability rights, childcare provision and co-ordination of certain issues of particular importance to women; the payment of certain fees to the Home Office; the Department's own administration and research and that of Capita; the information and publicity services; expenditure via training and enterprise councils and amounts retained by them as surpluses and spent by them on training and other initiatives within their articles and memoranda of association; expenditure in connection with the sale of the student loans debt; and on expenditure in connection with Welfare to Work Programme and Millennium Volunteers.—[*Dr. Howells.*]

4.31 pm

**Ms Margaret Hodge** (Barking): The Government have placed education at the heart of their agenda but, although we have spent much time on lengthy debates on schools and on higher education, rarely does the House devote time to debating further education. Yet the sector is vital to Britain's future.

It is FE which provides two thirds of all post-school education; which educates the majority of full-time students in the 16 to 19-year-old age cohort; which gives adults that crucial second chance to gain qualifications and skills if they failed at school; which creates the opportunities for access to higher education for those who have traditionally been excluded from it; which provides the vital bridge between education and employment, ensures that individuals have access to appropriate vocational qualifications and personal development opportunities and offers specific training courses to meet employers' requirements; and which provides all adults with access to lifelong learning opportunities, whose purpose may be purely to enrich and where the reward is nothing other than sheer pleasure.

FE plays a crucial role, both in enhancing the nation's competitiveness and in promoting our social well-being; yet, for years, the sector has been the Cinderella of education, and the area subject to the fiercest expenditure cuts. Perhaps that is because FE colleges are seen as less glamorous than universities and less emotive than schools; perhaps it is because, traditionally, Members of the House have had few links with the FE sector; or perhaps Governments have simply failed to realise its importance to the United Kingdom economy.

In the first year of this new Labour Government, schools have rightly been at the forefront of the learning revolution. Schools must form the foundation of any culture of lifelong learning. If children learn the basics in school, they have a sound platform from which to move toward higher learning. However, that does not mean that further education should take a back seat. Indeed, in the view of the Select Committee, further education has a vital contribution to make.

Five years on from the incorporation of colleges seemed a good time for the Select Committee to take stock of the sector, to assess its strengths and weaknesses, and to identify what we believe should be its and the Government's priorities for the future. We did not want to duplicate the valuable work done by Helena Kennedy and her committee, nor the study on lifelong learning recently presented to the Secretary of State by Bob Fryer's committee.

We tried to focus on key areas of current concern and on matters that are vital to the Government's education agenda for qualifications, skills and lifelong learning. We were also determined to place on the political agenda specific recommendations for the Government that we believe that they need to address and on which we think that a public debate is needed. Our report contains 50 detailed recommendations that we believe should equip FE to meet the challenges of the new millennium. Some are more controversial than others; all are important to the future health of the sector.

I know that many hon. Members wish to contribute to today's debate, so I shall focus on only some of the key recommendations. I shall first tackle the issue of funding. It is unquestionable that the FE sector was starved of resources by the previous Government. The Tories released the sector from the shackles of local authority control, only to burden it with unacceptable financial cuts. Although some colleges believe that the problem has been the distribution of the FE funding cake among colleges, the Select Committee believes that the real issue is the size of the FE cake itself. There is a funding crisis in the sector and it is left to the Government to confront it.

Further education has had a raw deal, and a much harsher deal than other sectors in education. The figures speak for themselves. From 1993–94 to 1997–98, the real-terms funding of full-time equivalent students in FE was cut by 27 per cent., while the funding of students in universities was cut by 13 per cent. At present, two thirds of the post-school budget is spent on universities, despite the fact that two thirds of those who continue in post-18 education do so in FE colleges. Indeed, if we exclude the

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controversial student maintenance. Government spending in HE stands at about £4,600 per student, whereas only £2,800 is spent on each full-time equivalent student in FE.

Similarly, Government figures show that unit funding for students in FE has dropped a dramatic 10 times more in that sector since 1993–94 than it has for students in schools. Think what that has done for young people in sixth-form colleges who found themselves, almost by accident, part of the FE sector after incorporation. The position is so acute that the Further Education Funding Council has categorised more than 100 colleges as experiencing financial problems, with the percentage in the weakest category in financial terms having increased from 6 to 27 per cent. in the three years to 1997. I have no doubt that more up-to-date figures would show an even more dire position.

**Mr. Barry Sheerman** (Huddersfield): As my hon. Friend knows, I am entirely in sympathy with what she has said up till now, but one matter concerns me, and I hope that she will return to it. When the Public Accounts Committee examined the sector, it found a relationship between efficiency and financial viability, and the way in which the quality of management impacted on those aspects. I am a great champion of further education, but I am worried about bringing the two thirds up to the one-third best practice.

**Ms Hodge:** We, too, considered the governance and management of the FE sector. I am not sure whether I understand my hon. Friend correctly, but we, too, found that there was not necessarily a direct correlation between financial resources and good management. Be that as it may, the FE sector has not been able to sustain quality, partly because of the financial cuts with which it has had to deal.

If the Government are serious about their lifelong learning agenda, if they want to ensure that the new deal is successful, if they want the university for industry to bring real benefits and if they genuinely intend the individual learning accounts to provide new opportunities for the many, they must, through the comprehensive spending review, inject a considerable sum into the sector.

The Select Committee warmly welcomed the measures that the Government have already taken to bring in extra money but, in our view, they represent only the first small step. I personally believe that the Committee took a pretty moderate view of what resources are needed. We did not attempt to reinstate amounts cut in the past, but we thought it wrong to expect greater efficiency savings from further education in the future than the Government expect from universities. We thought it essential to inject moneys for capital investment in both buildings and information technology. We considered the £10 million set aside by the Further Education Funding Council to widen participation in education and training derisory and grossly inadequate.

We were conscious of the Prime Minister's pledge that an additional 500,000 students would enjoy further or higher education by 2002, which needed to be properly funded. In our view, all this means that, by 2001-02, further education will need at least an extra half a billion pounds each year to provide an efficient, high-quality service. That is a lot of money, but we consider it essential if we are to meet our pledges on education and training.

Britain's problem is not educating our high fliers; we do that as well as any country in the world. Our problem is our long tail of under-achievers—the 7 million British adults who have no qualifications at all. Nearly 30 per cent. of young people fail to reach national vocational qualification level 2 by the age of 19. Whereas 8 per cent. of adults in Sweden, and 14 per cent. in Germany, have no basic literacy skills, more than 20 per cent. of adults in Britain have not progressed past level 1 in basic reading. Investment in schools is obviously vital, but it should not be at the expense of further education. We must put right the failures of the Tory past if we are to equip our adults with the necessary skills and qualifications to ensure the competitive, productive economy that we need for the long-term wealth and stability to which we aspire.

If we are serious about widening participation and improving skills, we must address the issue of student support. While undergraduates are adjusting to paying partial fees, many further education students have been paying full fees for years. While most higher education students are given access to subsidised loans as of right, the system of support for further education students is close to collapse. Most local authorities have cut their funding for student support in recent years. Today, access to such support is entirely a question of geography rather than need. It is simply not acceptable that a student in Cleethorpes can receive a maintenance award for a management course while a student on a similar course in Exeter cannot.

It is further education students who most need that support. In contrast to students in higher education, two thirds of whom come from the top two socio-economic groups, many further education students are unskilled, out of work or, perhaps, taking time out from poorly paid jobs to better themselves. If we are serious about opportunity for the many, we must address that inequitable legacy of disadvantage for those who need it most. If we are serious about improving skills and tackling underachievement, we must provide better incentives to keep people in full-time education.

It is outrageous that only half our young people continue in full-time education up to the age of 18. It is unacceptable that the participation rate has failed to increase over the past five years, and it is shameful that we have fewer people in full-time education after the age of 16 than any of our international competitors. That is why the Select Committee wants the Government to introduce a financial incentive to keep more young people in full-time education; that is why we have recommended that the Government abolish child benefit for those over 16, and use the £600 million thus released to help fund a means-tested allowance that would encourage those from disadvantaged backgrounds, in particular, to stay in full-time education and training.

I know that changes in child benefit are controversial, but child benefit for 16 to 19-year-olds is not universal. It is paid only to those whose children stay in full-time education, and they tend to be the children from better-off families. Surely it is right to target the money better, to encourage those from poorer families to stay in full-time education. Surely that is a better route for the nation to follow to achieve both economic prosperity and social justice. We recommend that the Government consider the proposal seriously. We want them to work towards providing loans covering maintenance and tuition that would be available to all further education students on work-related courses.

Our inquiry poses a number of other important challenges to colleges, the FEFC and the Government. We recommend that the Government give clearer direction in regard to a range of matters. The Government should determine the funding priorities for the sector; failure to do so would, in our view, impede their ability to achieve solid progress in the nation's priority areas. In the immediate future, for example, work-related courses should take priority over leisure-related learning for Government funds. The Government must also take steps to create a level playing field between further education colleges and schools. They must always level up rather than down to maintain educational quality.

**The Parliamentary Under-Secretary of State for Education and Employment (Dr. Kim Howells):** I agree with much of what I am hearing, but may I ask a question about what I still call schedule 2 and non-schedule 2 courses? What was the Select Committee's opinion about finance for courses that serve people with special needs, such as disabled people and those with severe learning difficulties? Such people will never be able to work towards some form of accreditation and recognition under schedule 2, but their education is a lifeline and a way of affording them basic skills.

**Ms Hodge:** Our report contains a whole section dealing with qualifications and progressions. We hope for a more modular approach to qualifications. The instance cited by my hon. Friend would be seen in such a context—not as a leisure-related activity, but as a modular course that could lead to further qualifications, especially for people with specific disadvantages. Of course such activities should be supported.

**Mr. Don Foster** (Bath): Does the hon. Lady agree that the Select Committee's aim in referring to "levelling up" to bring about a level playing field for post-16 education was to deal with full-time 16-to-19 education? That would not cover the schedule 2 type of education to which the Minister referred, which, although vitally important—as he rightly said—needs to be treated and funded rather differently.

**Ms Hodge:** I think that my hon. Friend the Minister was taking advantage of a pause in my speech. I must, however, declare an interest in regard to post-16 full-time education. As two of my children are currently in that sector, I recognise more than others the way in which the quality of both enrichment activities and pastoral support has been threatened by some of the cuts imposed on sixth-form colleges.

We believe that the Government should review the qualifications that they fund. It should not be left to the media to highlight questionable qualifications, and, in so doing, to bring the whole sector into disrepute. Similarly, although the Committee welcomes the steps taken by the FEFC to tighten the rules on franchising, we believe that further action is needed so that franchising really adds value to the nation's education and training. To quote my favourite example, funding courses in ambient display, which is more commonly known as shelf stacking, can hardly be said to add value to anything much.

Done well, franchising can build valuable partnerships between further education, the private sector and the community. It can create training opportunities for some who would not normally get involved further education, but we believe that colleges should not be allowed to franchise courses outside their area, except in exceptional circumstances. The Government should consider time-limiting the subsidy to the private sector so that resources can be recycled and the private sector encouraged to accept responsibility for the funding of training.

Allowing a free market in FE in the name of consumer choice is nonsense. FE should be more actively planned, nationally and locally, to ensure the most effective and efficient use of resources. Our report recommends that local partnerships, led by the FEFC, should be established to bring together all those involved in further education, from local education authorities to training and enterprise councils to employers. The FEFC should set clear criteria for mergers, and encourage them.

**Mrs. Anne Campbell** (Cambridge): Are not many opportunities missed by training and enterprise councils, which do not always take into account the fact that further education colleges are capable of delivering the training required by businesses? Does she also agree that it is important to encourage that kind of relationship, along with local authorities, to ensure that there is a coherent strategy for further education in a particular area?

**Ms Hodge:** I agree entirely with my hon. Friend, which is why we have suggested a planning framework and a level playing field between not only FE colleges and schools, but FE colleges and private providers.

I have talked about some of the most important recommendations in the Select Committee's report. We have laid down a strong challenge to the Government, and if my right hon. Friends are serious about lifelong learning, as I believe that they are, they must meet that challenge. After years of neglect, it is time for further education to emerge from the shadows: it has a vital role to play in the Government's central purpose of raising education standards; extending opportunity to the many, not the few; and creating a strong, competitive economy.

Out there in the colleges—among the staff and among the students—people are waiting to play their part in turning the Government's vision into reality. That will require money, commitment and effort. I hope that our inquiry and our report will set that ball rolling, and that FE will gain its rightful place in the educational landscape.

4.52 pm

**Mr. Damian Green** (Ashford): I congratulate the hon. Member for Barking (Ms Hodge) on her Committee's report, which has raised many thought-provoking issues. I merely regret that, although this is exactly the right debate to have about the future of an important part of our education system, we are, unfortunately, condemned to have it at exactly the wrong time: we are all waiting with bated breath for the results of the comprehensive spending review. To an extent, that will prevent the Minister from giving us as much information as he would wish to. Indeed, the luxury of making his speech before the comprehensive spending review is announced will allow him to play the sort of dead bat that would be extremely in order today in other parts of the nation, such as Old Trafford.

The Select Committee raised many issues in its interesting and important report—funding, expansion of numbers, franchising, governance and standards—but the

*[Mr. Damian Green]*

greatest is money, as the hon. Member for Barking made clear. The distribution of money is a subject of infinite fascination in the FE sector. In the relatively few weeks in which I have been covering this brief, I have already discovered that discussions about the methodology of funding could, if we wanted, keep the debate going all evening, to the extent that we would squeeze out the debate on freedom of information. I shall resist the temptation to go down that route, and merely touch on some of the wider issues raised by the Select Committee report and by other important, recently published documents such as the Kennedy report.

**Mrs. Anne Campbell:** Does the hon. Gentleman agree that one of the reasons why FE colleges are fairly obsessed with money at the moment is that the unit of resources fell so dramatically in the 18 years of Tory government, and that that is causing the stress?

**Mr. Green:** I was about to come to the wider issue of funding and address the rather unbalanced presentation by the hon. Member for Barking of what happened to FE under the previous Government.

All our arguments about FE are based on what has happened since incorporation. Incorporation and the reforms introduced by the previous Government have, broadly speaking, been hugely welcomed by the FE sector. Indeed, the FEFC memorandum to the Select Committee states:

"Further education colleges have responded magnificently to the challenges of incorporation".

They have obviously been placed under an obligation to produce efficiency gains, but the fact that they have done so year after year suggests that those gains were capable of being achieved. The result is that many more students have been able to gain the benefits of FE courses. Labour Members should welcome that.

The Select Committee report states:

"The number of colleges and their structure has changed only marginally, but there has been a rapid expansion in the number of student enrolments—up by nearly one-third since incorporation."

If such an enormous expansion of numbers had taken place in a non-compulsory education sector under a Labour Government, the hon. Members for Barking and for Cambridge (Mrs. Campbell) would have been the first to get to their feet to ask the Under-Secretary or the Prime Minister to agree with them that the Government should be congratulated on that performance.

**Mr. Phil Willis** (Harrogate and Knaresborough): The hon. Gentleman is making an important point. Will he comment on the fact that the number of students at Harrogate college, which is in severe financial difficulties, increased from 7,899 in 1994–95 to 15,087 in 1996–97, although funding went up by less than £100,000 on a £7.1 million budget? That is the real issue, which his Government failed to address—more students, but less money.

**Mr. Green:** There are more students and more money. Clearly the unit cost has gone down—no one can argue with the facts. I invite Liberal Democrat Members and Labour Members to acknowledge that the massive expansion in the FE sector over the past five years is a matter for congratulation, not only for the FE colleges, which have done good work, but for the previous Government, who enabled it to happen.

**Mr. Sheerman:** Perhaps I can help the hon. Gentleman. My hon. Friend the Member for Barking (Ms Hodge) had to make a couple of political points—one expects that in this place—but she more or less kept to the Select Committee report and the long-term challenge. I urge the hon. Gentleman to do that. He was absolutely right to say that no party can claim any real bonus over the years; after the passing of the Education Act 1944, Labour failed to introduce the crucial aspects of community colleges recommended in it. Labour has not been good: this area has been the Cinderella, and it has been neglected by all parties. We should take that as read and stop making party political points: let us get down to discussing the future of FE and what the hon. Gentleman intends to do about it.

**Mr. Green:** I should be more than happy to do so; I mentioned that matter only because the hon. Member for Barking introduced it in her speech. Indeed, I have been making a point that has been interrupted by constant interventions from hon. Members on both sides of the House. Of course, I am always more than happy to take interventions. However, I am more than happy to do what the hon. Gentleman suggests, because the bulk of what I want to say is precisely to do with the future—where we are now, how we can go forward and the challenges and problems that face the Government as they attempt to improve the FE sector.

The Select Committee makes some important long-term points, not least that FE colleges are now the main provider of education for 16 to 19-year-olds. The hon. Member for Barking was possibly right to refer to the sector as a Cinderella. One of the least-known facts outside the FE sector is that more 16 to 19-year-olds undergo education in FE colleges than in schools or higher education. That is a key point. The FE sector provides many students extremely cost-effectively—not just 16 to 19-year-olds, but those in other age groups—with a vital bridge between education and employment.

That is where we are now and the future is likely to bring another huge expansion of the FE sector. The Select Committee calculates that, of the 500,000 students whom the Government wish to see going into further and higher education over the next few years, 430,000 will go into the FE sector, which provides 140,000 full-time equivalent places. That is where the main message of the debate arises: where will the money come from?

If the Government are going to meet the aspirations of the sector itself, of the many students who want to go into it and indeed of the Select Committee, the central issue is whether the Government will be able to will the means as well as the ends, otherwise FE will continue to be a troubled sector. The issue of funding will continue to be the ghost at this evening's intellectual feast. If the Minister seeks to reassure, simply with warm words, hon. Members on both sides of the House, particularly his hon. Friends and the Chairman of the Select Committee, one will be entitled to be a little suspicious, because we have reached the stage, given the number of commitments that the Government have made to FE, when warm words will not be enough.

I agree with the hon. Member for Barking: it would be foolish to deny that there are difficulties in the FE sector. A number of colleges are experiencing financial difficulties. Indeed, the evidence that was given to the Select Committee suggests that the financial pressures on the sector are such that the achievements over the past five years are at risk, as well as any future improvements to the sector.

**Mr. Derek Twigg** (Halton): On that point about the financial health of colleges, will the hon. Gentleman comment on this matter? Between 1994 and 1997, the percentage of colleges that were deemed reasonably robust went from 70 to 43 per cent. and, in category C, the percentage of colleges that were deemed financially weak went from 6 to 27 per cent. Why did that happen?

**Mr. Green:** I should be grateful if Labour Members could get their act together. Those who have the brief to read out constantly try to push me backwards. Others who want the debate to go forward constantly urge me not to make party political points. I wish that Labour Members could decide what type of debate they want this to be. Do they want a sensible and constructive debate, or constantly to look backwards? I am happy to bandy figures about with the hon. Gentleman until the end of the debate, but I do not think that the more sensible Labour Members think that that is a useful way to spend our time.

As I and, indeed, the Select Committee have observed, it is the quantum of money that will be available to the FE sector that is the key to the Government's meeting the ambitions that they have set themselves. The amount that they have given it so far simply does not meet the aspirations. If the Government are to meet their targets, there needs to be a balance between the various education sectors. Clearly, the main need is to balance the resources available among the three education sectors.

Since the sector was set up many decades ago, FE has at times been the least regarded sector. The severe danger is that, with the Government's many commitments to schools and with the commitment that they like to make to higher education as well, FE will again fall into the hole. That will hugely disadvantage not just the sector itself, but the many types of students who find FE education much more congenial than other types of education, and the country as a whole. Clearly, we need a balanced education system which allows a range of people to reach their potential and to provide and enjoy the skills that this country needs if it is to continue the economic progress of the past 18 years or so.

That is the key area with which I hope the Minister will deal in his speech. Are the Government going to move beyond mere rhetoric? If they are, will there be any losers in other educational sectors? It would be naive for anyone speaking in the debate to assume that simply more money will be available across the board in education. The Minister would make a serious contribution if he explained the priorities that the Government will take into the comprehensive spending review. Without that, we will be back to mere warm words.

The concept of the level playing field for funding is clearly important, but the TEC National Council Ltd. has made an important point:

"Whilst we want equity across post 16 funding we think equity is about treating everyone differently, not treating everyone the same."

One theme which I should like to impress on the Minister is that the idea that a level playing field means simply applying the same formula to different types of people in education is likely to prove both short-sighted and destructive. Whatever comes out of the comprehensive spending review, the Government's attitude to further education should be more subtle than that.

To that degree, I agree with the Select Committee. It does not think it is sensible to create a common currency for the funding of post-16 education. That would be an unrealistic ambition. It is one of those areas where tidiness is the enemy of common sense, and I hope that the Government will not go down that route.

The other great funding issue is convergence. Again, I hope that, when the Government move towards convergence, as I am sure they will, they do not do so in a way that is too mechanical. There have been arguments—I have heard them from South Kent college, the FE college in my constituency—that convergence inevitably creates losers as well as winners and that trying to move too far, too fast will mean that the losers outweigh the winners. This is an important issue when discussing other important issues such as access. In particular, one of the sectors that would be damaged by too quick a move towards convergence would be inner-city colleges, especially those in London. Indeed, as the Minister will be aware, the Inner London Colleges Group said:

"If convergence continues at the current rate, then a sizeable portion of the FE infrastructure that will be necessary to deliver the Government's aims in the most deprived areas of the country will be dismantled."

I am sure that he is aware of that evidence to the Select Committee and that he is conscious of the fact that he will need to be fairly nimble and light on his feet to avoid that type of, I am sure, unintentional damage to the sector.

On the wider issue of the expansion of numbers, which is, to some extent, the central thrust of the Government's hope in this area, I should be interested to hear whether the Minister agrees with the Select Committee's figure—whether he thinks that 430,000 of the extra 500,000 will indeed be educated in the FE sector. If so, does he agree with the Select Committee's views on money? The hon. Member for Barking has made it clear that her bid is for £0.5 billion. She described that as modest, and I dare say that many people in the FE sector could come up with much bigger numbers fairly easily. She will know as well as I do that the Minister has to juggle with the various demands of the education brief. Battles are being fought across Whitehall, from which only the occasional strangled cry emerges through leaks to the outside world.

The FE sector will be doing very well if it obtains the money that the Select Committee recommends. People in the sector would find it illuminating if the Minister could bring himself to give us any clues about whether the Select Committee is in the right ball park.

**Mrs. Anne Campbell:** Is the hon. Gentleman not a little embarrassed by the almost total lack of interest in this subject shown by Conservative Members? Apart from the hon. Gentleman and his hon. Friend the Member for South-West Bedfordshire (Sir D. Madel) on the Front Bench, only one Conservative, the hon. Member for

*[Mrs. Anne Campbell]*

Guildford (Mr. St. Aubyn), who is a member of the Select Committee, is present on the Back Benches. *[Interruption.]*

**Mr. Green:** There are now two, and others have attended the debate. I hope that the hon. Lady will recognise the difference between quality and quantity.

Support for students in the FE sector, especially if it is expanded, is an issue worth addressing. I must part company with the Select Committee on this matter. The hon. Lady seemed to elide the Select Committee's recommendation. She referred to loans as the recommended way of proceeding, whereas the Committee's report clearly refers to grants.

**Ms Hodge:** Both are required.

**Mr. Green:** The hon. Lady says that she is in favour of both. This is an extremely interesting area for the Minister to address, as the Government have already gone against the Dearing recommendation that maintenance grants for students in higher education should be continued. If the Minister has no intention of responding positively to the Select Committee's recommendation for FE students to have maintenance grants, he should say so this evening so that we know where we stand.

The Opposition support the Dearing report. We believe that maintenance grants for students in higher education should be maintained. However, I part company with the Select Committee on the issue of converting child benefit money into grants. Wider aspects of the use of child benefit to hold families together are possibly not relevant to this debate.

**Ms Hodge:** I am interested that the hon. Gentleman parts company with the Select Committee. He said that he recognises the pressures on public expenditure and the battle that the Minister will have to find the extra £0.5 billion by 2001-02. If he does not want maintenance grants for 16 to 19-year-old FE students to be funded through child benefit, how does he propose they should be funded?

**Mr. Green:** I do not have to take that decision for a few years.

**Dr. Howells:** That is convenient.

**Mr. Green:** The Minister has to take that decision, and it would be extremely interesting to hear what he has to say about this matter. It will be a few years before we have to make that decision, and we shall do so. We take the use of child benefit to support the family and family values extremely seriously. We would consider carefully whether the hon. Lady's suggestion would be the best use of that money, even for 16 to 19-year-olds. I am at best dubious about her proposal. I would be fascinated to hear the Minister on the matter.

Funding affects the wider issue of access. The Kennedy report, which is seminal in this area, is an interesting and radical document. What it boils down to is that there should be access for all, and that, if necessary, there should be discriminatory funding to achieve that. That is a radical idea, and, to be candid, the Government's response was pretty thin. They are slightly worried and embarrassed about how to approach this issue, and they have not said anything concrete about what is required.

There are dangers in the Kennedy approach, some of which were identified in the Select Committee report. Identifying favoured students from different areas in certain towns—the right postcodes—would give rise to discriminatory funding that may not, in individual cases, either be fair or be seen to be fair.

**Dr. Howells:** It is interesting that the hon. Gentleman seizes on that aspect of the Kennedy report. I shall leap to the Baroness's defence. She was referring to partnerships with training and enterprise councils. Focus can be placed on specific postcodes and addresses where there are great difficulties. The previous Government looked into some of those projects carefully. I know of TECs that have fostered successful partnerships between education and business, and that has raised attainment in the area. The hon. Gentleman would surely acknowledge that such an approach has value.

**Mr. Green:** It may have value if it is done sensibly. The crudity of the measures gives rise to concern. The term "Kennedy student" is already in the public domain. The Further Education Funding Council uses that term, and the Select Committee sensibly said that it did not want to go down that route. If students are identified as "Kennedy students", they may be stigmatised. The next phase will be "Kennedy estates". Such an approach has dangers.

**Dr. Howells:** Sink estates.

**Mr. Green:** The Minister uses the term "sink estates". I hope that he does not propose to introduce a method of funding that stigmatises individuals or people who come from a particular area. The danger implied by the Minister's well-meaning intervention is that he will go down that route.

There are other dangers. It is interesting that the new deal, which should, broadly speaking, be welcomed by the FE sector, has already created a degree of danger. FE colleges have pointed out the disadvantages of the new deal for their funding. *The Times Educational Supplement* on 20 March ran a story under the headline "New Deal strains college coffers". I hope that the Minister will reassure colleges that that will not continue. That claim was based on the early pilot projects under the new deal. The article states:

"Some inner-city colleges are looking at cuts in excess of £300,000, while having to increase significantly the time spent teaching trainees."

Many people are taking courses under the new deal similar to those that they were previously taking, but they are doing more hours, so they cost more and are funded from a different pot, which pays the college less.

The principal of Stoke-on-Trent college told the Select Committee:

"the sum of money we will get through the New Deal will be somewhat smaller than what we are getting through the current 16 hour rule . . . It is not clear that the sum of money to deliver this will necessarily be totally adequate".

The Select Committee report says that the director of FE development at the Association of Colleges has stated:

"the New Deal is a major area of uncertainty".

Does the Minister have any concrete proposals to compensate colleges for the losses that they may incur as a result of the new deal?

The Select Committee addressed some other important areas, including franchising, to which the hon. Member for Barking referred. The key point is not to be over-prescriptive. It is extremely dangerous to try to produce an all-embracing set of rules in which all good franchise courses fall inside and all bad ones fall outside. The danger is that, by trying to drive out all of the bad, some of the good will go as well. I am sure that the Select Committee would recognise that there are dangers, and that some courses may not bear much scrutiny—the hon. Member for Barking pointed out one. The danger of driving out the good with the bad is one that I hope the Minister will bear in mind.

I take the Select Committee's point about the danger of confusion about the Government's criteria for funding the training of those in employment. That is another difficult technical matter which I hope the Minister will address.

I wish to refer to an area that the Select Committee thought was important—the role of regional development agencies. Frankly, those are the potential fifth wheel on the coach. I am happy to agree with the noble Baroness Blackstone that RDAs will be too big to carry out the role of co-ordinating FEs. I think that RDAs will be too big to carry out the role of co-ordinating anything and will be dangerous in almost all areas, so I am happy that—in at least one area—the Government have recognised that the role of RDAs should be minimised rather than maximised.

If the Government and the Liberal Democrats are—as they seem—so besotted with regionalisation, and if the Government are to move towards convergence in funding, perhaps regional convergence would be better than national convergence. At least then the Government would be following the logic of their own argument, false though it is on the issue.

**Mr. Derek Foster** (Bishop Auckland): Before the hon. Gentleman leaves regionalisation and training and enterprise councils, is he aware that the British Chambers of Commerce recently produced a powerful document which wholly endorsed the wish of the Education and Employment Select Committee to have all the funding for TECs routed through the RDAs? That is not the same as having the RDAs co-ordinating further education, I grant him, but let him not dismiss regionalisation, or even more of his erstwhile friends may desert him.

**Mr. Green:** I commend the latest report of the British Chambers of Commerce, on the British economy, to the right hon. Gentleman. The friendship of chambers of commerce with the Government is about to disappear, given that their overriding view is that the Government are making a supreme mess of the economy on which all of their members depend. I will not dwell on regionalisation; I merely point out that it is inappropriate in this area, and I am happy that the Government have noticed that.

On the standards, terms and conditions which the Select Committee thought were very important for those working in the sector, I urge the Minister again not to be over-prescriptive. A degree of local freedom for the colleges to negotiate terms and conditions is extremely important. I hope that the Minister and the Government recognise that as time goes on.

In summary, the Minister clearly has a number of balls to juggle, and the severe danger for him is inflated expectations. I am fully aware that the FE sector was one of those which welcomed the advent of a new Government who were going to cheer the sector up and provide everything that it needed. Already, those expectations are moving away from the Minister. Professor John Field of the university of Warwick is a professor of lifelong learning. There cannot be anyone who is more interested in the Government's project. He has said:

"Imaginative and innovative proposals . . . will help if properly resourced. Nothing I see convinces me that the Government has got to grips with the task."

**Dr. Howells:** He is a good bloke.

**Mr. Green:** The Minister may say that, from a sedentary position. Unfortunately, we can see from that quotation that that is not reciprocated. The Minister will have to reassure Professor Field as well as everyone else.

FE colleges will be vital in any lifelong learning prospectus. The hon. Member for Barking said that she had taken a modest view that £500 million would be required. These are the last few days when the Minister will get away with warm words. When we see the comprehensive spending review, we will know whether he will put his money where his mouth is. My great fear—which I hope is wrong—is that, after all the Government's words and rhetoric over the past few months, Cinderella will still not get to the ball.

5.24 pm

**Charlotte Atkins** (Staffordshire, Moorlands): I hope that the Select Committee report will mark the beginning of the end of the Cinderella status of further education. A recent survey in my local area found that nearly a quarter of employers with more than 100 staff have identified gaps in skills in their work force, yet the percentage of school leavers in Staffordshire who are to remain in full-time education has fallen since 1994.

Blame cannot be laid at the door of further education lecturers. Efficiency gains made by the sector since incorporation have been greater than in any other part of the education service. Over the past five years, student numbers have increased by a third, but costs per student have been cut by a quarter. That is not a matter for congratulation—the impact has been damaging.

Staff have faced growing job insecurity and new so-called flexible contracts which mean teaching more hours but spending less time supporting students. The increasing numbers of part-time staff—and, worse still, agency staff—have meant that staff have been parachuted in just to lecture. Students inevitably suffer. Staff cannot get involved in curriculum issues, and student pastoral care flies out of the window.

Some colleges have tried to make ends meet by franchising. While, at best, franchising can widen participation in further education, at worst it just pays the employer to provide the training needed to keep the employee on the payroll—he or she would have done that

*[Charlotte Atkins]*

anyway. Franchising can be a real money-spinner, particularly for those 20 colleges which carry out nearly 60 per cent. of all franchising.

For other institutions, such as my local college in Leek—which chose not to franchise because it is a small college and felt that it might overstretch itself—the effects have been damaging. Effectively, colleges have been penalised by the distortion of the funding process by franchising. That has led to my local college having to close its creche—an important part of increasing participation—and its refectory. I strongly support the Select Committee recommendations on the funding and operation of franchising; it should grow from the college's primary task—helping students to learn—and should not be merely a way of maximising income.

Ten miles from Leek, the college at Stoke-on-Trent demonstrates yet another weakness in the FE sector—college governance and accountability. There, the unhealthy control exercised by the previous principal and the chairman of the governors led to the college having to repay large sums of money to the funding council. That led to big cuts in courses and staff posts, devastating the college. What shocked me most about the whole episode was the hands-off approach of the funding council. Even when it was alerted to the problems several times by staff at the college, the funding council refused to intervene.

One recommendation is that the funding council must have a duty to intervene at the first danger signal. That is vital. Colleges must be more open, and allow information from governors' meetings to be revealed and easily accessible to staff and students. Transparency is vital. Otherwise, we will have more colleges such as Stoke-on-Trent to worry about.

FE students are very often those whom the school system has failed. Further education is not their second chance—it is their only chance to get back on track. No investment gives a better return than education, especially if it is focused on the most disadvantaged. Without it, we make potential design engineers into assembly workers, potential nurses into supermarket shelf stackers and potential retail staff into benefit liabilities. The under-realisation of potential is, in human terms, catastrophic; it condemns millions to unemployment or to boring jobs well below their potential. It is also catastrophic economically. The undereducated students whom we are currently turning out will be underperforming in the economy for the next 40 years.

Underfunding FE is a bit like progressive arsenic poisoning; if one waits for the symptoms to show, it is too late. Additional financial support for FE students and additional funding for the FE sector are an essential investment in the future.

5.29 pm

**Mr. Phil Willis** (Harrogate and Knaresborough): The Liberal Democrats welcome the Select Committee's report on further education—indeed, we warmly congratulate the hon. Member for Barking (Ms Hodge) and the Select Committee on producing what we believe is a powerful report; it has considerable cross-party support, broadly reflecting, as it does, the views of Liberal Democrats and, I hope, of the Labour party. I am sure that the hon. Lady and the Minister will accept that Liberal Democrats offer a different perspective on some matters, reflecting our policies, but I trust that we shall be more positive than the hon. Member for Ashford (Mr. Green). It was distinctly disappointing to hear a Conservative Front-Bench spokesperson speak in such a negative and carping way when there is the will for us to move forward.

The report reflects the strong recognition that the further education sector is in a state of crisis; it is good that that has not been hidden. That crisis was born not of a lack of commitment by the vast majority of college staff, principals and governors but of a lack of policy direction and, above all, of financial support.

The Select Committee acknowledged the huge task that the FE sector faces if it is to help to solve the problem of underachievement, which was identified in the Green Paper on lifelong learning and which has been mentioned by all hon. Members who have spoken in the debate. The fact that 30 per cent. of young people fail to reach national vocational qualification level 3 by the age of 19 is depressing; the fact that 21 million adults do not have level 3 qualifications is even more depressing.

What hit home hardest was the 1994 national literacy survey, which calculated that 8.4 million people aged between 16 and 65 had a level of literacy so low that they would be unable to compare and contrast simple pieces of information or to fill out a simple standard form. That is a terrible indictment of an education system that has failed so many people. In the words of the song, things can only get better.

**Mr. Sheerman:** Never heard of it.

**Mr. Willis:** My daughter's boyfriend sang it, so I have to plug it.

The Select Committee's report must be judged against its vision of the size of the problem to be tackled. There is a recognition that, although incorporation in 1993 brought many benefits, strategic planning has been a problem. We fully support both Baroness Kennedy and the Select Committee in their view that central Government should not interfere in the detailed operation of the sector. We should not go back to those days, or, indeed, to the days when local education authorities were in control. Central Government's role is to make clear what they expect the sector to deliver and to set clear targets for evaluating performance.

We welcome the Select Committee's proposals on regional and local planning, but we do not think that they go far enough. The reliance on planning through funding control alone has severe limitations. Although the Further Education Funding Council should have a greater role in strategic planning, we believe that the regional development agencies—and the regional assemblies that we hope will be their parent bodies—should also have a significant role.

We accept that, under current legislation, RDAs have no direct educational responsibilities, but there is no reason why, as we move forward to the next millennium, they should not have. The RDAs should have a statutory responsibility to produce a lifelong learning development plan for the region, following detailed consultation with all relevant employers, organisations, FE colleges, private sector providers, the local education authority and the training and enterprise councils—indeed, the right hon.

Member for Bishop Auckland (Mr. Foster), who has now left the Chamber, made a powerful point about the recent report by the British Chambers of Commerce.

If FE colleges are to have an enhanced role in the provision of lifelong learning, they must become more open and publicly accountable. The governance of many FE colleges since incorporation has given rise to grave concern, and the Select Committee's proposals on that are excellent. It is right to allow wider participation for staff, students, community groups and the local authority and to maintain a strong business community presence; that is a proper balance. Liberal Democrats also whole-heartedly support the proposals to appoint independent clerks, to open meetings to the public, to register the interest of governors and, in particular, to introduce a further education ombudsman.

As well as changes in governance, there must be a change in attitude to teaching and support staff in further education. Frankly, the Select Committee report does not do justice to the significant achievements of the vast majority of FE lecturers and their support colleagues. Few sectors would have tolerated the changes to conditions of service and to career and salary structures which have been imposed on the majority of FE lecturers over the past four years.

The report recognises the need to raise morale and to improve professional standards. The development of a national training organisation is a positive proposal, but greater emphasis must be placed on postgraduate training before entry to FE teaching. We believe that the General Teaching Council has an important role to play and that it should not be disregarded.

Nothing will do more to improve the morale and status of FE lecturers than dealing with the basic conditions of employment. Liberal Democrats do not support a return to silver-book conditions of service. We recognise the need of colleges to be able to vary contracts and to meet changing needs but such changes must be achieved by negotiation, not by threat and imposition. The Select Committee's proposal for a model contract represents a way forward, but a minimum national entitlement, backed by regulation, is required. We hope that the Minister will confirm that that is what the Government intend. FE lecturers, both full time and part time, are waiting for him to give a strong signal, and I have no doubt that he will give one when he responds to the debate.

Liberal Democrats welcome the Government's promise to investigate the casualisation of college lecturers. A strong signal must be sent to colleges immediately to start reversing the trend to casualisation. Flexibility is one thing; exploitation is another. If we want a dynamic and energetic work force in FE colleges, we must stop treating staff as expendable commodities as budgets come and go.

We are pleased that the Select Committee did not lay the blame for casualisation entirely at the door of the colleges, the Education Lecturing Services or even Roger Ward. The root cause is the previous Government's gross underfunding of FE and their almost complete disregard for the sector's well-being. How else can the huge disparity of treatment between the different educational sectors be explained?

There are many ways in which to present what has happened to FE college funding. The hon. Member for Barking did it in one way and, last week, the Select Committee heard another set of figures. However, let us accept that school funding has been largely neutral since 1993, that higher education funding has declined to 86 per cent. of its 1993 level but that FE funding has dropped to 81 per cent. of its 1993 level, which is a significant reduction. It is no wonder that 60 per cent. of our colleges are operating with deficit budgets and that the number classified as weak by the FEFC has trebled since 1994.

My college in Harrogate has been technically bankrupt for the past three years—indeed, it has been since incorporation. This year, it was unable to meet debts to the FEFC totalling £500,000 and I must thank the Minister and the Government for agreeing to the merger of Harrogate FE college with Leeds Metropolitan university, which was announced last week.

**Mr. Sheerman:** May I say, merely in passing, that I think the Harrogate college needed an infusion from Huddersfield to help it over its crisis? Like the hon. Gentleman, I have three excellent further education colleges in my constituency: Greenhead, New college and Huddersfield technical college. We should not underrate the role of principals as managers, but does the hon. Gentleman agree that they are saying that they have been distracted from getting on with the job of delivering good teaching and learning by the constant barrage of bureaucracy, whether from the FEFC or as a result of worry about how they will carry on next year? That distracts them from their job, which is all about good learning and teaching.

**Mr. Willis:** I am grateful for that intervention because of the hon. Gentleman's knowledge of the subject and because Huddersfield lent us Dr. Rossiter, who has been an excellent principal. The hon. Gentleman has a good point, but I think he would agree that many of our FE colleges have had to deal with another fundamental problem, which is managing debt. In 1993, many of the colleges began incorporation with significant debts, which they have retained—they have not been able to trade out of them. Judging from the FEFC report on colleges, some of those with the most severe debts are not criticised for poor management. The historic funding issue is a major problem. I want far more of the time of our college principals—their planning and structuring time—to be spent on dealing with moving their college forward rather than simply managing debt restructuring and reorganisation, as would the hon. Gentleman, I am sure.

The Select Committee has recognised the problems of FE funding and the new resources that it proposes are welcome. However, the Treasury has seduced the Select Committee—[HON. MEMBERS: "Seduced?"]—although not the hon. Member for Barking, obviously. I would never accuse anyone of seducing her. *[Interruption.]* I think at this point I had better move on.

**Mr. Deputy Speaker (Sir Alan Haselhurst):** Perhaps it would be helpful if the hon. Gentleman found another metaphor.

**Mr. Willis:** I believe that the hand of the Treasury has been on Labour Members in the Select Committee. The hon. Member for Barking was honest enough to say that she did not feel that the Select Committee had gone far enough to give the FE sector what it needed, and I agree.

Even if the proposed efficiency savings of a further 1 per cent. bring us into line with higher education funding reductions, they are unrealistic for a significant

*[Mr. Willis]*

number of colleges. The 1 per cent. saving will in fact mean further loss of provision in many colleges that are already facing major financial difficulties.

The sector sought about £250 million to halt the decline and to meet the needs of existing students. There were variations on the figure, but it was roughly that total. The Select Committee has asked for somewhere in the region of £84 million, with a further £60 million for capital works. The widely quoted £500 million figure would come into play only when the additional students announced by the Prime Minister at the Labour party conference had been recruited—that is where that figure comes from. The £350 million extra suggested by the Committee would be on top of the money already requested.

My hon. Friend the Member for Bath (Mr. Foster) last week questioned Michael Bishard, the permanent secretary at the Department for Education and Employment, and revealed that the Department does not know not only what proportion of those students will be full or part time, but what proportion will be FE or HE. What is more, until the comprehensive spending review has been concluded, targets for FE will not be clear. It has now emerged that the amount of money that the spending review allocates to FE will equate directly to the number of students that it can recruit, which is a different tale from the one that we have been told so far.

The Select Committee may have worked on the basis of about 430,000 extra students, but as was revealed last week, only the Prime Minister knows where the original 500,000 extra students came from. The Minister may well be able to explain that figure in more detail—I am pretty sure that the Prime Minister will have brought him into his confidence.

The Committee has suggested a further £350 million by the year 2000–02. Frankly, until we have the results of the review, that figure merely clouds the present crisis. It would be wrong to bandy about the figure of an extra £500 million when that is not really what the Select Committee report asks for.

For those reasons, we ask the Government seriously to consider the future role and funding of training and enterprise councils. While they have never reached the £3 billion of expenditure that was first envisaged, their annual grant last year was around £1.46 billion compared with the FEFC budget of £3.1 billion. The huge bureaucracy of the TEC empire, with the lavish office complexes and even more lavish publicity materials, and the TECs' complex audit and monitoring proceedings

"mean that for every pound of Treasury funding less than 20p actually gets down to the person that needs it."

That is a direct quotation from the House of Commons Employment Committee report of 1995–96. Surely the Minister and his colleagues need to consider that funding and how it can be reallocated.

**Dr. Howells:** I am sure that the hon. Gentleman will have noticed that four weeks ago, we announced the first ever review of training and enterprise councils. That subject will certainly be one of our major areas of focus.

**Mr. Willis:** i am grateful, as always, for the Minister's intervention. Indeed, I would hurry that process along. The transfer of a mere 20 per cent. of resources from bureaucracy to front-end delivery would meet the present FE shortfall. That is where a simple transfer could take place.

**Mr. Nick St. Aubyn** (Guildford): Perhaps the hon. Gentleman could help us by telling us how much, as a ratio of their own funding, the TECs receive from the private sector for spending on training?

**Mr. Willis:** If the hon. Gentleman wants an answer, he should read research paper 97/48, "Training and Enterprise Councils", which contains much of the detail. We are talking about Government money and where FE will get its funding in the future. We Liberal Democrats propose that TEC funding should be studied carefully. If only 20p of every £1 is being used, a simple transfer of some of that money would solve many of the problems.

However, it is not simply TEC funding that must be reappraised. The whole basis for funding post-16 courses must be examined. A level playing field needs to be created, as the Select Committee recognised. It cannot be right to fund a student taking three A-levels in a school sixth form differently from a student on an equivalent course at an FE college, although we understand that exact parity will never be possible.

We do not want a levelling down of provision. I heard my hon. Friend the Member for Bath shout a stout "Hear, hear" when the hon. Member for Barking mentioned that, because it is at the root of the problem. There must be not a levelling down, with money taken from school sixth forms to fund something else, but a levelling up.

We believe that the time may well have come to examine whether school sixth forms should be funded via the FEFC, rather than the LEA. We would like schools to be liberated to bid for more traditional areas of work in the FE sector. Schools are often ideally placed to offer aspects of FE provision to students of all ages, and should be given the freedom to do so, but only on an equal footing with FE colleges and other private sector providers.

The Select Committee rightly recognised that, without an improved package of student financial support, the expansion that we urgently need is unlikely to take place. The damning conclusion of the Policy Studies Institute was:

"Access to financial support for students is a lottery".

The previous Government may have devastated the financial stability of the FE sector with their draconian cuts, but worthy of even greater condemnation was their almost total withdrawal of financial support for students, and especially part-time students. Let us not talk about widening participation unless we are prepared to offer greater support for students, and especially those who choose to study part time.

It was a pity that the Select Committee did not have access to the Lane report, "New Arrangements for Effective Student Support in Further Education". That report estimates student support costs at £400 million a year—significantly more than was recommended by the Select Committee. I hope that the Minister will accept that students must be given support in the crucial areas of transport, fees, child care and maintenance, and that such support must be universally available.

Further education is at last receiving the attention that many of us have long wanted it to receive. Cinderella is preparing for the ball; a golden coach awaits; charming Prince Blunkett is already at the palace; and it only remains to be seen whether Baroness Tessa is a fairy godmother or a wicked witch. When the clock strikes midnight, and the results of the comprehensive spending review are announced, we will know whether further education can stay at the ball or whether, like Cinderella, it must return to its present lowly status.

5.51 pm

**Mr. Michael J. Foster** (Worcester): It is a pleasure to follow the hon. Member for Harrogate and Knaresborough (Mr. Willis). I remember his heartfelt contribution to a debate on corporal punishment; as I spent the six years before I became a Member of Parliament as a further education lecturer, my contribution today will be similarly heartfelt.

I and all my former colleagues in further education are a little tired of the sector being called the Cinderella sector, and we should try to move away from that classification. We owe it to all our students and would-be students no longer to use that term; we should value more highly that crucial part of our education system. I had intended to make some comments about the Minister and Prince Charming, but as allegations have been made about Labour Members toadying, I am glad that the hon. Member for Harrogate and Knaresborough got there first.

Much of what hon. Members say will allude to the comprehensive spending review. That will always be the case with further education, because it has been so poorly funded for so many years. In the review, the Government must deal not only with revenue funding but with the increased capital investment for which further education is crying out.

The university for industry and universal access to all the information on the internet are very well-meaning ideas, but I remember that, in my old college, my department—the department of management and professional studies—had one computer for 26 staff. The ideas are fine, but we need the capital investment if they are not to become totally meaningless.

When we talk about widening participation and encouraging the so-called "Kennedy students" into our colleges, we must consider the extra capital costs of, for example, increasing the number of creches that are available. The creche at my local further education college is booked out the year before people embark on their courses, such is the demand. If we are to encourage people back into education, we must consider the capital investment that is needed.

The hon. Member for Harrogate and Knaresborough mentioned the bitter and prolonged dispute between lecturers and employers. I do not think that the previous Government did all they could to bring that to an end. They left it to local colleges to go their own way, but those colleges were more often than not encouraged by the then College Employers Forum to consider the most "productive" use of the lecturers' time.

Lecturers such as myself bitterly resisted the attempt to force us to sign new contracts. No lecturer thinks that the silver book is there for ever, but we were faced with the decision of signing a new contract, and getting a pay rise for doing so, but knowing that that would lead to a deterioration in the quality of teaching that we could provide.

That dilemma has not yet been fully resolved. I hope that the Select Committee's proposal of an agreed standard contract will help. It will certainly be warmly welcomed by all concerned. I am glad that the Association of Colleges and the National Association of Teachers in Further and Higher Education are now talking to each other. That has been a long, long time coming, and it is most welcome.

The previous Government washed their hands of their responsibilities for the governance of further education colleges. We were promised many things from incorporation. As a further education lecturer, I listened to the candidates in the 1992 general election campaign talking about what they thought would happen post-incorporation.

In my college, the two staff governors suddenly found that their places were gone; we never had a student governor; and the LEA representatives disappeared from the governing body. A search and nomination committee was set up with the deliberate intention of recruiting "like-minded individuals" to run the corporation. I warmly welcome the idea of not only allowing but forcing corporations to have staff governors. A community facility cannot be run without stakeholder representatives. Student representation is also vital if we are to have a truly representative board to run a college.

I have been lobbied by the chair and principal of my local college, who seem to think that there is something wrong with having democratically accountable representatives on the board, and prefer the idea of continuing to seek and nominate. They have two staff governors, whom they selected, and two LEA representatives, whom they also interviewed and selected. That is not in the spirit of democratic accountability in which I believe colleges should operate.

On part-time and full-time students and the casualisation of labour, I speak as someone who has managed courses, and I know that it is great to have the flexibility of being able to bring in experts part-time, to do the hours that full-time lecturers may not be able to do, given the increased hours for which they are expected to teach. It is not possible to get all the people together at the same time and in the same place to discuss important quality issues about a course. With the comprehensive spending review in mind, I must say that the rate paid to part-time lecturers sometimes leaves a little to be desired, particularly if we expect them to do preparation and to contribute towards the assessment of students.

I promised to keep my speech short, but there is a lot to be done in further education. Please let us not keep referring to it as a Cinderella; it is not.

5.59 pm

**Mr. Nick St. Aubyn** (Guildford): I am delighted to speak tonight, just as I was to participate in the Select Committee on Education and Employment. I must apologise to the House because I shall have to leave before the debate ends for a service at Guildford cathedral to celebrate 50 years of the national health service. My speech will be somewhat shorter, therefore, than it would otherwise have been, and I know how much that will disappoint other hon. Members.

*[Mr. Nick St. Aubyn]*

I do not want to sound a note of controversy, but the previous Government's decision in 1993 to give further education colleges their freedom may, with greater hindsight, come to be seen as almost as significant as the changes to our health system 50 years ago. Colleges of further education are to be the prime avenue for lifelong learning, and all of us share the belief that the development of lifelong learning lies at the heart of any modern society's efforts to improve itself.

The hon. Member for Huddersfield (Mr. Sheerman) has told us that there were no prizes in further education until now. I am not here to claim prizes for the previous Government, but our debate must remain rooted in reality. We must examine objectively, as the Select Committee did, three vital events. The previous Government's 1993 act of independence for colleges changed their funding, changed their governance and promoted franchising. I am pleased that the Committee's sixth report treats objectively the way in which the subsequent five years treated the colleges in those three areas.

Paragraph 88 of the report states:

"while the sector has achieved much in the five years since incorporation, it will not be possible . . . if it continues to have to find the same levels of efficiency savings as in recent years."

The critical point is that a significant one-off efficiency gain has been achieved by that sector, which is a great credit to the sector and to the policy that underpinned the saving. Many more people have gone into further education, and the resulting economies allow the Government to plan for hundreds of thousands more to have the benefit of further education.

It is a measure of the current financial situation that the report proposes an additional £54 million to fund the service provided by the colleges. That is in the context of a budget of £3.1 billion, so it means an increase on current provision of less than 1.5 per cent. There is a further proposal for £60 million—another 1.5 per cent.—for expenditure on capital improvements. We should use those terms to judge whether the service has been overfunded or underfunded.

**Ms Hodge:** The hon. Gentleman quotes selectively from the report. I am sure that he would share the Select Committee's concern that more than 100 colleges are experiencing severe financial difficulties as a result of previous cuts. Does he agree with the point that he himself made during the Select Committee, that it is easier to find efficiency savings during a period of growth than during a period of standstill? It is the total quantum of £500,000 that will count if we are to see the institutions return to financial health.

**Mr. St. Aubyn:** I am grateful to the hon. Lady for offering to help me to write my speech. There is no dispute between us that a critical juncture has been reached. The process of one-off efficiency gains and convergence has been highly successful, but, as the report suggests, there is a need to change tack. The question is how we do so.

On the question of governance, we were all aware of one or two horror stories when the Committee began to look into the matter. However, the more we looked into it, the more we found that those were isolated cases. Paragraph 160 of the report quotes from the second report of the Committee on Standards in Public Life—the Nolan committee—as follows:

"we are dealing with isolated cases . . . that indicate no deep-seated trend. In the circumstances of challenge and change . . . the 'failure rate' has been creditably small."

It is worth bearing in mind the evidence of the Further Education Funding Council that the total losses so far accumulated out of a budget of £3 billion a year for five years are about £9 million to £13 million, which is less than 0.1 per cent. of total expenditure. That is a great credit to the discipline and control that the FEFC has developed.

My final point relates to franchising. There was proper concern at some of the stories that we heard before the Committee got under way. We were worried that qualifications in shelf stacking in supermarkets would be the genre of activity represented by franchising, but that has not happened. Paragraph 129 of the report states:

"We believe that high quality franchising can play a valuable role in the FE system."

That is an important finding. The report also discusses time limiting, and the amount of support that should be given to the development of new franchising schemes. On balance, that development was a successful initiative under the previous Government.

Let me look ahead to the future funding of colleges. As with our earlier debate on child support, there is a balance to be struck between fairness and clarity. The FEFC has developed a formula that is complex, but which the colleges understand. It has achieved a high level of convergence. We hear of £2 billion being taken out of the sector, but let us remember that there has been a levelling down of those colleges that overspent or used resources inefficiently, and a levelling up of those colleges that had the lowest level of funding under the previous, local education authority-run system. That progressive change is why many colleges on low levels of funding look forward to further convergence.

I endorse the Committee's finding that convergence is a process in which it is better to travel than to arrive. Working towards convergence has created greater fairness. However, absolute convergence would make the system more complex so that it could deal with individual anomalies at each college. That process would become self-defeating at some point. Convergence within a band is surely the right approach, rather than the reductio ad absurdum of what the FEFC was heading towards previously.

It is instructive to consider convergence in the context of sixth-form colleges and provision in FE colleges. We condone the idea of convergence within a band of plus or minus 2.5 per cent. It is worth putting on the record the fact that table 5 on page xxiv of the report shows clearly that there is convergence of A level funding within a band of 5 per cent regardless of whether a pupil attends a school sixth form, a sixth-form college or a general FE college. While the differences remain significant—I agree that there should be some levelling up—they are not so great as to imply that those who have attended an FE college have been particularly disadvantaged compared with those who have attended a sixth-form college.

One might go even further. It is in the nature of different types of provision for different children that there may be some funding variation. An even more

significant factor is whether the quality and nature of the course is relevant and helpful to a particular pupil. That is a much more important criterion when considering narrow band differences in funding.

That brings me to my next point: whether we should develop a single qualification for those aged 16 to 19. I urge the House to reject that option, as I believe that there is a vocational path. While undertaking the report, the Committee also examined the plight of disaffected children over the age of 14. We found strong evidence for developing a vocational path for those for whom that is suitable not just from 16 but from 14. That would imply a different, but equal, route to qualification that is not inferior to the gold A-level standard, but more vocationally oriented and distinct.

If we are prepared to be rooted in reality and to make those distinctions, we can credibly say that that is the right route for certain children in that age group to follow. They need not feel disadvantaged at the end of that path. In fact, someone who follows a vocational route from 14 or 16 may be far better off economically for at least the next 10 years than those who follow the classic academic university route, given the burden placed on them in the form of the cut in the maintenance grant and the loading of tuition fees.

**Dr. Howells:** I will not take a natch out of the bait offered to me, but I will ask the hon. Gentleman a question. If young people follow the vocational route—it is an interesting idea about which there has been much talk—should universities recognise the equality of that qualification and allow those young people to take up degree courses? Does the hon. Gentleman believe that all universities should now recognise the validity of advanced GNVQs as a route to university?

**Mr. St. Aubyn:** The fine university of Surrey, which is located in my constituency, does a great deal of work with the corporate sector in devising and assisting with courses that may lead to HND qualifications. There is also much growing co-operation between the college of further education in Guildford and the university at Kingston regarding which body offers the most appropriate courses for individual students. Rather than getting hung up on equality of accreditation, we should be concerned about ensuring that those who choose the vocational route can develop their skills and enter fields of higher education.

To answer the Minister directly, it is misguided to suggest that someone who achieves a vocational qualification at 18 would have any complaint because a specific university preferred to take for a specifically tailored course a student with an A-level qualification. It is important that, having followed the correct route, such individuals can develop their skills at sound and able institutions for the rest of their careers.

**Mr. Vernon Coaker** (Gedling): In line with the Minister's comments, equality of accreditation is absolutely fundamental to the debate about vocational and academic education. Without that equality, we get first and second-rate courses based on whether pupils follow the academic or vocational route. The only way of overcoming that divide, with which we have been beset over the years, is by ensuring equality of accreditation and parity of esteem.

**Mr. St. Aubyn:** I fear that the House is in danger of confusing equality of opportunity with equal opportunity. Equal opportunity means that everyone must follow the same type of course, which is completely detrimental to the achievement of a diverse education system. Equality of opportunity means that there is no brick wall at the end of any route that the individual chooses to follow. Having followed the vocational route, nothing should prevent people from switching to a more academic course if they are late developers, develop a different interest, or discover a new educational aptitude.

We must be flexible in this area, and I am worried about the Minister's comments. I shall read his speech carefully in *Hansard*, as, unfortunately, I cannot be present to hear it tonight. We must not have a dogmatic accreditation system that, in trying to achieve equality of outcome, destroys equality of opportunity. Genuine opportunity meets the needs of the individual, and is not the same for everyone.

I think that I have spoken long enough on this diverse subject, but I conclude by urging the House to disregard the suggestion by the hon. Member for—

**Mr. Willis:** Harrogate and Knaresborough.

**Mr. St. Aubyn:** I shall one day remember both parts of the hon. Gentleman's constituency.

We must disregard the hon. Gentleman's suggestion to abolish the TECs. In Surrey—evidence was presented from Manchester and other areas also—there are some excellent local partnerships between further education colleges and TECs. Through such partnerships, we shall develop the courses that the local economy needs.

It is moonshine to suggest that a regional development agency covering the whole of the south-east could devote sufficient time to the needs of Surrey as distinct from those of Kent, East Sussex, West Sussex or any other area in that region. For us, that idea carries no weight. I commend the report on its excellent conclusion that the RDAs should be limited to a strategic role. In some ways, the report is more balanced than the debate that we have heard this afternoon.

6.17 pm

**Valerie Davey** (Bristol, West): At this stage in the debate, I shall use the experience of one college to underline the importance of just two of the recommendations in the report of the Education and Employment Committee. The City of Bristol college is crucial both to the city and to younger students, and it announced last week its exciting plans to make provision in the city centre. That provision would be located next to the central library and adjacent to the harbourside, where developments for new centres in science, natural history and the performing arts are proposed. It is an obvious location for a college.

We know that the majority of colleges are situated in the suburbs, in dilapidated buildings, with equipment that is long out of date. Therefore, by making plans to look to the future, the college is doing exactly what the report asks of the further education sector. However, those plans will not be realised without capital support. Therefore, I underpin the report's claim for further investment of £60 million per year. That capital investment must be allocated, year on year, to this crucial sector. These demands are made on behalf of students going into industry, who need to use updated equipment and to be attracted to the college by modern buildings.

*[Valerie Davey]*

The college's principal highlighted the fact that, with all the new equipment and the college's accessibility, it is not possible to deliver all that the Government ask without supporting the students. That is why the Committee asks for resources even greater than the £500 million for the institutions and the £400 million mentioned by the hon. Member for Harrogate and Knaresborough (Mr. Willis). The Committee seeks more than £1 billion to go into support for students. I believe that that is the balance needed in the further education sector. We must support the students.

At a recent awards ceremony at the college, more than 80 students aged 20 to nearly 70 completed a year's course that gave them the qualifications to enter higher education. Not one of those students had a contribution from grants or loans to fees, books, child care or transport. They all completed the course on their own account, yet the principal knows that many more people would have had the qualifications, determination and enthusiasm to do the course and go on to higher education had they had the minimal support necessary to get them through that year.

The House has been united in all our debates on getting more students from a more diverse background into higher education. Already, 30 per cent. of students going into higher education come through the further education route. Many more could do so, as the House wishes, if there were greater support.

It has already been said that the Lane report was not available to the Committee, which is a pity. That report emphasises that the funding of transport should be a top priority. I talked to a small group in a country area not far from Bristol. A key demand of parents and lecturers was that their 16 to 19-year-olds should be able to get to whatever provision was available, whether a sixth form in their school, a sixth-form college or a further education college. To get there, they need transport to be available, and they need to have its cost funded. The Committee would have taken more account of that if we had had the Lane report to hand.

**Mrs. Anne Campbell:** I am interested in my hon. Friend's remarks on transport. I agree that it is vital that young people are given opportunities through good transport. Is she aware that my constituency's further education college runs its own transport, giving people in rural areas the opportunity to travel into the city to take advantage of further education opportunities?

**Valerie Davey:** I thank my hon. Friend for that contribution. I am delighted that her college is able to do that. Most colleges that I know have had to cut such provision, as have local education authorities. The Lane report notes that, in 1992-93, local education authorities were giving students £187 million a year in discretionary awards that included travel costs. That figure has fallen to well below £100 million. The injustice is that the ability to claim a discretionary award depends on where people live. The whole system must be considered carefully, and something like the Committee's proposals introduced.

Unlike the Opposition, I think that this debate is timely, coming before the final statement of the comprehensive spending review. I urge the Government to realise that this crucial area of education must be very high on their agenda. For the hon. Member for Ashford (Mr. Green) to describe the report as inflated expectation was very rich. His Government expected further education to go on increasing the number of students and continue producing quality education while reducing its funding. Theirs was the inflated expectation. The Committee's report is realistic, and I recommend it to the House and to the Government.

6.25 pm

**Mr. Vernon Coaker** (Gedling): I shall be brief because many hon. Members wish to speak. My hon. Friend the Member for Worcester (Mr. Foster) rightly said that it was important to pay tribute to the work of the further education sector over the past few years, given the number of changes and challenges that have been presented to the people who work in it.

From talking to the principal of my excellent local FE college, Arnold and Carlton college, I know the challenges that face it and many of the other colleges in and around Nottingham. In facing them, they have had a poor deal. Hon. Members agree that the funding of further education has been inadequate. The message to the Minister from the Select Committee report, from his experience and from the experience of all hon. Members is that we must address funding. We have started to do that, and we should recognise that the Government have already made some additional money available. We must continue with that and, in so doing, we shall address another issue: poor morale. We must reinvigorate the FE sector's work force so that they can start to deliver many of the things that we want.

I forget which philosopher said that there is nothing as practical as a good theory, but if we want the FE sector to deliver what we want we must be clear what we want it to deliver. A multiplicity of demands is being made of it. Of course we want improved funding and to widen participation but to do that more money is needed. We must also address some of the other issues that my hon. Friends have raised, especially student support. Such issues are crucial in respect of the people whom we want to go back to education, such as women returners.

For many of those people, alongside funding lies the issue of child care provision. The concept of lifelong learning is important, as is delivering training to support our economic needs. We must recognise that FE colleges often deliver courses in the most difficult circumstances and in remote areas. When the pits in my area shut, it was the FE college that moved in to try to retrain miners who had lost their jobs. We still have people out of work or in need of retraining and the FE colleges are trying to reskill them. We should pay tribute to the FE sector; we often fail to recognise the valuable work it does. It is not the grandiose, fantastic, multi-million-pound research that many universities proclaim—important though that is—but the small-scale individual courses delivered in a village hall or community centre that are vital if we are to provide opportunity to all our people.

I am sorry that the hon. Member for Guildford (Mr. St. Aubyn) has gone, because I suspect that our views are not as far apart as he thinks. As deputy head teacher of a city comprehensive for a number of years I was involved in ensuring that further education colleges and the 14-to-16 school sector worked together to raise achievement and increase the participation and staying-on

rates of 16-year-olds. I am not saying that FE colleges are institutions solely for problem pupils, but they offer the sort of opportunity that schools often find it difficult to offer, in a different environment, which can often help disaffected young people to stay in the education system.

We talk about social exclusion and about offering opportunity, so I ask my hon. Friend the Minister to consider ways in which FE colleges can work with the key stage 4 curriculum, which is the 14-to-16 curriculum, to increase participation rates and to encourage young people to stay on in education. I can see numerous ways in which colleges in Nottingham and the schools sector can work together, but that is extremely difficult to organise because of lack of flexibility in funding arrangements. It is to colleges' great credit that, in many cases, they offer courses at or far below cost to ensure that opportunities remain open.

When talking about widening participation and trying to get more young people into colleges, we have to recognise that the colleges need support. Many city and inner-city colleges are trying to persuade among the most disaffected and difficult young people in society to stay on in or to return to education. Colleges need support to deal with those young people, but too often—this is not a party political point—they are left out on their own when there is a problem as though it is the colleges' fault that the problem has arisen. We need to work with colleges and to recognise that difficulties are likely to arise when we try to re-engage in education disaffected young people who have failed at school, who may have been in trouble with the police or out of work, and who have been left on the shelf.

If we support colleges and avoid apportioning blame when the odd problem arises—I think all hon. Members know what I am talking about—we shall start to address some of the issues of social exclusion in our cities and of disadvantaged young people. I want to emphasise the role of the FE sector in helping schools to deal with disaffection and in dealing with some of the disaffected members of the post-16 age group. FE colleges have a fundamental role to play and we should support them in that role because they offer opportunities to enrich and extend the curriculum that schools cannot offer on their own.

In my view we have to speak more of the 14-to-19 curriculum and less of the 16-to-19 curriculum. To my hon. Friend the Member for Barking (Ms Hodge), I say that I thought that the Select Committee report was excellent. It offers an opportunity and a way forward, but we have to grasp the nettle and recognise the way in which FE colleges can contribute to raising achievement in schools and tackling social exclusion and disaffection across the age range.

6.34 pm

**Caroline Flint** (Don Valley): One of my proudest moments this year came when I attended an awards ceremony at which my constituent, Mrs. Sheila Gravel, won the national vocational student of the year award. My hon. Friend the Minister met her afterwards.

Sheila left school at 16 and went to work as a machinist in a garment factory. After decades of work, she found herself redundant. Despite having a family and a dependent father to look after, she decided to take the opportunity, which had not been open to her at 16, to go into further education. In doing so, she embarked on a course that not only provided her with skills for the future, but enriched her life. Having completed her first course, she went on to take a higher education course, which she started at Doncaster college and is continuing at Leeds university.

Sheila's achievement is one testimony among the many of mature students in Britain who have taken advantage of our further education system even though education and training have not played a role for large periods of their life. That is good and, as far as I am aware, the number of mature students returning to further education is increasing. However, our problem is the number of Sheilas who continue to leave school at 16 and wait decades before taking up education and training once more. We in Doncaster, where almost 50 per cent. of school leavers do not go on to further education, whether at school or at a further education college, recognise what a huge challenge faces us.

It is important to consider the reasons why young people do not choose to continue their education. As has eloquently been said by my hon. Friends, the key is to treat 16-year-old school leavers as young people rather than as children—and therein lies the importance of financial support. I should like to point out to the hon. Member for Ashford (Mr. Green) that child benefit is taken up only by families whose child is in full-time further education; it is not available to families whose children have left school, perhaps to take up a low-pay, low-skill job, or to families whose children are unemployed. I agree that there are issues relating to support for family life and to recognition of parents' contribution toward their child's upkeep, but we have to look at the motivation and incentives for young people to continue their education. In its report, the Select Committee tried to highlight that as an issue for the Government to consider when determining different funding priorities. Child benefit has to be considered in that respect.

**Mr. Green:** If the hon. Lady feels so strongly about maintenance grants for 16 to 19-year-olds, may I ask which way she voted on the issue of maintenance grants for students at university? Did she vote for them to be taken away, or is she consistent in her views?

**Caroline Flint:** In the first place, students in higher education get loans. Let me make it clear: having in the past year dealt with several constituents in further education who pay for their courses, who combine that with work and who are on low incomes, I have no hesitation in supporting a fairer and more equitable system whereby people in further education, whether young or mature students, get a better share of taxes and more support for continuing their education, such as currently benefits those in higher education. I want a fairer and more equitable system and, for that reason, I had no hesitation in supporting the Government's recommendations.

Many graduates understand that their future level of income is enhanced by undertaking a degree course. We have to get across to young people the message that undertaking further education can enhance their future employability and standard of living. A person with a level 3 qualification earns, on average, 25 per cent. more than someone with no qualifications. A person with a

*[Caroline Flint]*

degree earns, on average, twice as much as somebody without any qualifications. The unemployment rate among people with level 3 qualifications is half that of those with no qualifications. We must impress on young people that investment in their education and training at 16 will really make a difference to their prospects and those of their future families.

Child care has been commented upon during the debate. Only 0.1 per cent. of Further Education Funding Council funding to colleges is devoted to child care. I am pleased that this year the Government granted an additional £5 million, but I hope that that is only the start.

I shall give an example of how child care is important. I visited in my constituency a unit that is for young parents under 16—girls who find themselves pregnant and are able to continue their education with the support of a young parents unit working in harmony with schools. Child care and support is offered. However, once they reach the age of 16 and leave the school system, the project breaks down. The local FE college has a creche, but it is only for children aged two and above. That creates a vacuum. In the most difficult circumstances, young women are supported in continuing their school education, but they can find themselves at a loss when they have to leave the establishment.

When I asked the person in charge of the young parents unit what happened in the vacuum that I have described, she said that young girls often seek to assume more parental responsibilities, thinking, "I might as well have more of my family now than delay for the future."

We know from the evidence that nine out of 10 lone parents would like to go to work. The two major barriers to their succeeding are child care and access to education and training qualifications. I impress on my hon. Friend the Minister that this is an area that is regarded as important to the life chances of young people and their children.

The hon. Member for Guildford (Mr. St. Aubyn), who had to leave the debate early, for which he apologised, mentioned that in the evidence given to the Education and Employment Committee on the governance and accountability of further education colleges it appeared that on the whole there were few examples of governance and accountability breaking down. The hon. Gentleman was right. It is testimony to the sector that it has successfully made the transition from incorporation, but it was made clear to the Committee that where governance and accountability had broken down it had been to the detriment of the entire sector. The scale of the difficulties caused by that breakdown was such that it left a slur on the whole sector. In addressing that, various suggestions have been made, including the appointment of an ombudsman.

**Mr. Ben Chapman** (Wirral, South): My hon. Friend makes an important point about governance. There are calls for more funding for further education, but unless governance and accountability are right, more money will not of itself serve the purpose. In my constituency, the board and management of the Wirral metropolitan college managed to create considerable debt by over-grandiose ideas, by straight mismanagement and by creating over-dependence on European funding that did not continue. In those circumstances extra funding would not help, yet the very same board and management comprise people who are closing facilities to address a problem of their causing. They are entirely undemocratically unaccountable. That cannot continue. We need to address the issue of governance and management, which cannot be done separately from funding.

**Caroline Flint:** I endorse my hon. Friend's comments. It is important, as in other sectors of public life, that governance and accountability in the FE sector are transparent and that people can put trust in our national further education service.

As for model agreements in terms of staff, I do not think that anyone on the Select Committee felt that there was no need for flexibility. What was interesting was the evidence we received from the National Association of Schoolmasters/Union of Women Teachers on sixth-form colleges. When asked why there had been little publicity about rancour and disputes in its colleges, it said that flexible models based on a national framework had helped it to succeed, whereas in FE colleges the absence of national models had led to disputes.

We have had a timely debate that has enabled us to draw attention to the importance of the FE sector. I know that under the Labour Government it will have a healthy future.

6.44 pm

**Mr. Derek Twigg** (Halton): I shall be as brief as possible because I know that other hon. Members wish to speak.

My local college is an interesting case for examination, given the investigations that are taking place, but I welcome the debate, the Education and Employment Committee report and the Kennedy report that preceded it. Those reports have highlighted the important issues in the further education sector.

As my hon. Friend the Member for Gedling (Mr. Coaker) said, it is important that we use the debate to highlight the tremendous work that goes on in FE and sixth-form colleges throughout the country, which involves both staff and students. They should be congratulated. Often the work goes unnoticed.

The contribution to the country's economy, never mind local economies, and to cultural and social developments in communities, is outstanding. It would not be possible to take away a FE college or a sixth-form college without that being noticed. The removal of a college would be a massive blow to any community and to the economy of the country as a whole.

Funding is crucial—I know that my hon. Friend the Minister has heard the argument about that. It is important that we fund the FE sector well. There are, of course, priorities to be determined and decisions to be made by the Government—and they have made a start. The previous Government incorporated colleges and established certain formulae. Many colleges have suffered as a result.

I shall give a brief example. Widnes sixth-form college in my constituency is successful and has achieved tremendous educational attainment. It is used by many of my constituents. However, the college is about

25 per cent. worse off now than it was under previous local authority funding. The principal is in no doubt who is to blame. He says:

"This is a direct consequence of the horrendous funding cuts imposed by the last Government."

Demand-led funding has been mentioned briefly. The way in which the previous Government cut off funding was abominable. They did not just stop it; they stopped it overnight without warning. That created massive panic throughout the FE sector and in colleges throughout the country—I remember receiving a call from my local college. The Opposition will not respond to this issue. Similarly, they will not respond to the fact that more colleges are now in financial trouble. Why are more colleges now facing financial risk? The Opposition have sidestepped these issues. Earlier, the hon. Member for Ashford (Mr. Green) suggested that I was quoting from a party brief. Actually, the facts are in the Select Committee report. They also appear in the Library figures.

The Government recognise the importance of further education. They have started to make that clear with their commitment to lifelong learning and the learning age. It is important that there is specific help for people on low incomes or with low educational attainment. We can help them improve their education.

In Halton, there are major problems as a result of structural unemployment. Learning difficulties and low educational attainment are also important to my constituents and Halton college has a fundamental, pivotal role to play. There are special needs and young people with learning difficulties. What happens to them when they leave school, whether it be a special school or a school integrated within a normal comprehensive school? What happens to their education? What role can FE colleges play? It is clearly crucial.

In terms of national and multinational companies and the economy as a whole, support for FE colleges and the courses that they put on should be recognised as important.

Halton college is under investigation. The principal and deputy principal have been suspended. A number of allegations have been made. For obvious reasons, I shall not go into them, but the college will be an interesting study, given the current system, especially in terms of franchising. I shall say a little about the college because the investigation may have clouded the good work that goes on there.

Halton college was formerly Widnes technical college and has existed for more than 100 years, so it is not a new innovation; it has been part of the community for a long time. In 1993 it was incorporated with other colleges. It has 38,000 students, but I bet that it is not the largest college. The students' programmes of study are at the college, in the local community or at their place of work, so they can choose how the courses are delivered, which has a massive impact.

The college has not only a local impact—it has students from all over the country. A number of issues are under investigation at the moment, along with the franchise. Many colleges have students from all over the country, so they make an important contribution to the economy. The age profile of students is interesting; 12 per cent. are aged 16 to 19 and 88 per cent. are 20 or over. Forty-four per cent. are male and 56 per cent. are female. The college provides work for about 800 people, of whom about 50 per cent. live in the Halton area.

Crucially for the success of the economy and our future, colleges such as Halton offer a range of courses. Halton offers courses in hotel and catering studies, health and community care and humanities. It also teaches computing and information technology, multimedia and science and engineering, which are four of the most crucial areas for our economy in terms of reskilling and re-educating people.

Halton college has recently won a number of beacon awards and been commended for its work. It does a tremendous amount of work on links with the local community. There has been specific investment and improvements in links with local schools, such as video conferences, computer link-ups and distance learning in schools. Those innovations will be very important in the next century.

Several hon. Members have referred to better governance. I met the staff of Halton college last week. What was interesting was the clear split between those on the franchising side and those who delivered local courses. They seemed to be two separate bodies and I wonder whether that is linked to management and how the college has developed. It is important for the way in which the college is managed and assessed that there is wide community representation on the board of governors, including staff, students and members of the local authority. I welcome the Government's proposals on better governance, which will improve the situation tremendously.

The Further Education Funding Council, which controls the further education sector, has been conducting the investigation at Halton college. We must examine the funding council's role in providing financial controls and checks and balances for the whole sector to ensure that colleges are correctly run, that we get the best value for money from our investment in the FE sector and that we can rely on the work carried out in that sector.

The FE sector is vital to our economy and our local communities and it deserves the support that the Government can give it.

6.52 pm

**Mr. David Chaytor** (Bury, North): I welcome the debate and the Select Committee report. The points that have been made about the timing of the debate are worth dwelling on because, if it had taken place earlier in the year, it might have set the context for the debate on maintenance grants and tuition fees in the proceedings on the Teaching and Higher Education Bill. That would have strengthened people's awareness of the fact that the overwhelming majority of students aged 19 and over in further education have no maintenance grants and pay their tuition fees.

The problem for FE is that it has a different meaning in different parts of the country. In my constituency, every 16-year-old in the state sector is in further education because we benefit from a highly coherent system of education whereby there are eight schools for 11 to 16-year-olds and two colleges—one Catholic sixth-form college and one general tertiary college. Both are of the highest reputation, and one has received an inspection report that was recently described as the best ever written of any similar college. Further education is particularly important for my constituents.

As the years go on, we might need to think of a different term for further education. The boundary between further education and adult education is

*[Mr. David Chaytor]*

increasingly irrelevant because the majority of students in further education colleges are now adults. The growth of tertiary colleges and the incorporation of sixth-form colleges into the sector mean that the old Cinderella image of FE is increasingly inappropriate. I congratulate the Government on getting lifelong learning firmly on the agenda and I hope that, in future, the House will have an annual debate on lifelong learning.

I do not want to go over the previous Government's failures, but they bequeathed to the new Government a legacy of a chaotic and fragmented internal market and a chronic funding crisis leading to intense demoralisation in colleges throughout the country, which in turn led to disastrous industrial relations in many colleges. That is a sad and tragic bequest. I congratulate the new Government on the work that has been done in the past 12 months to remedy the deficiencies of the internal market that we inherited. I particularly welcome not only the Select Committee report but the Kennedy, Fryer and Lane reports, which have all contributed to an important debate on lifelong learning in the past 12 months. I welcome the Government's commitment to increasing by 500,000 the places in further and higher education.

I want to dwell on three issues arising from the Select Committee's report and then comment on more detailed points. First, I cannot entirely agree that the problem of funding is merely one of the quantum. The funding methodology itself has created a bureaucratic nightmare. Although it does not, perhaps, rival that of the Child Support Agency, on which we had a statement earlier, it is not far short of it.

I shall quote one example. Several hon. Members have referred to the problems of franchising and the fact that their colleges have experienced severe financial crises because of the vagaries and instabilities of franchising. That is because the funding methodology specifically encourages franchising without there being a full understanding of the consequences of that. I hope that my hon. Friend the Minister will take on board the fact that the specifics of the funding methodology have to be changed. We must bring about, exactly as we have done for the Child Support Agency and its formula, a simpler and more stable system. I am not entirely convinced that the changes that have been made to this year's funding methodology, particularly on franchising, will bring about that stability as quickly as is necessary.

On funding, I also add my support for the proposed changes for maintenance for 16 to 19-year-old students via the reform of child benefit. That is a cause that I have long supported. It is self-evident that the reform proposed in the Select Committee report is the only way forward, and I hope that the Government take that on board.

My second point on the report relates to planning. I welcome the acceptance that there has been a chronic lack of strategic planning in the sector. I also welcome the improved and enhanced role for the Further Education Funding Council regional committees and the voice that is given to the regional development agencies. Again, I am not sure that the report fully spells out exactly how strategic planning should be done. I agree with the hon. Member for Harrogate and Knaresborough (Mr. Willis) that we cannot plan through the funding mechanism alone. If we do that, we shall simply reproduce the mistakes of the previous Government. The Government should spell out, in the near future, exactly what powers the FEFC regional committees and RDAs will have.

I shall quote one brief example of the chaos that exists, particularly in the 16 to 19-year-old sector, in the constituency in which I live, which is not the constituency that I represent. I live in one of the smallest metropolitan districts in the country, in which education for 16 to 19-year-olds is provided by two private schools, two grant-maintained selective schools and five grant-maintained notionally comprehensive schools, which are becoming increasingly selective because of the inevitable dynamics of opting out. There are also four local authority comprehensive schools and a general further education college that has an associateship with a sixth-form college outside the district. In addition, many young people at one end of the district go to the Catholic school for 11 to 18-year-olds across the border and many at the other end of the district go to one of the two sixth-form colleges in the adjacent district.

The result is chaos, fragmentation and a massive amount of unnecessary travelling by young people. There is inefficiency, duplication of courses and no concept of economies of scale. A generation of young people has lost out because of the failure of the previous Government—I hope that this Government will not do the same—to get to grips with the planning of provision for 16 to 19-year-olds.

The third major issue in the report on which I shall comment is that of widening participation. I found the appendix to the Green Paper extremely valuable in giving us the figures of those who participate in HE and FE, in adult education, and of those who do not.

This year, the Government, to their credit, have introduced a widening participation factor in the funding methodology to the tune of £10 million, but that is a drop in the ocean. If we are serious about implementing the Kennedy agenda, we should ensure that the widening participation factor—however calculated—is much greater.

Most people working in the sector would acknowledge that one reason why it is difficult to encourage those who have been alienated by their school experience to return to continuing education is that they need a great deal of personal support, because they lack confidence and communication skills. I question whether the big policies emerging from the Green Paper—the university for industry, and individual learning accounts—will, in themselves, succeed in widening participation, because the very people whom we need to encourage to become more involved in lifelong learning are the ones who will find it most difficult to handle the new technology that is implicit in the concept of the UFI, and to put some money into an individual learning account. We need to rethink how we might widen participation for people who have not been involved in any education or training since school.

Finally, I shall raise some specific points, to which I hope that my hon. Friend the Minister will respond in his reply, or take back to the Department. The first concerns schedule 2—specifically, the changes that have been made to the accreditation of courses under schedule 2(a). I understand that that is the subject of lively debate. Many colleges fear that the changes to schedule 2(a) will have

a severe financial effect on them because they have been introduced too quickly, after prospectuses for next year have been produced and students recruited.

I hope that my hon. Friend the Minister will consider, and take a personal interest in, that issue, together with the issue of schedule 2(a) and the new deal. I understand that new regulations limit new deal over-25 participants to courses under schedule 2(a), whereas many of them will need to follow courses under schedule 2(c), 2(d), 2(e), 2(f) or 2(g). That point needs to be reviewed.

I shall be brief, as other hon. Members wish to speak. On schedule 2, my hon. Friend the Member for Barking (Ms Hodge) raised a point about drawing the distinction between education for work and education for leisure. That point is strongly made in the report. I am not sure that it is easy to draw such a distinction. I do not believe that we can draw a line between that which prepares people for work and that which prepares them for leisure. I ask the Government to think carefully before making any changes to funding regimes on the basis of such a hard and fast division. Increasingly, as we move into the next century, as work patterns change completely and as people's working lives change, educating people for leisure time will be as important as educating and training them for work.

The development of a credit accumulation and transfer scheme was also flagged up in the report. The difficulty is that, at the moment, there is no incentive for colleges to become involved in such schemes because the funding methodology works against it. That leads me to the important point that the funding methodology needs to be changed so that a fully flexible unitised curriculum can be developed.

The national grid for learning is a crucial development, widely welcomed in the school sector. No reference has been made to how that might be extended to the further education sector. I hope that my hon. Friend the Minister will mention that in his reply.

I welcome the work that the Minister and his colleagues have done in the past 12 months. There has been more discussion of lifelong learning than at any time in the past 30 years. All we need is for the Government to put their money where their mouth is.

7.4 pm

**Mrs. Anne Campbell** (Cambridge): I welcome tonight's debate and congratulate my hon. Friends serving on the Select Committee on Education and Employment, who were responsible for the report. It highlights the importance of further education and permits us to support it and to give it the recognition that it deserves.

My hon. Friend the Member for Worcester (Mr. Foster) admonished us, telling us not to treat further education as a Cinderella service. He was right to do so; but when I look at those empty green Conservative Benches—on which one Back Bencher has just appeared—I can easily see why further education has been a Cinderella service. It is easy to see why, over the past 18 years, further education has been treated with appalling disrespect, funding has fallen and very few debates in the House have emphasised the importance of that crucial sector of the education system.

Like many Labour Members, I have been a lecturer in both further and higher education. I have also been a member of the governing body of Cambridge regional college, and chair of governors for three of the years that I was a governor. I was determined, in the years that I was a governor, to achieve a new building for Cambridge regional college. It was a matter of symbolic importance because, when I became a governor, Cambridge regional college existed in six ex-primary schools. It was run down; people did not identify with the place, and had great difficulty in finding it.

Now we have a magnificent new building in the King Hedges area of Cambridge, which the Minister has visited. He will agree that it gives the college the status and importance that it deserves, and sends a very important message to the students, because it makes them realise that they are important to the people who fund the service.

Recently, I had a meeting with the principals and chairs of governors of the three further education colleges that serve my constituency. I am very fortunate, in that my constituency has three excellent further education institutes, one of which, Hill's Road sixth-form college, is almost always the highest in the list of those state schools that achieve Oxbridge entrance. The other colleges are no less excellent, and produce a very high standard of education indeed. Nevertheless, funding is an issue, and one that must be addressed.

Before I discuss funding, I shall mention the collaboration that exists between those three further education colleges; it is probably unique to Cambridge, and might be emulated elsewhere. There exists in Cambridge a collegiate board, consisting of all post-16 organisations in the area. The board's mission is to provide informed access for all students to a coherent, flexible and comprehensive programme of high-quality post-16 education and training. The collegiate board is the forum where the heads of the pre and post-16 establishments meet, and in their meetings they are always joined by representatives of the training and enterprise council, of the local education authority and of the schools that have access to, or send their students to, the further education sector.

The areas of co-operation and collaboration include: common application procedures; guidance to students pre and post 16; strategic planning—which is important, and about which my hon. Friends have spoken a great deal tonight; curriculum development and curriculum mapping; staff development; personnel practices; marketing and promotional activities; and a host of other areas. That amply proves that a group of institutions, some of which are vastly different in character, can collaborate in a way that the previous Government did not think possible. The previous Government set one college against another, creating a competitive environment that was entirely destructive to the ethos of further education. The collaboration that we are now achieving is good for students, for lecturers, for further education and for the local economy.

On the issue of funding, there are considerable concerns among my colleges. The three colleges this year are delivering 1.2 million Further Education Funding Council units, equivalent to more than 25,000 individual student enrolments. However, FEFC funding is available for only 1.1 million units, so not only are the units of funding smaller than in higher education, but they are not being properly funded.

*[Mrs. Anne Campbell]*

All three colleges have been granted funding for about one third of the growth in the current financial year, which means that two thirds of the current shortfall will remain unfunded for next year, unless there can be some great influx into FE funding. I hope that my hon. Friend the Minister will have some good news for us later this year when the results of the comprehensive spending review are announced.

Another important factor is the serious adverse gap that is beginning to emerge between salary levels for teachers in secondary schools and teachers in sixth-form colleges. One of my FE colleges, Hill's Road sixth-form college, must find substantial capital investment from within a greatly reduced funding allocation. Unlike general further education colleges, many of which have a long history of private income and investment, which often leads to commercial and vocational opportunities, sixth-form colleges are largely dependent on FEFC income. As a result, they are paying their staff less and the funding gap is growing ever wider.

I hope that my hon. Friend the Minister will address those issues. I welcome the debate, and am grateful for my opportunity to participate in it.

7.11 pm

**Mr. Ben Chapman** (Wirral, South): Incorporation has brought some benefits to the further education sector, but more needs to be done about the issue of governance. In my constituency, the board of the local college is cutting its costs by attempting to close facilities. That is presented as a move to a sort of education without walls or buildings, a virtual reality new and exciting world of education. There may be something in that, but to me, buildings, campuses and social interaction among students have been, are and will be a massive component of our further education. We cannot do away with that.

The pity of what is happening in my constituency is that, although it is presented as educationally driven, in fact it is debt driven. College principals may well be good educationists, but they are not necessarily good managers. Sometimes an inverse ratio is in play. Those who are the best educationists may be the worst managers. Those who talk the best game are often the worst players.

In simple terms, it is the principal who appoints the board, and the board that effectively supports the principal. That brings a false collateral and respectability to the business of governance. All appears to be well, but it is not. The proposed closure of a campus in my constituency comes on top of an earlier site closure, and presages the closure of a third. It follows the removal of creche facilities and of a theatre. It is a catalogue of disasters.

There are 7,000 signatures to a petition protesting against the board's actions, there have been dozens of letters, and people have written to newspapers and spoken to me. Not one has supported the action of the governors of the college, but the board presses on none the less. It takes no account of the views of the people. We must find a mechanism to deal with that. Notices go up on a site announcing that it is available for other uses, students are thereby put off the courses, and a self-fulfilling prophecy is at work. It is not good for further education in general or for my constituents in particular.

I commend the Select Committee's report and the Government's consultation paper, and I look forward to hearing the Minister's reply.

7.14 pm

**The Parliamentary Under-Secretary of State for Education and Employment (Dr. Kim Howells):** I thank hon. Members on both sides of the House, although Opposition Members are in short supply, for an excellent and well-informed debate, which arose from an excellent and challenging report. I thank my hon. Friend the Member for Barking (Ms Hodge) for chairing the Committee and introducing the report. It is an extremely important report. There have been many contributions, and I shall try to deal with them, but I hope that hon. Members will excuse me if I miss some.

We in the Department are pleased to welcome the report, which is wide-ranging, comprehensive and perceptive. We are pleased that the Select Committee chose the further education sector as one of its first areas for scrutiny.

The Government will respond in the next few weeks. That will provide the opportunity for a detailed assessment of the report and its recommendations, but I can say now that we welcome the general thrust of the Select Committee's report and its emphasis on the critical importance of FE. The sector requires all the encouragement that it can get.

The previous growth-at-any price strategy had run aground earlier in the year, with the abrupt cancellation of the demand-led element—DLE—by the previous Government, as my hon. Friend the Member for Halton (Mr. Twigg) made clear. They had promised to fund DLE payments due in the 1997-98 financial year, and we had to make good that promise. We had to find the money—£65 million—to fill the black hole in FE finances left behind by our predecessors, before we even started to work out what additional sums the sector required.

The sector has been in bad shape. It has undergone continuing and swingeing efficiency gains. There is nothing wrong with efficiency gains, of course, as long as they are sensible and measured, and take full account of the sector's opportunities and needs, but when they become a constant factor in FE financing, they cease to be efficiency gains and become efficiency losses—not only a loss of good teaching staff, as many hon. Members have pointed out, but more seriously, a loss of morale, shared purpose, respect and, most important, a loss of direction. For far too many of our colleges, that has been the case.

I have travelled around the country visiting FE colleges, and some of them have been the best educational institutions that I have set foot in, including all the universities that I have visited, if one takes into account the task with which those colleges are charged, the use that they make of their limited resources and the brilliance of some of the teaching and practice that go on there. However, some FE colleges are pretty dreadful. Many hon. Members have emphasised that management requires careful consideration. My hon. Friend the Member for Wirral, South (Mr. Chapman) made the point that being a brilliant teacher does not make one a brilliant accountant or manager. I know that college principals are giving close attention to that.

Our first priority, having sorted out the financial mess for 1997-98, was to assess the position for 1998-99. Within the rigorous approach to public expenditure to

which we had committed ourselves, we have none the less, since last November, managed to make available more than £100 million for the sector, over and above our predecessors' plans. Further education occupies such a key place in our education and training system that the money must be well spent, and I have no doubt that it must be added to year on year. I entirely agree with what has been said about the need for adequate funds.

**Mr. Sheerman:** Does that not depend on how many colleges my hon. Friend has visited, and on what percentage he considers truly excellent—the best ever? If the proportion is only 5 per cent., or only 10 per cent., whatever resources we can put in will not be well used. What are we doing to ensure that we bring the remainder up to the best standards?

**Dr. Howells:** I will not hector college principals or managers about what they should or should not do. I think that Governments have been all too handy at telling other people how they should manage their businesses. I will say, however, that I think we are very bad at identifying and disseminating best practice in this country. All too often, we do not give credit where it is due. It is easy to use soundbites to criticise colleges, but colleges—some of the worst as well as some of the best—have been in dire financial straits. I will not appropriate blame in that way, and I do not think that there is a blanket method of doing so.

My hon. Friend the Member for Bury, North (Mr. Chaytor) described the "bureaucratic nightmare" of the funding methodology. He is right: it is a bureaucratic nightmare—almost as bad a nightmare as the method of funding training and education councils, which we are reviewing. In many respects, we have inherited an awful bureaucratic mess, which we must help colleges to clear up—but through a partnership approach, rather than a "top down from Whitehall" approach.

The Select Committee set out its view of the mission of further education, which I consider worth quoting. It said:

"The further education sector supports the nation's economic competitiveness and social well-being by improving the skills of the existing and potential workforce and by creating opportunities for achievement for all members of the community."

I do not think that the position could be summed up better; what worries me is that not everyone may share that view. I am not sure that many employers share it, and I am very sorry if they do not.

There was a strong link between further education and polytechnics—in a different respect, but we saw the resulting service as being more seamless. I regret very much that, even now, many of our leading firms do not see the further education sector as a natural ally that could make it more competitive. It is vital that that trust and partnership are rebuilt, whatever we do with further education.

It is not just a question of funds, although funds are important. More employers should realise that, if they invest money in education and training—work-based training provided by colleges or other forms of training, perhaps campus-based—they, and we, will ultimately benefit.

**Mr. Eric Illsley** (Barnsley, Central): Does my hon. Friend agree that restricting collaborative provision to local collaboration could damage relations between colleges and employers even further?

**Dr. Howells:** I know that my hon. Friend is concerned about the excellent further education college in Barnsley, which has emerged at the top of the spectrum in the examination of colleges. It is a superb institution.

We must look carefully at franchising arrangements, and I am glad that the Select Committee flagged them up. There is a variety of such arrangements, and there is no doubt that, even if they are at a distance, those that work must be encouraged. We must not be too prescriptive, and we must not barge in when we need to be sensitive.

The hon. Member for Harrogate and Knaresborough (Mr. Willis) raised some important points. Most important, he told us that—I think—4.5 million people had great difficulty with literacy and numeracy and with simply expressing themselves to their peers. There can be no greater condemnation of an education system. Indeed, I have heard that the figure may be as high as 7 million. If further education is to widen access, and to engage people to whom education means nothing, it clearly faces a huge task. There can be no more important task. It has been called the Kennedy agenda, after Lady Kennedy. There is, however, another task for further education, which has not been talked about much tonight.

**Mr. Dennis Turner** (Wolverhampton, South-East): I know that all Labour Members appreciate my hon. Friend's work for further education colleges. Before the debate finishes, however, may I raise a question about basic education? What is the position on new deal 25-plus? I am thinking especially of those—literally hundreds—who need basic education before they can proceed to courses that will give them the jobs that our Government want them to have. I hope that my hon. Friend will say that that is being addressed.

**Dr. Howells:** It is being addressed. We are in constant contact with my right hon. Friend the Secretary of State, who is currently running the great new deal project.

The Kennedy agenda must be one of the most important before the country. Its aim is to widen access to education, and to re-engage what is almost a lost generation. The hon. Member for Harrogate and Knaresborough is right to stress the importance of that.

My hon. Friend the Member for Gedling (Mr. Coaker) spoke of the need for further education to deal with problems of social exclusion and disaffection. That is hugely important. Another issue was hardly discussed tonight—

**Mr. Gerald Howarth** (Aldershot): Will the Minister give way?

**Dr. Howells:** I am sorry, but I will not. The hon. Gentleman has only just entered the Chamber, and I must finish my speech.

*[Dr. Howells]*

There is another agenda: the agenda of training expert technicians. It could be described as the other end of the further education spectrum. In this country, we have not been very good at teaching intermediate skills. We were good at it once, but we stopped somewhere along the line.

The hon. Member for Ashford (Mr. Green) spoke of the benefits of incorporation, and there is no doubt that that has brought benefits, but it has also caused terrible disruption to the relationship between companies and further education colleges. I hope that the bridges can be rebuilt. If we can rebuild them, and use imagination in returning to further education its automatic sense of dignity and self-esteem, I think that we shall succeed.

7.28 pm

**Ms Hodge:** With the leave of the House, Mr. Deputy Speaker.

We ought to congratulate all who work in further education—not just on surviving, but on prospering over the past 18 difficult years, particularly the most recent. They have provided extended opportunity and improved training and qualifications for the many, and have begun to provide access for more people.

I also congratulate the hon. Member for Ashford (Mr. Green), the only Conservative Member who has been present throughout the debate. I do not suggest that that is because he is on the Opposition payroll, but one Conservative Back Bencher and nine Labour Back Benchers have been present throughout. That says it all: that is why further education has been ignored for too long by Members of Parliament.

The challenges facing the Minister are immense, and I have full confidence that he will rise to the occasion. FE is rich in its diversity, and it faces many difficult problems in the future. We have raised capital and revenue funding, and the funding of institutions and people. We have also made some controversial and challenging recommendations—we wanted deliberately to put them on the political agenda.

I thank the members of my Committee—we all worked extremely hard to put together a comprehensive report. I also thank our advisers, those who gave written and verbal evidence to the Committee, and those who work and study in further education for ensuring that it is a sector in which we can have confidence. The matter passes over to the Minister. We wish him luck, and think that we have timed the debate appropriately. We look forward to a welcome outcome from the comprehensive spending review.

*Question deferred, pursuant to paragraph (4) of Standing Order No. 54 (Consideration of estimates).*

**Class XVII, Vote 1**

## Freedom of Information

*[Relevant documents: The Third report from the Select Committee on Public Administration of Session 1997–98, on "Your Right to Know: the Government's Proposals for a Freedom of Information Act", HC 398, and the fourth report from the Select Committee on Public Administration of Session 1997–98, on "Ministerial Accountability and Parliamentary Questions", HC 820.]*

*Motion made, and Question proposed,*

That a further sum not exceeding £55,642,000 be granted to Her Majesty out of the Consolidated Fund to complete or defray the charges which will come in course of payment during the year ending on 31st March 1999 for expenditure by the Office of the Minister for Public Service on the central management of, and delivery of services to, the civil service including the delivery of cross-departmental IT systems; expenditure resulting from the Chancellor of the Duchy of Lancaster's chairmanship of the Ministerial Committee on Food and Safety; and certain other services.—*[Dr. David Clark.]*

7.30 pm

**Mr. Rhodri Morgan** (Cardiff, West): As Chairman of the Public Administration Committee, it is a privilege to commence the debate on the White Paper and the Select Committee's response to it. We published our report in May, and although it would have been beneficial to hear the Government's response to it today, we must bear it in mind that it was published only six or seven weeks ago. The Government are usually given two months to respond, and we hope that they will manage to do so within that time.

Tonight, we need to emphasise how important it is to pass freedom of information legislation along the lines of the excellent White Paper produced just before Christmas by my right hon. Friend the Chancellor of the Duchy of Lancaster. Draft legislation should be produced as soon as possible so that the Select Committee can go through it and listen to witnesses. A freedom of information Bill should also be in the Queen's Speech as part of the legislative programme for the 1998–99 Session, and I hope that we shall be enlightened on that subject.

From the Labour point of view, it is important to remember that freedom of information legislation was in the 1974 election manifesto, as well as the 1992 and 1997 manifestos. We formed the Government in 1974, so it is legitimate to ask why people lost interest in the matter. Unfortunately, part of the history of freedom of information legislation to which all commentators refer is that Opposition parties always commit themselves to it, but that, funnily, that commitment always falls by the wayside when they come into government.

I was told earlier today that, towards the end of their term in office from 1974 to 1979—just before they fell and when the Liberal party was committed to voting against them on a confidence motion—the Labour Government suddenly took an interest in Clement Freud's Back-Bench freedom of information Bill. By the time the Labour Government were buying, the Liberals were not selling, so the Bill fell and did not get through. We have an opportunity, 24 years later, to put that right.

The issue is always the same. People come into government with a flush of enthusiasm for freedom of information, but that needs to be driven forward to get the legislation on to the statute book before the iron of Administration enters the soul. We are at that exact point: the manifesto commitment has been made, the White Paper has been published, the Select Committee reported on it in May and we are waiting for the Government's response. We have been promised the draft Bill, although it will probably be published in the summer recess, and the expectation is that there will be a commitment to legislate in the next Session in the Queen's Speech later this year.

The events of yesterday, and the revelations in *The Observer*, serve only to emphasise how important it is to state the principle that was at the heart of Labour's manifesto: I cannot say too emphatically that information should be for the many, not the few. Restricting information to the few would provide those interstices into which lobbyists would insert themselves, and boast about how they could obtain information that was not available to the general public. Absurd though such boasts may be, in a climate of denial of information to the many, the few would seek to profit from that denial. Perhaps yesterday's events were providential in the light of the timing of the debate and the messages that we hope to hear from my right hon. Friend the Chancellor of the Duchy of Lancaster.

When they come into office for the first time, Governments want to open up government, but there is also the perception that, from time to time, the availability of information will undoubtedly be inconvenient to the operation of government. All Governments have a control freak tendency and a liberationist tendency, and this Government are no different. The Select Committee's report could not be clearer in welcoming the White Paper, but the litmus test of a Government is not what they put in their manifesto or in a White Paper, but what they enact in legislation.

We hope, therefore, that the draft Bill at least will be available before the 18-month period between last May's Queen's Speech and the next one, in November, has ended. We also hope for a commitment to legislate, although I do not expect my right hon. Friend the Chancellor of the Duchy of Lancaster to give such a commitment tonight, because the content of the Queen's Speech has not yet been determined. It is important that we repeat the welcome that the Select Committee gave to the strength of the White Paper, and I hope that the House will back that.

My right hon. Friend the Chancellor of the Duchy of Lancaster produced an excellent document, "Your Right to Know: the Background Material". The Government suggested how freedom of information legislation would work in practice by implementing the principle in respect of the White Paper—they published the document. It commits the Government to practising what they preach—what the Americans call walking the walk as well as talking the talk. This useful document states at paragraph 11:

"The manifesto commitment implies that the Government intends the Act to go beyond the terms of the code of practice on access to Government information, quite apart from the obvious enhanced status of primary legislation over a non-statutory document. In keeping with this, the Government rejected within a few days of taking office options which would have involved simply translating the existing code into statutory form."

We expect that the legislation will be stronger than the previous Government's code of practice. Having gone back 24 years to the previous Labour Government's commitment, I can go back four years to what the previous Government did and the presumed reasons why they did it. The previous Government introduced a non-statutory code because they believed that a freedom of information Act would cut across the relationship between hon. Members and Ministers. Parliamentary questions could have been asked and not answered, but the Bill of Rights would have been cut across if that had been overridden by an information commissioner. Members of the public would have been put over and above Members of Parliament in their ability to gain access to information from Government Departments.

A Minister may decide not to provide information through an answer to a parliamentary question, and there is little that we can do about that. We can ask another question in six months' time or whatever. A member of the public, on being denied similar information, could go to an information commissioner and that would disadvantage hon. Members, so the previous Government said, "Let us have just a non-statutory code."

Unfortunately, as I think all hon. Members would accept, that code has not worked. It has not established rights clearly. The public are cynical about it. They do not use it much. When they do use it, they find the response is full of delays: Departments can always find reasons to fob off the ombudsman because there is no statutory backing.

Let me cite a recent case. I had submitted a request for information on behalf of Friends of the Earth, Cymru about the Gwent wetland reserve and the mitigating measure for the Cardiff Bay development corporation. I shall not bore the House with the whole thing, but I made a complaint around about Christmas 1996 and it took until a couple of weeks ago—18 months—for the ombudsman to reach a verdict, simply because of the development corporation's dilatory tactics, which the ombudsman could do nothing about. That is the problem with a non-statutory code. The ombudsman, however hard he works, does not have enough stick to penetrate the defences of Departments, next steps agencies or quangos—whichever is seeking to hold the information back.

That brings me to the most important point about the code. It is not merely the fact that it changes the relationship between Ministers, or could make us have to go to members of the public. One of the curiosities is that, if we do not do something about the House as well, by making freedom of information provisions apply much more effectively to information obtained by the traditional route of parliamentary questions, that route could fall into disrepute, and Members of Parliament could be asking members of the public to get information for them, rather than members of the public trying to get information via their Member of Parliament tabling parliamentary questions. What nonsense that would be. It would badly affect the reputation of the House if we did not sort that question out.

I refer to the Committee's biggest difference with the Government's White Paper. I have already read out paragraph 11 of the background document that the Government produced, in which they said that they wanted the legislation to go beyond the content of the code. In one respect—law enforcement—the White Paper

*[Mr. Rhodri Morgan]*

retreats from what is in the code. We thought that that was a regrettable step. We believe that law enforcement should be subject to an exemption, as it is in the code, and not an exclusion, as it is in the White Paper.

Why is that difference between two Latin words, which appear to mean the same, significant? With an exclusion, there is no appeal to the information commissioner. With an exemption, there is an appeal to the information commissioner, so there is a possible override from the information commissioner. That is a critical difference. It seemed to the Committee that, if that was good enough to be in the previous Government's code of practice, it should be good enough to be in the legislation, and should have been in the White Paper.

We still recommend strongly that that should be in the draft Bill and in the eventual legislation. Otherwise, that area is untestable. Governments can abuse it if it is untestable and that will undermine the spirit of the freedom of information Bill, if and when we get it. Such a provision is not present in any overseas freedom of information legislation. That area is always testable, in the courts under the American system, or through a commissioner or a third party—an appeal body, if you like—under all the other systems, which do not use the courts as their ultimate court of appeal.

That was the one big difference: we felt that the Government should not have withdrawn that provision. We still need a change of culture in Whitehall. All the arguments that we read in the press over the weekend—about the meetings last week, about cost and about the need to consider what the impact might be in changing the balance between the criminal community and those attempting to detect its members through law enforcement and so on—seem to tell us only one thing: the culture of Whitehall has not yet changed. We believe that that culture needs to change and to be retrained, so that civil servants will participate, in a proactive way, in the passing out of information and will not seek to find every reason either to delay or to deny information to the public.

We also made points in the report about the need to co-ordinate the Data Protection Bill, which was working against the deadline of October this year, and therefore had to be finished in a great hurry, and the Human Rights Bill, which is another major Labour constitutional reform commitment. We said that they should be co-ordinated and linked.

We said that hesitantly, because we do not want any of our recommendations to be used as excuses for delaying the freedom of information Bill. We fear that, almost every time we refer to the need to strengthen or improve the Bill, that can be used by the Sir Humphreys in Whitehall as a reason for deferring it and saying, "Even the Select Committee says that more work should be done on it, so do not put it in next year's Queen's Speech."

That is the last thing that we want. Obviously, we want the Bill in next year's Queen's Speech, but we do not want it to be watered down. We want it strengthened and we want a commitment to it, but we believe that it should be closely co-ordinated with two other Bills that impinge on it—the Data Protection Bill and Human Rights Bill, which are still before the House.

The new Government's constitutional reform agenda—parts of which are already nearing the statute book—over the past 14 months has been massive. The legislative programme has been jam-packed generally and jam-packed with constitutional matters in particular—the Human Rights Bill, devolution to Scotland and Wales, the setting up of an executive mayor and council for London and other matters. Many matters have had to be taken on the Floor of the House because they are constitutional, but this Government's constitutional reform agenda cannot be considered complete without a freedom of information Bill because that is the Bill that will do most to change the culture of Whitehall and, therefore, the relationship between the people and the Government.

For a Government to earn their corn as a great constitutional reforming Government, they need to implement freedom of information. Only then can they really say that they have completed the unfinished business of constitutional reform, modernising this country's constitution and joining the community of civilised nations, such as the United States, Australia, New Zealand, Canada and, most recently, Ireland, that have freedom of information legislation—let alone Sweden, which has had freedom of information legislation for more than 200 years. We cannot join that community unless we take that step of having freedom of information legislation.

From everything that we have read in the newspapers over the past few days, the permanent secretaries and some Ministers have now drawn the covered wagons of Whitehall into a circle and are fighting back. They did not mind the White Paper—after all, what is a White Paper in the end? However, now that it looks as though there could be a Bill in the Queen's Speech in only three or four months' time, they have drawn the covered wagons into a circle.

It is much worse than anything that ever appeared in any script in "Yes, Minister" because this is not a television soap about top civil servants and Ministers in Whitehall. This is the reality of a struggle at the heart of Whitehall and Westminster about what we are going to have in the Queen's Speech and whether, over the next few years, we shall get the culture change and shift in the relationship between the governed and the governing that we want, so that this Government can be seen to be truly a great reforming Government.

The plea of the whole Committee, therefore, is that we want to make an honest woman out of the mother of Parliaments; that is why this issue is so important to the whole House.

7.48 pm

**Sir Patrick Cormack** (South Staffordshire): I thank the hon. Member for Cardiff, West (Mr. Morgan) for the manner in which he has introduced this debate, and I congratulate him and his Committee on some thorough work and an excellent report. I know that he will understand if I also say how good it is to see in the Chamber the hon. Member for Portsmouth, South (Mr. Hancock), who has taken part in the Committee, and, most particularly, my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd), who has been in the House for almost 20 years and who has campaigned tirelessly, often to his discomfort, on this issue. No one could begin to doubt his impeccable credentials in this regard. I hope that we shall have the benefit of hearing him later in the debate if he has the good fortune to catch your eye, Mr. Deputy Speaker.

It is one of the quainter ironies of parliamentary life that we should debate the Government's policy on freedom of information the day after *The Observer* suggested that some Government information is freer than others—the hon. Member for Cardiff, West also referred to that—and the day before we debate the Government's practice on supplying information to one of Parliament's most important Select Committees.

However, sufficient unto the day is the confusion thereof, and in spite of everything that the Chancellor of the Duchy of Lancaster has said about the support he enjoys, it is fairly clear from articles written by normally well-informed commentators that the Government's policy on freedom of information is far from the seamless robe that he tries to wear. The hon. Member for Cardiff, West referred to that, and I hope that the Chancellor will tonight give us the latest insight into where the Government stand.

It would seem that the Chancellor, backed by another Chancellor in the other place, is fighting off assaults on his territory by sundry ministerial colleagues who have rallied under the Home Secretary's banner. What Labour leaders were happy to proclaim as the ark of their covenant in opposition, they now see as a rather different, storm-tossed ark. A new freedom of inquiry and other intrusions would, some Ministers believe, threaten their ministerial freedom to act.

We do not have to rely merely on press comment to know that there is anxiety in and around Whitehall. We just need to read the memos sent by the Ministry of Defence to the Select Committee on Public Administration. We are told that the Ministry anticipates

"an increase in applications for information, which could impose a heavy administrative load. . . . The change to a requirement to provide copies of documents, rather than providing information, will require time and effort to identify specific documents and"—

these are the really important words—

"to decide whether all or part are suitable for disclosure".

It seems more than a few months since the Chancellor made his December statement. Although it was subject to one of the major leaks for which the Government have become notorious, it earned the Chancellor more plaudits than most of his colleagues have received for their statements to the House. I very much appreciated, as did many hon. Members, the thoroughness with which the Chancellor of the Duchy of Lancaster sought to investigate that leak, having denounced it very roundly, and apologised to the House for it.

This is the first occasion on which the House has had a chance to debate the White Paper. I make no particular complaint about that, but I do complain a little about the fact that we have yet to see the Government's response to the report of the Select Committee of which the hon. Member for Cardiff, West is Chairman. I appreciate what he said about the deadline of eight weeks, but the Government have chosen tonight for this debate, and it is a pity that they did not publish their response so that hon. Members could read it in time for the debate.

The Chancellor of the Duchy will tell us, I am sure, that he is consulting widely in Whitehall. All I ask is that he tries to get his ministerial colleagues to speed up their replies, because it would be scandalous if we did not get the Government's response before the House rises for the summer recess.

I confess to being a little disappointed with the Chancellor. He is an old friend, and I hold him in high personal regard. In what he welcomed as a constructive response to his statement on 11 December, I said that the Opposition would be very glad to take part in talks with him. I pointed out that, although we did not share his zeal for constitutional reform—he knows that only too well—we would be more than willing to participate in a constructive spirit, not least because we are proud of our achievements in government.

Unfortunately, the Chancellor has not yet responded to those overtures. I express the hope that tonight he will pledge himself to seeking to engage all parties, including the official Opposition, in substantive talks when the draft Bill is published, if not before.

As I said on 11 December, if ever there were a subject on which consensus is desirable, this is it. It is a pity not only that the Chancellor has not responded to my offer, but, more importantly, that the White Paper is almost overtly political in the tone of its criticisms of the previous Government. Specifically, it makes light of the code of practice, which was a substantial step forward. It falls back on that code towards the end: in paragraph 7.3 it says:

"Existing mechanisms for openness—including the *Code of Practice on Access to Government Information*—will remain in place . . . to smooth the transition to the fully-implemented legislation."

The simple fact of the matter is that the previous Government, under the leadership of my right hon. Friend the Member for Huntingdon (Mr. Major), made very significant strides in opening up government. They established the code of practice and introduced the citizens charter, which the present Government have rightly retained, although with scant recognition of the man responsible for it.

Where precisely do the Government stand now? I have to ask that question not only because of the recent press speculation and the concerns expressed by the Campaign for Freedom of Information, which, under Maurice Frankel, has done so much to advance this cause, but because we have not had the opportunity to discuss these issues in the Chamber. We need to know how the Bill will be handled and when it will be introduced.

What about the Chancellor's comments about the White Paper having green edges? How much notice has been taken of the many representations that have been made to him direct—not just those made by the Select Committee—and of the often critical comments contained in the Select Committee report and in the detailed response by the Campaign for Freedom of Information? The campaign's document is substantial: it is even longer than the White Paper.

I shall touch on some of the issues that exercise the Opposition, and that need clear, definitive comment from the Chancellor of the Duchy. How is reasonableness to be tested? After all, sometimes those with the greatest need for information are campaigning individuals or organisations that few would call reasonable. One wonders how a Wilberforce or a Shaftesbury would have fared if he had applied under these rules for information for fighting their, at the time, unpopular and unfashionable causes. What about "substantial harm"? Adjectives are notoriously difficult to define accurately or objectively. Why should the test be reduced to one of mere harm when it comes to Government Departments?

*[Sir Patrick Cormack]*

The White Paper tells us:

"Experience from overseas suggests that the essential governmental functions of planning ahead, delivering solutions to issues of national importance and determining options on which to base policy decisions while still maintaining collective responsibility, can be damaged by random and premature disclosure of its deliberations under Freedom of Information legislation."

One is tempted to say, "Quite so." Perhaps I can be forgiven a wry smile when I suggest that the Chancellor has had little success in persuading his ministerial colleagues, many of whom seem ready, for the sake of a soundbite headline, to proclaim to the "Today" programme what they have presumably agreed to keep confidential. There is little point in the White Paper defending rules which are so regularly broken unless there is to be a new determination to enforce them. Is there to be such a determination? We have a right to know.

There is a powerful argument to be advanced against the White Paper here, and it has been so advanced with remarkable and persuasive lucidity by Professor Vernon Bogdanor in his memorandum to the Select Committee, published in volume II of the report. I warmly commend the memorandum to any hon. Member who has not read it. He argues:

"To give Parliament the right to information, which may include official advice, is the only way in which Parliament can be enabled to fulfil its task of pinning responsibility on Ministers."

In support of his case, Professor Bogdanor cites this fact:

"Between 1994 and 1997, the minutes of discussions between the Chancellor of the Exchequer and the Governor of the Bank of England were released six weeks after these discussions took place. On a number of occasions, the minutes revealed serious differences of opinion between the Chancellor and the Governor."

Why, I ask the Chancellor of the Duchy, does the White Paper not refer to that considerable advance in open government, which was quite revolutionary, and which has not continued?

Professor Bogdanor also refers to New Zealand, which is cited in the White Paper on a number of occasions and has constitutional conventions rather similar to ours. In New Zealand,

"It is now customary to release policy advice relating to decisions once they have been made. A New Zealand citizen can, for 20 dollars, purchase the official advice given to an incoming Government."

I would have been happy to pay rather more than that on 2 May last year. I suspect that some of the gentlemen referred to in *The Observer* yesterday would doubtless have been happy to fill the Government's coffers a little more.

Professor Bogdanor seeks to categorise those who take opposing sides on the issue as either embracing the Whig-Liberal view of the constitution—whose most prominent recent spokesman he cites as Sir Richard Scott—or the view

"given elegant expression in recent years by two ex Foreign Secretaries, Lord Howe and Lord Hurd. This view starts from the requirements of Government rather than Parliament."

At this point, I should ask who it was who appointed Scott, and gave directions that his report should be published. Again, there is a churlish refusal to acknowledge what the previous Government often did.

Professor Bogdanor also argues that we might have escaped the poll tax fiasco had policy advice been readily available. I am sure that my right hon. Friend the Member for North-West Hampshire (Sir G. Young) and I—who steadfastly opposed that item of Conservative legislation—would read that passage in the good professor's case with particular interest.

Professor Bogdanor rests his case by saying that, in the last resort, the fundamental argument for freedom of information derives from the principle that, in a democracy,

"the people have a right to know what Government is doing in their name."

If the Chancellor intends to preserve his White Paper position unchanged, he will have to come up with convincing answers to the Bogdanor thesis.

Central to the policy as advanced in the White Paper is the proposal to appoint an information commissioner. It is a pity that, in his enthusiasm for this new appointment, the Chancellor has—perhaps inadvertently— downgraded the role of the ombudsman. The Committee is rather tough on the Chancellor on that, recommending that he should,

"in his response to this report, correct the statement on paragraph 5.7 of the White Paper relating to the independence of the ombudsman—and cease to draw the wrong inferences from it."

I am bound to say that I am not persuaded that we need a wholly separate information commissioner. Much could be said for giving the extra responsibilities to the ombudsman, even though that would inevitably mean extending not only the scope, but the size, of his office. Such a move would certainly avoid the possibility of clash and confusion, which could arise if two similar but separate high officials exist side by side.

Certainly, if an independent commissioner is appointed, there will have to be a clear understanding of where his responsibilities begin and end and where they are different from those of the ombudsman—who, after all, has a specific role under the code, which will, as we have seen, remain important during the transitional period. Combining both roles would have the added advantage of giving all the responsibilities under the Act to an officer accountable to Parliament. That is not something that should be lightly dismissed.

Other points in the Select Committee report deserve the most careful answers. The Committee has serious doubts that the regime proposed by the White Paper strikes the right balance between privacy and openness, or whether it will be workable. It is important that the Chancellor takes on board the strong arguments advanced by the Committee in that context. The Committee goes further than the Opposition would wish with its comments on the excluded areas, but, again, the cogent case that it advances must be debated fully during discussion of the draft stage of the Bill.

I can sum up the Opposition's position simply, as one of wishing to play a constructive part in all the discussions, but only on the basis of genuine consultation. There has been little enough over the Government's other constitutional policies. They are referred to by the Prime Minister in the preface to the White Paper:

"We are committed to a comprehensive programme of constitutional reform. We believe it is right to decentralise power; to guarantee individual rights; to open up Government; and to reform Parliament."

In response, I would say that we have seen little of a coherent strategy, but rather haphazard, piecemeal reforms based on inadequate consultation, and often no

attempt to think things out or to establish any consensus. When I think of the Government lurching from policy to policy in this field, I am reminded of the famous story of Winston Churchill dismissing the pudding at the Savoy because it had "no theme". Where is the Government's theme?

On this policy, Mr. Hugo Young—writing in *The Guardian* last week—said that the answer to those specific questions is being decided in the secret places. He added that that answer

"will be definitive for the entire life and meaning of the Blair Government."

The opening sentence of the White Paper is particularly prescient:

"Unnecessary secrecy in government leads to arrogance in governance and defective decision-making."

I rather suspect that that is a sentence that will come to haunt Ministers. I hope that we shall not see a particularly troubling visitation of the spectre tomorrow night.

8.6 pm

**Mr. Peter Bradley** (The Wrekin): It seems from the attendance in the House tonight that freedom of information is the best-kept secret in Westminster. That is a great shame, but I very much welcome the debate.

I listened attentively to my hon. Friend the Member for Cardiff, West (Mr. Morgan) and to the hon. Member for South Staffordshire (Sir P. Cormack). I find it strange that the hon. Member for South Staffordshire cannot find the theme in the White Paper, or in the Committee's response. His speech was elegant, but he lost the thread. He should return to "Your Right to Know" and the Committee's response to it.

**Sir Patrick Cormack:** I was not accusing the Chancellor in the White Paper—still less the Committee—of not having a theme; I was referring to the Government's policies as a whole.

**Mr. Bradley:** Those who have read the White Paper attentively and with less cynicism will have found that it is proposing one of the most radical and irreversible departures from the culture to which we have become accustomed over the centuries—particularly in the past couple of decades; an obsession with secrecy by which, in the name of democratic accountability, previous Governments have limited rather than extended the freedoms enjoyed by citizens in this country.

The well-known sociologist and political commentator, Noam Chomsky, said some decades ago that freedom of speech, valuable though it is, depends on those who have the power to define language. The same is true of information. Freedom of information depends very much on those who control the flow of that information, and the White Paper—and the legislation that we hope and expect will follow it—will do much to redress the balance between the governed and the governors.

Until now, freedom of information has been curtailed by interests that are more concerned to limit participative democracy than to allow it to flourish. Ministers, civil servants and those with commercial interests understand that their authority, influence and power over our daily lives would be reduced if we had an automatic right to know and to question the way in which we are regulated and controlled. Now, I believe, we have a right to demand access, accountability and transparency in the conduct of national and local government.

Information is the oxygen of democracy; without it, our democratic system and our institutions cannot flourish. That is why I support what has recently become known as control freakery. I believe that it is important for Government to express messages that are clear, cogent and coherent. People want to know that their Government are under control. They want information to which they can respond and react. Without clear information, there can be no real dialogue or partnership between those who govern and those who are governed; there can be no real bond of trust, and there can be no real opportunity for people to react, to express their views and to participate in the management of their daily lives.

The White Paper is truly radical. It proposes one of the most important constitutional changes that the Government will pursue—indeed, that any Government for many years have pursued. That change will enfranchise and empower every citizen in the country. As my hon. Friend the Member for Cardiff, West said, it should be seen in the context of a wide-ranging programme of reform that, as a whole, constitutes a new and mature contract between the Government and the citizen. That is what is known as stakeholding, an expression that was current a couple of years ago but has fallen out of fashion—sadly, I believe, as it is an important concept.

The Government have been criticised for control freakery, but they are pursuing a wide-ranging programme of reform. That programme includes Scots and Welsh devolution, the return of democratically elected government to London, the introduction of regional development agencies and the modernisation of local government—as expressed in, I think, six recent consultation documents. There have been experiments with proportional representation, and Liberal Democrats have been put on to Cabinet Committees—I do not think that anyone could argue that that is entirely necessary, given the majority that the Labour party enjoys in the House, but it is welcome none the less.

Moreover, the European convention on human rights will be incorporated into our legislation and a White Paper on better government will, I hope, be published in the autumn. I should also mention the reform of the House of Lords and the whistleblowers Bill, which was introduced by the hon. Member for Aldridge-Brownhills (Mr. Shepherd)—I join other hon. Members in paying tribute to his part in bringing forward legislation on both freedom of information and on whistleblowers.

Freedom of information is the flagship of the programme but, as I said, it is a well-kept secret, which is a pity. That is partly because the press's obsession with personalities overwhelms its interest in policies. For example, when, a couple of months ago, the Lord Chancellor gave evidence for two and a half hours to the Select Committee on Public Administration on the Government's programme of constitutional change, he discussed the most far-reaching changes that citizens in this country will enjoy for a generation—indeed, for many generations to come. The press, however, were interested in one thing only. Those who recall that Select Committee meeting will remember that, the following day, the radio, the television and the newspapers were consumed by one issue—the Lord Chancellor's wallpaper. The story was

*[Mr. Bradley]*

not even new; it was a reheated version of a story that had kept the newspapers going for a couple of days in the previous week. The media's failure to discuss important issues seriously and to involve people in a proper debate represents a great disservice to the citizens of this country.

**Mr. Mike Hancock** (Portsmouth, South): Does the hon. Gentleman agree that, on that occasion, the Lord Chancellor seemed to be grateful for the distraction provided by the cost of his wallpaper, as he did not want to talk about hon. Members' criticisms of the way in which judges are appointed? As the record of that meeting shows, the Lord Chancellor instigated most of the dialogue on the choice and the cost of his wallpaper.

**Mr. Bradley:** My recollection is not the same; suffice it to say we discussed constitutional change for two of the two and a half hours, whereas for half an hour two members of the Committee—the hon. Member for Portsmouth, South (Mr. Hancock) was not one of them—pursued Lord Irvine on what can be described only as trivia. I put it to the House that the Lord Chancellor's home furnishings are far less important than those constitutional issues.

This time last year there was much speculation about the delay in publication of the White Paper. When it was published, it was welcomed for its thoroughness; the delay had been caused by the pains the Chancellor of the Duchy of Lancaster, the Lord Chancellor and others involved in the drafting had taken to ensure that it was right. Indeed, the White Paper is exceedingly good.

It is important that the Bill preserves and builds on the key principles identified in the White Paper. I am relaxed about whether the Bill will form part of this year's Queen's Speech; I hope that it will, but it is far more important to ensure that the Bill is right than to have it quickly. So long as it is worth waiting for, we should, having waited for centuries, wait a little longer. The key issue is that there should be no retreat from the principles set out in the White Paper.

The Select Committee's report makes clear our disappointment at the relatively few examples of temerity in the White Paper. I hope that the lobbying done by and for the utilities—which is the subject of press speculation—so that they can escape public scrutiny will not be tolerated. When my right hon. Friend the Home Secretary gave evidence to the Select Committee, I found his reasoning unpersuasive that all police operations should be excluded from public scrutiny. If the public had had proper opportunities to know what happened in the tragic Lawrence case, for example, I doubt that we would be where we are now or that the Lawrence family would have suffered so much and for so long.

I find it inexplicable that the public should not have the right of access to information about police operations, particularly failed police operations. I have in mind fairly humdrum examples, such as were discussed by the Select Committee, relating to the management of disorder or of football grounds and football crowds. Police plans to control public events should be confidential but, after the event, especially when something has gone wrong, the public have an absolute right to know the police's dispositions, what instructions were issued and what accounted for the failure. That is a weakness in the Home Secretary's argument and the Select Committee stated its case plainly in the report. I hope that those who draft the Bill will resist any temptation to retreat from the report's recommendations on this important issue.

The conflict between the right to privacy and freedom of information is a problem. I believe that the right to privacy is very important; I also accept that freedom of information, while important, is not an absolute right. It is crucial that the Bill, and consultation on its drafting, strikes the right balance.

Once we have freedom of information legislation, the world will not be the same. It is doubtful whether the BSE crisis could have deepened as it did had the public had proper access to information. It is also doubtful that the arms to Iraq affair could have taken the course that it did had there been proper scrutiny through access to information. Quangos and utilities will not be able to operate under the cloak of secrecy as they do today.

The role of the press will undoubtedly change, not least because there will be fewer leaks and less of a market for leaking information that ought to be in the public domain. One would hope that there will be less scandal because the people in control of information will be much more careful to ensure that they are beyond reproach and those whose job it is to scrutinise their activities will have more access to information about the way in which they are governing us and the country.

Freedom of information will also come as something of a shock to Members of Parliament. As a new Member I frequently hear older Members in particular telling us about the sovereignty of the House and how important that is. In principle, in our parliamentary democracy, that sovereignty is important, but if it means a barrier being set up between Members of Parliament, Ministers and the people we serve, it is not a good thing. Freedom of information will do a great deal to lower the barrier between the people who sit up in the Strangers Gallery and the people who sit down here in the Chamber. Freedom of information will make truly participative democracy possible. In future, there will be a presumption to disclose information, instead of the culture of secrecy and denial.

For 10 years I was a member of Westminster city council, which was the subject of possibly the greatest political scandal of the century. When I and other members of the opposition elected by our constituents to serve them as well as we could asked for information from council officers because we suspected that something was going on that should not have been, we were consistently denied access to the information. We were asked to demonstrate why we needed it—to demonstrate our need to know. Frankly, one can demonstrate one's need to know only when one has the information and can justify the request. That is simply unacceptable.

One of the strongest features of the proposed legislation is that no one should be required to demonstrate why he or she wants certain information. There should be no denial of an individual's right to information on the ground that it is a fishing expedition. If my friends and colleagues on Westminster city council and I had had access to the information when we asked for it and had been given the right to scrutinise the administration as we were elected to do, many of the scandals with which everyone is so familiar about Westminster would not have

happened. That would have been far better for local democracy there and it would have saved thousands of our constituents a great deal of suffering.

Freedom of information will make our democracy truly participative. When people have access to information, they can react and play their own role in decision making. It will no longer be possible for the great and the good, that small coterie of those elected and otherwise who dominate public affairs, to do so to the exclusion of our constituents. I enter a plea that, when we have an information commissioner, he or she should not merely have the common touch but common sense so that they can be truly representative of the people they are appointed to serve.

One of the most pernicious features of social exclusion is the exclusion of individuals and communities from decision making. Freedom of information and the technology that is making information so much more accessible will bring a radical cultural change to the way in which our affairs are managed. The onus is on the Government to ensure that freedom of information is truly liberating—not merely a subject for Hampstead and Islington dinner parties, but something that will be meaningful to every man and woman in the country.

In welcoming the White Paper, may I enter a plea to the Government? May it come soon, but above all may it certainly not be diluted. I hope that the White Paper is not diluted by those who are paranoid or retentive—by civil servants who feel that they will lose influence and control or by sectional interests who would rather cloak their activities in secrecy. The Government should keep up their courage and stick to the principles of the White Paper. If they do, it will be one of the enduring achievements of this reforming Government.

8.24 pm

**Mr. Mike Hancock** (Portsmouth, South): Like all hon. Members present tonight, I am grateful for the opportunity to speak on this subject. Like the Chairman of the Select Committee on Public Administration, I and other hon. Members are disappointed that we are debating the matter when we have not yet had the Government's response to the report that the Committee worked so hard to achieve. I must pay tribute to our chairman, the hon. Member for Cardiff, West (Mr. Morgan) for all his work. I also compliment the hon. Member for Aldridge–Brownhills (Mr. Shepherd), who is the most experienced member of the Committee and who held the line on more than one occasion, preventing some of us from being misdirected. I am grateful for his help and that of my hon. Friend the Member for Lewes (Mr. Baker), who I am sure will want to make some observations, if he catches your eye, Mr. Deputy Speaker, about information that he has tried desperately hard to get out of Ministers in the past 12 months and the frustrations that have caused him to ask close on 1,000 parliamentary questions.

**Sir Patrick Cormack:** An expensive fellow.

**Mr. Hancock:** Yes, very expensive. I am glad to say that not all his questions were directed at the Chancellor of the Duchy of Lancaster.

The Committee's deliberations could have been entitled, "The tale of the two Chancellors" because we had a different approach from both of them. The hon. Member for The Wrekin (Mr. Bradley) was right to remind us of the fun morning when we questioned the Lord Chancellor. Some of us expected a little more than we got and some were disappointed that he seemed to want to rush quickly on to discuss the quality of wallpaper, where he should buy it and his domestic activities, rather than the serious questions that we wanted to put to him. How different it was when we questioned the Chancellor of the Duchy and how right he was to take the issues so seriously and to spend some considerable time going into detail with Committee members on the rights and wrongs of the White Paper and his ambitions for how it would develop.

I also hope that the White Paper will develop into a Bill in the Queen's Speech, and will become an Act. That will give us a terrific trinity of good new legislation, with major breakthroughs—data protection, human rights and freedom of information—a trinity of usefulness for the population as a whole to use. Hon. Members stressed to the Chancellor of the Duchy that we hoped that this aspect would not develop into legislation that is available only to the rich and powerful, to big business and the media. We hope that the people whom we represent will have access to it.

In one of my contributions to the Select Committee, I reflected on the problems of my constituents. I considered five different areas. One was the nuclear test veterans—many of whom were national service men in the Army, the Royal Air Force and the Royal Navy—who went to the Pacific 30 or 40 years ago and took part in the tests, which affected their lives. Sadly, many of them are now dead, but there are still unanswered questions relating to the activities of some 40 years ago. Those involved have been stonewalled decade after decade and there is widespread frustration that the Ministry of Defence is still cloaking in secrecy what happened and the position of those men.

Many Gulf war veterans live in the Portsmouth area. Once again, they are frustrated by their inability to get answers to questions. Service personnel in general are frustrated by what they come up against, particularly when they have recently left the service and want to query issues relating to their activities.

Immigrants are often frustrated by the fact that they cannot get answers when relatives are refused entry or they are denied citizenship. Portsmouth prides itself on being a cosmopolitan city, and we have a large immigrant population. The most notorious citizenship case outstanding is that of Mr. Fayed. Under the legislation, he would still not be able to find out who said what about him to frustrate his application. That cannot be right.

Only this morning, I had a conversation with a constituent who was a party to the arrest of two people who had robbed and assaulted him. He identified them to the police on not one but three occasions, including at an identification parade. When the case went to court, he was not even informed of the court date, and he subsequently received a letter saying that the police had dropped the case. There was no explanation from the Crown Prosecution Service or the police. He could get no answers and came to me in frustration. Under the current proposals, we shall never be told why that blatant crime went unpunished. The frustration will continue, and that cannot be right. Even at this late hour in the consultation on the legislation, we should consider those points carefully.

*[Mr. Hancock]*

On 14 September 1996, the right hon. Gentleman who is now the Prime Minister said:

"The case for a freedom of information act and the incorporation of the European Convention on Human Rights into British law is now generally agreed outside the Conservative Party and even by some within it. The onus must always be on public authorities to explain why citizens should not have access to information and not vice versa."

In the *Tribune* of 29 September 1995, the right hon. Gentleman who is now the Home Secretary wrote:

"Labour wants to see far greater openness in government. That is why we will introduce a Freedom of Information Act to give people clear rights of access to information collected by public authorities. The balance of the presumption must be reversed so that in most cases information will be made available to the public unless there is a good case for secrecy."

I hope that both right hon. Gentlemen, who now hold high office, will remember their words and act accordingly. I was somewhat frustrated when the Home Secretary expressed to the Select Committee the view that we should still close the door on information from the police.

The conflict between civil servants and the ballot box should be won by the ballot box every time. The House and the will of the people should not be subverted by powerful Whitehall mandarins who might feel that their past life style and the ease—the deft touch of the unaccountable—with which they have governed the nation are being interfered with. We cannot allow this opportunity to slip away, because the nation would not forgive us.

The main purpose of the legislation is to allow people access to information that is pertinent to their personal lives. The balance has to be drawn carefully between the right to know and the privacy of the individual, but I believe that we can find the right blend when the Bill is drafted.

Some of the most intimidating agencies have been wholly excluded. At present, the police, the security services, social security and immigration are all excluded, except for administrative records. We want that to change. It cannot be too late for that.

Hon. Members have asked about the role of the commissioner, which is limited to a judicial review, concerning procedure rather than substance, so a Department has only to act "properly or reasonably", and if the statutes are drafted to give wide scope for what is proper and reasonable, the commissioner will have almost no opportunity to intervene. The hon. Member for South Staffordshire (Sir P. Cormack) made the same point when he said that the use of words could provide an easy route to stop information being made available. We should not allow ourselves to be frustrated by words. We must explore the situation positively.

Committee members were frustrated when we could not further examine the position of the public utilities. The monopoly companies appear to have lobbied successfully to escape the provisions, except where their activities are directly accountable to the public. Southern Water, which serves my area, is an offshoot of a much bigger company, and the larger implications of that multinational company's activities have a bearing on what happens with water in the area that I represent.

We need the right to question the parent company about its activities, and not only about its responsibility to provide clean water and decent sewerage. We need to explore the motivation that leads to investment being contracted or expanded and the pressures that exist on the board. Companies working in the public interest must be open to public scrutiny. Anything short of that would be a travesty of what most reasonable people would expect from the legislation.

We need time to scrutinise the legislation. I hope that the Select Committee will have that opportunity and that the Chancellor of the Duchy of Lancaster will give us a timetable that will allow us to invite back previous witnesses and question new ones. Many groups would welcome that, and we would relish the opportunity of developing the draft legislation into the reality of a Bill to be introduced in Parliament.

We must ensure that the legislation on data protection and that on freedom of information interface correctly and do not become a means of foiling one another. They should work in tandem to develop freedom, transparency and openness. We must insist that those points are taken on board. Anything short of that will leave people sadly frustrated.

We must take careful note of the points made by the Campaign for Freedom of Information, whose submission to the Select Committee spoke of the harm test and how it is to be applied. In its report of March this year, it listed the factors that needed to be demonstrated to give real authority to that test. Those factors included which parts of the requested information would cause harm; the nature of the harm; the mechanism by which it was believed that the harm could be caused; why it was believed that it would be substantial; and the measures that had been considered for excluding part of the data or seeking the consent of a third party to make information disclosable.

All those factors need to be a fundamental part of the legislation. The harm test—the protection test—should be there. It should go both ways. It cannot be good enough for a Department simply to say that information would be harmful. The Department should need to demonstrate publicly what the harm would be.

Liberals have campaigned for the best part of five decades for freedom of information legislation. The White Paper goes a long way to delivering on our expectations of the incoming Labour Government. I am particularly grateful to the Chancellor of the Duchy of Lancaster for his leadership and commitment in getting us this far. It would be a great disservice to the House to suggest anything other than that he is the right person to take freedom of information through its next stages, and I wish him well in his endeavours to do so. I congratulate him on what he has done so far, but ask him to take note of what hon. Members on both sides have said. Not one of us here—few though we are—wants anything but good from the White Paper, and 55 million people see it as a stepping stone to greater freedom to live better lives and to understand a little more about our country's government.

8.40 pm

**Dr. Alan Whitehead** (Southampton, Test): I apologise for any unintentional discourtesy to the Chairman of the Select Committee on Public Administration or to other hon. Members arising from my absence at the start of the debate. I received a late invitation to meet a Minister, whom I had asked to see, and I felt it best to accept. Unfortunately, that made me a little late.

From what I have heard, I realise how united is the House's welcome for the White Paper and the Government's clear-sighted commitment to freedom of information. I join the hon. Member for Portsmouth, South (Mr. Hancock) and my hon. Friend the Member for The Wrekin (Mr. Bradley) in commending the Chancellor of the Duchy of Lancaster on his drive to ensure that the proposals are wide-ranging enough to create a climate in which open information is normal. I hope that the legacy of the legislation to arise from the White Paper will be that people will ask in future what all the fuss was about. People should find it normal to have access to information about what Governments, public bodies and elected representatives do, and there should be no question that it could be otherwise.

We should not underestimate the revolution in public affairs that that will require. It is good to hear the official Opposition being generally supportive of proposed legislation. That is a revolution in itself. It has not always been that way, although some on the Opposition Benches have always been conspicuously courageous in their tireless advocacy of freedom of information. Indeed, a full 33 per cent. of those now sitting on the Conservative Benches fall into that category. It took a careful mathematical calculation to reach that figure.

My hon. Friend the Member for The Wrekin said that the Opposition's new attitude towards legislation might create a climate in which we may receive, from someone, an apology for what happened in Westminster. No apology has been forthcoming from the Opposition leadership, but that case exemplified what can happen when there is a climate of secrecy in local government and when councillors and officers make sure that people do not have the information on which to make proper judgments. Things go dreadfully awry when that happens, and we do not want those circumstances to recur in local government.

Nor do we want to see again in national Government the disgraceful circumstances of the arms-to-Iraq scandal. There was clear evidence in the Scott report of dissimulation by Ministers and civil servants, and that was engendered by the assumption that information was the property of those who had initial access to it, and was a privilege to be handed out in teaspoonfuls to anyone else.

Some people dismiss freedom of information as a problem merely for the chattering classes. However, the problem for freedom of information—or, in our case, lack of it—is that change must come about in public perceptions of what politicians and public administrators are up to. We must demonstrate our good will, our good intentions, our probity and our willingness to engage in proper debate about the issues on which we legislate. Public trust has been lost because of what the public have seen of many people engaged in public administration in recent years. It will take a lot of hard work to restore trust. We cannot do it overnight, or by a single stroke of policy. It will require consistent application over many years. That is why freedom of information is so important.

As the hon. Member for Portsmouth, South said, an Act such as the one that I believe that the Government will introduce will rank as one of the Labour Government's seminal achievements. It will create a climate in which the contract between the politicians and civil servants and the public can perhaps be built anew. Partnership and participation are essential to democratic government in any country, and especially so in ours.

I am pleased that the Select Committee's report broadly supports the Government's initiative. However, a thread—best described as fear of the implementation of legislation—runs through the report's examination of the White Paper and the evidence of witnesses. There were suggestions in the press and among those who gave evidence to the Select Committee that Ministers might seek to restrict the flow of information. It was suggested that Ministers might push for tight definitions of harm, or might argue for an extensive definition of commercial confidentiality.

It also appears from the White Paper that such bodies as the police and the security services might be given a blanket exclusion, perhaps because of fears of the effects that freedom of information would have on them. I can well understand that substantial parts of the operations of the police and the security services must remain operationally confidential. The reports coming out about the history of the troubles in Northern Ireland tell us that there are matters of which the public cannot be made aware for national security reasons.

However, we need not necessarily jump from those facts to the introduction of a class exclusion. The tremendous difficulty in making a distinction between policy and operations has systematically bedevilled implementation of freedom of information in local government. It also came to the fore in recent discussions between the Prison Service and the previous Home Secretary. A host of other examples exists. To put administration within freedom of information legislation, while other activities fall outside, could cause difficulties. The matter should be clarified, because the public must have confidence that the Government are conducting their business in an open, fair and even-handed manner. When it comes to the police, public confidence is vital at all times.

I shall tell the House about the fears that many people justifiably—in some cases, less justifiably—have about implementing the legislation by relating my experience of attempting to introduce a freedom of information platform when I was leader of Southampton city council. When my party took control of the council in 1984, there was a very tight regime in place. It was generally presumed that information was the property of officers, and sometimes of councillors, and items that came before the council for discussion were coded on paper of different colours—hon. Members who have served on local authorities will be familiar with the colour-coding obsession in which those authorities have historically indulged.

In the case of Southampton, an item coded on white paper could be talked about to anyone. If business came before the local authority on yellow paper, it meant, curiously, that one could not talk about it until the afternoon of the council meeting and subsequent to that. If it came before the council on pink paper, one could not talk to anyone about the matter before or after the council meeting—although most of the business on pink paper was systematically leaked to the press by persons unknown. Most importantly, that regime was put in place by officers who effectively had carte blanche in deciding what coloured papers went before the council for discussion. A catch-all definition allowed officers to grade the confidentiality concerns of the local authority.

As soon as my party came to power and I became council leader, I decided that the system should be reversed and that papers would be regarded as

*[Dr. Alan Whitehead]*

confidential only if the reasons for their confidentiality were written upon them. There were seven such reasons—including commercial confidentiality and the personal disclosure of details about a council employee—but no general catch-all clause that allowed someone to declare that a paper should be confidential. Every paper had to bear the reason for its confidentiality. That order completely turned around the atmosphere in the council. I am delighted that the White Paper says that Ministers or any other public servant who wishes to persuade the public that a matter should be confidential must make a case as to why that is so. The onus must be upon them to make that case, which is the right and proper way to proceed.

At the time, I received advice both nationally, and particularly locally, from several local authority officers that I was a foolish council leader—many others have told me that since then, but, on this occasion, it related to the confidentiality issue.

**Mr. Hancock:** You never heeded it.

**Dr. Whitehead:** I seem to recall that the hon. Gentleman was particularly complimentary some years ago about the wonderful way in which Southampton city council was run. I am grateful for that historical compliment.

It was suggested that my order would lead to a rash of inquiries and that the council would come to a standstill. The phrase "nutters' charter" was used—not an expression that I would choose—and I was accused of stirring up trouble. People said that, within a few months, I would regret my foolish actions and we would have to put the genie back into the bottle. However, there were no such complaints. The method of operation was not unmanageable and the system worked well. I believe that the public had much greater confidence in the city as a result of the changes. The Local Government (Access to Information) Act 1985, in which the hon. Member for Aldridge–Brownhills (Mr. Shepherd) had a substantial hand, installed the regime across local government—although in a slightly different form from Southampton.

There has been considerable resentment subsequently in local government circles about the difference between what local government is required to disclose, and how the House requires it to conduct its business, and the way in which central Government operate. There are startling differences in the level of disclosure required in the civil service and in local government service. Among other things, it is vital that freedom of information legislation rights that wrong: the same rules must apply across all public service. The public service generally must be required to give an account of what it does and the public should have access to that account in order to judge whether the public service is doing a good job on their behalf.

In that context, it is also important to consider carefully the disclosure of parliamentary information. The Select Committee's background paper refers to

"an implied repeal of the Bill of Rights, which declares that the freedom of speech in debates or proceedings in Parliament ought not to be impeached or questioned in any court or place out of Parliament."

I do not see how what we do in Parliament fits that description. I think that Parliament should take a lead in this area. We must restore our good name through our deliberations with the general public. In my short time as a Member of Parliament, I have observed that hon. Members overwhelmingly deliberate in good faith: they examine the details and think carefully about their actions. The Government take great pains to get their consultation right so that everything is in order and the public are protected properly by the legislation that we pass in the House. The more the public know about the process in this place, the more they will understand that, despite occasional press comments about us, the House is an effective guardian of probity in public life. If that is made apparent, public confidence in public life will be restored.

My small contribution in this area was to publish in my annual report a full financial breakdown of my income and expenditure as a Member of Parliament. The lucky citizens of Southampton will receive about 20,000 copies of that document in the near future—whether they like it or not. That financial information may come as a surprise to people in the first year. However, if I publish that information every year, it will be assumed that that is a natural occurrence. As soon as it becomes the norm, no one will worry about the new regime and the new climate. If the legislation can bring about that new climate and the Chancellor of the Duchy of Lancaster can ensure that it permeates the conduct of public life in this country, he will have done our country a great service.

8.58 pm

**Mr. Richard Shepherd** (Aldridge-Brownhills): The hon. Member for Southampton, Test (Dr. Whitehead) spoke about the difficulties of this process. Twenty years ago, the then Home Secretary, now Lord Merlyn-Rees, used to sit in a little room behind the Speaker's Chair with the representatives of the Liberal party to thrash out the details of freedom of information legislation. The splendid Lord Merlyn-Rees told us during various debates on official secrets legislation that he often used to nod off in those long dark nights as the Liberal party made a vigorous case.

Lord Merlyn-Rees nodded off because he recognised three features. First, there was no will among his colleagues for freedom of information legislation. Secondly, he could not necessarily command a majority on it. Thirdly, the life of the then Labour Government was coming to an end and it was unlikely that the legislative programme would have allowed the legislation. Those were the conditions of 20 years ago and it has been a long haul since.

There was Clement Freud's Official Information Bill. I notice that two great men are within the precincts of this building: a former chairman of the Campaign for Freedom of Information, who is now an adviser to the Chancellor of the Duchy of Lancaster, and the director of that organisation, Maurice Frankel, who is sitting under the Gallery. It is due to the efforts of extraordinary private citizens for little or no return that a society—a great society, I would argue—advances. It is undoubtedly the assiduity of such people in pushing, cajoling and helping Members of Parliament introduce a raft of important legislation that has given citizens rights of access to personal information and a range of other details.

We are debating the Government's White Paper and the observations and comments of the Select Committee on Public Administration, on which I have the honour to

serve under the distinguished chairmanship of the hon. Member for Cardiff, West (Mr. Morgan). I hope that I can look forward to a positive Government response to some of our comments. The White Paper has introductions by the Prime Minister and the Chancellor of the Duchy of Lancaster. They are the most positive advertisements and arguments for freedom of information. They forced to me to think of the arguments that I had adduced over the years in the House. Why do I believe that freedom of information is important? I do not have the eloquence of the Prime Minister or the Chancellor of the Duchy of Lancaster, or of the Cabinet Committees that brought this together.

First, I had always argued that we want freedom of information because of who we are as a people. It is our sense of ourselves and our responsibilities, the nature of a public society, the relationship of the citizen to the Government. We are the elected representatives of the people, ours is a democratically elected Government. Freedom of information affects the relationship between the two. It is in our language. In his "Areopagitica", Milton says:

"Give me the liberty to know, to utter, and to argue freely".

Those are the essences of our society and who we are as a people.

Secondly, I have always argued that freedom of information is central to accountable government. Again, we can invoke our literature, poetry, language and constitutional development. Remember Pope's "Essay on Man":

"What can we reason, but from what we know."

It is the knowledge of what Government are doing, the knowledge and arguments that form public policy, for which Governments are responsible to us in this House as elected representatives, that gives equality of argument. Governments in Britain have never feared the expression of public opinion. They fear the ability to argue on an equal basis about facts.

That gives me my third reason for arguing for freedom of information. If we have open government with free access to the information that is available to Government, public policy is more likely to be better. We are likely to make better decisions and judgments. What the Government have done is not only important and purposeful but important in a very specific respect.

In the first edition of his "Freedom of Information" Professor Birkinshaw notes:

"Information is inherently a feature of power. So too is its control, use and regulation. Take away a government's preserve on information, and its preserve of when and what to release, then you take away a fundamental bulwark of its power".

What the Government are going to do is remarkable, which is why we watch with anxiety the translation of a White Paper into a draft Bill. I would draw attention to certain causes of that anxiety: for example, the dark clouds that have gathered in the past week, whereby journalists were so much better informed than Back Benchers, seem to show some resiling as Ministers come to reflect on the burden of what the measure may mean. British government has always been deemed to be traditionally a secretive thing and I have tried to argue that that is a product of war, the Defence of the Realm Acts and "Careless talk costs lives".

I noticed that my hon. Friend the Member for South Staffordshire (Sir P. Cormack), in his excellent speech from the Dispatch Box, referred to the distinction between types. I think that I must be a Whig Liberal—whatever that means—in terms of constitutional development, so I give a cheer to what the Government have put down in the White Paper. That is not just my view, that of the Campaign for Freedom of Information, or that of Members of Parliament; it is the view expressed in an extraordinary report from the information commissioner in Canada, Mr. John Grace—a man for whom many of us have great affection and regard for his advancing of freedom of information in Canada. In his last report, a section reads, "Left in Britain's dust". He praises the Prime Minister and the Cabinet Minister responsible and observes of the Chancellor of the Duchy:

"What he has drafted, represents nothing other than a breathtaking transformation in the relationship between the government and the governed."

He quotes the Chancellor's words, that the legislation

"would transform this country from one of the most closed democracies to one of the most open."

That is a profound compliment, paid across the waters, for we should never forget that Canada is also a parliamentary democracy.

All the arguments that have been adduced in the past—ministerial accountability, responsibility to the House of Commons—have been used to shore up secrecy, not to open up government, but, as I have argued, how can we have accountable government if we, as Members of Parliament, and informed public opinion cannot participate in understanding the balance of the argument? When I look back on the only period from which I can draw examples, I see that most of the major difficulties that previous Governments got into were a consequence of the extraordinary holding on to secrecy—the when and why and where to release information.

Some of the most shaming and difficult episodes for our Government have lain in that culture of secrecy. We had a distinguished former Foreign Secretary defend the secrecy surrounding the change to the arms guidelines on the ground that, had the British public and the House of Commons known that they had been changed, they would have been outraged because they had been influenced by Saddam Hussein's bombing of the Kurds. He was defending the culture of secrecy on the highest grounds of grand bureaucracy, in the belief that only experts can know best. Ours is a public society: that is what the White Paper recognises and that is what my party now profoundly believes.

I cannot give such an open-handed compliment to the major players in all this without also saying a few words about the exclusions, in respect of which hon. Members on both sides have made valid points. We are concerned about the role of the commissioner: I do not want to see any rowing back from the extraordinarily strong position identified by the Lord Chancellor, the Chancellor of the Duchy and the Cabinet Committee that issued the White Paper, but newspaper reports give one cause for pause. Another important issue is the nature of the damage test—"where it is necessary". Both the Select Committee and the Campaign for Freedom of Information have expressed concern about the proposal to exclude a number of bodies and functions from the scope of the legislation. The most serious of the proposed exclusions relate to the law enforcement functions of the police, police authorities and Government Departments such as the immigration service. Others include security services, prosecution functions of the Crown Prosecution Service, personnel records and legal advice.

*[Mr. Richard Shepherd]*

I am particularly concerned about the police. There is, as far as I know, no other freedom of information Act, in the advanced democracies and parliamentary democracies that follow our model, that excludes the police wholesale. I must express some disappointment with the Home Secretary's evidence. The right hon. Gentleman was rather like the Queen in "Alice in Wonderland"—"Off with their heads." There was no reasoned argument. Instead, we had the assertions that we have heard under previous Governments—for example, that it is quite improper, that somehow by aggregation, by putting together little pieces of information, the entire law enforcement edifice of the United Kingdom would crumble.

I do not think that anyone could take the argument at that level very seriously. It was so totalitarian and absolutist. No one has suggested that the operations of our police forces should be under the scrutiny of freedom of information legislation. However, every other society has enabled certain questions to be asked.

The Home Secretary instigated—it was by his fiat, no one else's—the Lawrence inquiry, an inquiry into the murder of a fellow citizen. None of that information was available. As the evidence has come out in front of the Lawrence inquiry, we understand why some of the police want to be so secretive. It is the most appalling outlaying of information. It must be deeply damaging to many people's perception of the most important service for the protection and well-being of us all as a civic society. It is extremely important, so of course they say, "Keep it closed." In fact, it is only by opening it up that we can see where faults lie, that we can insist on improvements, that we can encourage and we can get it right.

I represent, as does the hon. Member for The Wrekin (Mr. Bradley), a constituency in the west midlands. The serious crime squad there had to be disbanded. The Commissioner of Police of the Metropolis has told us that a high proportion of police officers are inadequate, dishonest and not suitable. These are drips of information which do not enable us to give a balanced view of what matters. That is a real argument for including certain aspects of the police in the legislation.

I shall push that point to the Chancellor of the Duchy of Lancaster, as has the Select Committee on Public Administration and other hon. Members who have spoken in the debate. I know that these battles are not easy and I know that, instinctively, the Home Office is anxious about anything that could undermine the police and the integrity of law enforcement. I am suggesting that, on the periphery, inclusion can reinforce and elevate the esteem in which the police are held by their fellow citizens.

The difficulty about exclusion is that no information about a body or its function would be available, even if disclosure would cause no harm. As I have said, no overseas freedom of information law adopts such an approach. Information should be available unless disclosure is shown to be potentially harmful. That is the test set out in the White Paper. I hope very much that, in managing the Committee with the continuing help of the Chancellor of the Duchy of Lancaster, the Lord Chancellor will ensure that the Bill features in the Queen's Speech for the next legislative programme; that is all-important. I am disappointed to note that it will not be published until the summer recess, although the Committee on which I serve can meet in September to review it. I am concerned, as I said, when the Commissioner of Police of the Metropolis talks of his minority of officers who are corrupt, dishonest and unethical. However grave the misconduct, it should not be excluded.

There was an important development in the years before the White Paper—the code of practice introduced by my right hon. Friend the Member for Huntingdon (Mr. Major). That seems so small a step now only because we are offered such a great prize, but it is still the governing principle of freedom of information. We should not forget that the code is more liberal than the White Paper in one important respect: access to information on immigration matters. That that should be a matter of difficulty in the White Paper disappoints me, but I commend my right hon. Friend the former Prime Minister on his action. Each time we take a step, it is forward, and the White Paper is also a step forward.

9.15 pm

**Fiona Mactaggart** (Slough): I want to reflect on why the right of freedom of information is so important and to focus not only on the big issues, as many hon. Members have done, but on some of the smaller issues. Freedom of information legislation is crucial, first, because the Government make mistakes. Unless we know what action they have taken, what they think and what information they have, we are unable to correct them. For many people, and in much decision making, that is one of the crucial reasons why we need a legislative guarantee of freedom of information.

Secrets can have devastating effects on people's lives. It was, after all, only when a Minister went to court and admitted that he had lied that people who risked going to gaol because of arms exports were freed from that risk. It is essential that we have a robust mechanism that ensures that information about the truth is available.

That is why I share the disappointment that many hon. Members have expressed about some of the exclusions in the White Paper. The hon. Member for Aldridge-Brownhills (Mr. Shepherd), whose record on freedom of information is second to none, referred to the information about policing that has come out as a result of the Lawrence inquiry. I cannot believe that the basic inadequacy of police officers' knowledge of the law and appropriate procedures has expressed itself only in that single case. Yet we know about that case only because of the inquiry. There should be a general presumption of the right to know about policing, and it should be subject to a harm test only on the grounds of prevention of crime, public order and so on.

As many hon. Members know, I am particularly concerned about immigration issues. I praise the Government for showing greater openness than any of their predecessors on one important point: for the first time, the instructions to immigration officers and entry clearance officers overseas on how to interpret the immigration rules have been made publicly available. They are available in the House of Commons Library and will one day, I hope, be available on the Home Office website.

Many of us who have been worried about the rights of people subject to immigration control have campaigned for that step for many years. It is a huge step forward on

openness. I am really depressed that a Government who have the courage to do that—unlike their predecessors, who consistently refused to do so—do not have the courage to say that the operation of the immigration service should be subject to freedom of information measures, provided that it does not harm the proper administration of immigration control.

The effects on people's lives of what is done by the immigration service are devastating. It determines whether they can live with their families or whether they can ever see their grannies again. Such matters are the day-to-day concern of my constituents, and are not sufficiently subject to public scrutiny because of the inadequacies of parts of the appeal system.

The other crucial issue is that, unless we have freedom of information, the relationship between the Government and the governed is one of feudalism—those who hold the information are the masters and the people are the servants. That is upside down. We are in government to serve the people of Britain. We cannot do that adequately unless they know, and can use that knowledge to hold us to account.

In an information age, when information is power, when people are used to greater openness and trust in their dealings with others, the lack of that information, openness and trust between Government and the people is a key factor in creating disaffection and alienation from the political process. That can be overcome by stripping away secrecy and being open.

I believe that many hon. Members share my horror at the behaviour of some young oiks who have been selling information, and have been ticked off by our newspapers for doing so. That reminds us all how valuable this information is, and reminds us that sometimes it is available only to people who can pay for it. There is a very simple way of changing that: give it to the many, not the few. The Government can give it away or, at least, allow such information to be made available without excessive charge. When the Bill is introduced, we must ensure that, as far as possible, information is given away, so that it can be the people's information. I urge the Minister to ensure that.

**Dr. Julian Lewis** (New Forest, East): I point out, for the record, that the type of information that *The Observer* managed to get, as it were, ahead of time, is not really that with which the Bill is concerned. The hon. Lady plays it down rather, but did not *The Observer* find that people from new Labour who were in the know, in the right pressure groups and lobbies, could get information of commercial value out to clients, perhaps 24 or 48 hours before it would have been released anyway?

**Fiona Mactaggart:** I believe that the hon. Gentleman suffers from an excess of credulity. My reading of the piece in *The Observer* is that the charge was that these people claimed that they could provide such information. I did not see that any of them had actually done so. I called them oiks earlier; it is not very wise for anyone to trust oiks' claims.

In the historical debate, since I have been a Member of the House, I have pooh-poohed those cynics who said that the strategy that the Government chose to use—to start with a White Paper, to have a debate and then to introduce legislation—would lead to the failure of the possibility of legislation because, once we had tasted power, we would fall into the nasty habits that every other Government had shown, and would want to keep our secrets to ourselves and under our jumpers. I have always said that that is not true. I hope that I shall be proved right by what happens next.

I believe that the evidence shows that I am right. The Government's record of giving away power and opening up the process of government shows that they have done that more dynamically than have any other Government this century. They have given power to the Welsh assembly and the Scottish Parliament. They have given the people rights through a "Bill of Rights"—the Human Rights Bill—and, let us make no mistake about it, that is how the incorporation of the European convention on human rights will work. That is one of the tools for fundamentally changing the constitutional relationship between the Government and the people. I believe that we will do that, but it is easy to be frightened, and there is ample evidence that the civil service is frit. Successive reports from ombudsmen show Departments scuttling around trying to find reasons why they do not need to provide information under the code—in the words of one of the ombudsmen, "haggling about issuing information". My message is that Departments should not be scared and Ministers should not listen to them.

We have a chance to end the popular vision of government in this country as a bunch of Sir Humphreys pushing Ministers around intellectually. The Sir Humphreys must be put back into the cupboard and the secrets taken out of the cupboard. If we do that, we have a great opportunity to change Britain's democracy radically. We should ignore the fearful, be bold and implement the words that the hon. Member for South Staffordshire (Sir P. Cormack) quoted, predicting that they might prove to be our downfall. Those words were not only in the introduction to the White Paper, but in Labour's manifesto.

We know what the truth is. Unnecessary secrecy in government leads to arrogance in government and ineffective policy decisions. We have a chance to show definitively that this Government will end the arrogance of government and improve the quality of policy. We will do that by introducing an effective freedom of information Bill. The White Paper is a step on the road. Let us take the next leap.

9.26 pm

**Mr. Norman Baker** (Lewes): It is wonderful to be in the Chamber to speak on the subject of freedom of information and the Government's radical proposals. One of the reasons why I entered politics was my commitment to the freedom of information. It is a building block on which so much else rests, and if it is not right, so much else suffers.

I agree with the hon. Member for Aldridge-Brownhills (Mr. Shepherd) in his analysis. Bad government follows from secrecy; better government follows from freedom of information. For that reason alone, every Member of Parliament should embrace proposals to open up government. Moreover, it is people's right to know what is going on. When Government get it wrong, people at large gain the information and pull Government back on track. For those two reasons, freedom of information is essential.

*[Mr. Norman Baker]*

I pay tribute to the hon. Member for Cardiff, West (Mr. Morgan) and his Committee for keeping their eye on the ball and not being deflected; to hon. Members such as the hon. Member for Aldridge–Brownhills who have campaigned so hard on the issue; and especially to the Chancellor of the Duchy of Lancaster, who has been unswerving in his commitment since the election in May last year and, no doubt, before that as well. It is disgraceful that attempts are continually made through the national media to disparage the Minister, probably by people who are after his job, and I hope that, under the freedom of information proposals, we will find out who is responsible.

**Mr. Hancock:** We should be so lucky.

**Mr. Baker:** I hope so.

The White Paper was very good indeed. I have only two main comments. The first relates to the total exclusion from the proposals of the security services and the police. Why is not the test of substantial harm applied to the security services, as it is in the rest of the paper? I accept that that means that a great amount of material relating to the security services would not be released, but if the substantial harm test were applied, some information would come out.

Why are we not even allowed to know, for example, how the money allocated to the security services is split among MI5, MI6 and GCHQ? Why do we not know how many telephone lines are tapped, as opposed to warrants issued? There is much information that could be given out without in any way endangering national security. That will not be taken forward by the proposals in the White Paper.

Secondly, I am disappointed that the 30-year rule is not to be reduced to 20 years. I note for the record that, last Friday, the Government Whip blocked my Bill to achieve that. I would be grateful if the Chancellor would explain whether the objection is on principle, or is on the basis of the cost or the practicality of reducing the limit.

I do not wish to strike a note of discord, but there seem to be two sorts of Labour Member, at least in the Cabinet and possibly outside. That is one way of looking at it, anyway. Let me simplify what I am saying: some members of the Cabinet are good guys, and some are not. At present, a battle seems to be in progress for the soul of where the Government are going in regard to freedom of information. Members of the Cabinet have woken up to the fact that the issue may embarrass them, that it will produce difficulties for them and that it will mean matters they would prefer to remain secret becoming public. As hon. Members have said, a rearguard action is in progress in an attempt to stop the Bill—not overtly, because that would be too unpopular; to delay it for a Session, and then another Session. Then it will be a question of "It is too near the election, Minister. You cannot do it now."

We have had that sort of thing before. In 1979 the Conservatives came to power having promised such an Act, no doubt in good will; that was put off and put off, and never materialised. I do not underestimate the forces of darkness, if I may call them that, which will conspire to stop such legislation.

**Sir Patrick Cormack:** The Prince of Darkness.

**Mr. Baker:** Perhaps.

I ask for a clear commitment from the Chancellor of the Duchy of Lancaster that the Queen's Speech will include legislation, and that legislation will not be delayed for a further 12 months—and possibly 12 months after that, when everyone else has lost interest.

I have spoken of the dichotomy between members of the Cabinet who wish to pursue matters openly and those who wish to keep them secret. Let me now say something about the other report, which has not been dealt with at much length. I refer to parliamentary questions—a subject that the Chancellor might be disappointed if I did not mention tonight. Contrary to what was said earlier, tabling written questions costs nothing; it merely means that civil service time is redirected towards answering questions from Back Benchers rather than matters raised by Ministers.

It is clear from answers given that not everyone in the Government shares the commitment of the Chancellor of the Duchy of Lancaster to freedom of information. The report from the Public Administration Committee recognises that written questions are crucial: that is the wording that it uses, and I am grateful for that endorsement. The Chancellor himself has said:

"Ministers should be as open as possible with Parliament, refusing to provide information only when disclosure would not be in the public interest".—[*Official Report*, 16 December 1997; Vol. 303, c. 78.]

I asked the minister Without Portfolio, in a parliamentary question, whether he would list

"persons within his office who have complained to the media about the reporting of the Government's activities."—[*Official Report*, 10 November 1997; Vol. 300, c. 452.]

The answer was

"No."

I asked him whether he would

"estimate the percentage of his working time spent on . . . Ministerial duties",

and was told:

"I devote whatever time I judge necessary for the fulfilment of my ministerial and other duties."—[*Official Report*, 28 July 1997; Vol. 299, c. 25.]

That is not a blocked answer—I refer to a point made in the report—but an answer that, although not blocked, tells us nothing.

I asked the Prime Minister to

"list the meetings and events since 2 May at which the Minister Without Portfolio has represented the Government."

The answer was

"Since 2 May my hon. Friend has had a wide range of meetings with ministerial colleagues and others."—[*Official Report*, 29 July 1997; Vol. 299, c. 114.]

I knew that before I asked the question, but I was not told much more than I knew before I asked it. Such answers are designed to give no information. They are designed to cock a snook at Members of Parliament who want a freedom of information Act.

Only recently, I asked the Prime Minister—I think this was very germane—whether he would list

"Labour party events which have taken place since 14 May . . . at . . . 10 Downing Street . . . 11 Downing Street . . . Carlton House Terrace and . . . Chequers."

We know that such events are taking place, because they are in the papers. The Prime Minister said:

"Any private receptions have been held in accordance with the Ministerial Code."—[*Official Report*, 25 June 1998; Vol. 314, c. 597.]

In other words, he will not tell the House something that we ought to know.

There are good guys and bad guys. My money is on the Chancellor of the Duchy of Lancaster, who is doing a splendid job. I hope that every hon. Member will support him in his attempt to bring about a freedom of information Act

9.34 pm

**Miss Melanie Johnson** (Welwyn Hatfield): I thank the hon. Member for Lewes (Mr. Baker) for curtailing his remarks so that I can contribute, although I wonder how many written questions he could have tabled in the time that he was on his feet. Perhaps we should have detained him a little longer.

I was a little bemused by some contributions from Opposition Members. Do they see the vessel as largely full, half empty, or more than half empty? There is no doubt in my mind that a massive step forward is being made with the White Paper and the draft Bill, which I hope will be published later this year—that is the thrust of the report of the Select Committee, of which I am a member.

We are on the brink of a revolution in information. That is being brought about not only by the White Paper and legislation, but by the advent of greater access to information via the internet and all the implications that that has for our society, for neighbouring societies and for the whole globe. That revolution will have a great impact on how much progress we make with the legislation and how we make that progress—although it is interesting that few hon. Members felt the need to refer to that.

The hon. Member for South Staffordshire (Sir P. Cormack) commented on the code of practice and complained that we have not given it sufficient credit in the debate, but much larger steps forward will be taken through the White Paper. The Select Committee report refers to crucial differences between the code and the White Paper. For example, the scope of the code is much more limited in general; documents can be withheld under the code, whereas people will not be able to do that under the proposals in the White Paper; the test under the code has been one of harm, but we propose a test of substantial harm in many cases; and there is no means of enforcement under the code—the ombudsman only has powers of persuasion to bring to bear. All that makes a marked difference, which is one reason why the code, which was introduced four years ago, has not been given the place that it could have occupied.

As hon. Members on both sides of the House have said, there is no doubt that freedom of information will change things for the vast majority of people: we have to introduce it for the many, and it will be a meaningful step forward for the general public. It is easy to forget that, although some hon. Members may be exercised by the burning issue of how many receptions have been held at No. 10 Downing street, for many members of the public freedom of information will mean that they can get from the Intervention Board, the Inland Revenue, the Milton Keynes development corporation, the Commission for the New Towns, the Child Support Agency, the Benefits Agency or the Marine Safety Agency answers to the various questions and problems that they have had as individuals.

Such matters—information on the fees paid to lawyers, for example—sometimes go beyond the individual, but are often confined to an individual's difficulties with gaining access or recourse to something to which, under the current system, he cannot gain access. Although hon. Members worry about access to information in the corridors of power, those other issues matter to many people—they affect their lives.

As a society, we have developed many anxieties about the presumption that information should be accessible, and we have a secretive culture. It is interesting to look through the report of the Parliamentary Commissioner for Administration on what has happened with the Ministry of Agriculture, Fisheries and Food in respect of contracts for the disposal of cattle infected with BSE. We have already commented in the report and again this evening on the fact that the course of the BSE saga might have been different, and the cost to the public purse and to farming might have been much less, if a freedom of information regime had been in place. It is clear from the commissioner's report that, in response to a question, the MAFF people would not release details about the contracts because they did not refer to the code of practice at all. The report shows that MAFF and many other Government Departments are only just—there is a list of the improvements that are being made by Government Departments in that document—beginning to take steps, with the civil service, to become much more open and that the anxieties to which I have referred are still to the fore.

We need to have legal backing to the right to information, as the Government propose. That is crucial. When we went to Sweden and Ireland, we found that the improvements that need to be made in the civil service are important. Much time has been spent, particularly in Ireland, where this is a new issue, looking at the changes that need to to be made in the civil service, in civil service training and in codifying practice and manuals.

We heard from my hon. Friend the Member for Slough (Fiona Mactaggart) about the improvements that have been made in the openness of immigration procedures and manuals, although she made other comments about that as well. However, there are other areas where we need to codify practice and make it more readily available to people. We need to explain what information is kept, how it is kept and why. Those are not the sexy parts of freedom of information, but they may make a big difference to people's lives.

The confidence and competence of a Government are to be tested against the extent to which they will open information and against the belief that they represent the interests of many people, so that their interests will not differ from those of many people. A Government who are confident about their competence will be prepared to share with people, and to take the step towards freedom of information. Once that step is taken, I believe that we will not go back on it; we will only make progress. The prospective legislation is part of a major constitutional change towards more open and accountable government. It brings about the presumption of openness. For that reason, it is a major improvement.

*[Miss Melanie Johnson]*

We have heard much about striking the right balance on privacy. That will be difficult. When we went to Sweden, we heard how, if an under-age pregnant girl wrote a letter to Sweden's Prime Minister, that letter could, because of that country's freedom of information regime, become public property, which would be highly undesirable. If, however, the same girl wrote to Sweden's Ministry of Health about those matters, the letter would be protected and the privacy of the individual would be rightly preserved. We need to strike the right balance. It will be difficult, but we need to include safeguards to ensure that people in this country do not run into such problems.

I endorse what we say in the Select Committee report: this is a

"radical advance in open and accountable government",

of which this Government should be justly proud.

9.44 pm

**The Chancellor of the Duchy of Lancaster (Dr. David Clark):** This has been an excellent debate. The House is indebted to the Chairman and members of the Select Committee for examining the White Paper and for persuading the Liaison Committee to recommend to the House that this item should be debated. I welcome the debate and I have listened carefully to the almost unanimous views of hon. Members on both sides of the House.

It is interesting that the House appreciates how critical freedom of information is to our democracy. We have been through a difficult time and, because we are all aware of the breakdown of trust between Governments and citizens, we are beginning to realise, as we move into the next millennium, that democracy is more than casting a vote every five years, important though that may be. I am enthused by the mood of the House, which showed that hon. Members recognise that freedom of information and the right of our citizens to know information that affects them is a critical part of our democratic institutions. They also appreciate the fact that open government is good government. I have believed in that thesis for many years and I am delighted that others now share that view.

I shall try, in the time at my disposal, to deal with as many as possible of the points that have been raised. I apologise to the Select Committee for not giving it a formal reply, but work on the Government's response is well advanced and I hope that we will meet the two-month deadline. We shall give the Committee a detailed and considered response.

This is a well-produced and well-thought-out report. It has raised a number of issues that we are considering. We take the Select Committee's point that this is a particularly difficult concept to understand and get right. My hon. Friend the Member for Welwyn Hatfield (Miss Johnson) made the point forcefully that there is a fine balance between openness and privacy and that we should learn from the experience of other countries. In preparing the White Paper, we spent a long time studying the experience, often over many years, of other countries.

The Government take on board the Select Committee's 44 detailed recommendations. We may not agree with all of them, but we shall examine and test them. The Select Committee recognises how fine the balance is, and accepts that this is

"an ambitious and highly complex piece of legislation".

It is conscious of the fact that it has taken us a long time—rightly, in my view—to ensure that we attained the correct solution. It says:

"we have some serious doubts . . . about whether the Government has been able to give sufficient attention to the relationship between the Freedom of Information Bill and the Data Protection Bill."

As we have followed the debate and weighed up the results of the consultation, we have shifted our position slightly on the relationship between freedom of information and data protection and have looked anew at some of the concepts.

No one should doubt our commitment to freedom of information. It is clear in our manifesto. My hon. Friends and hon. Members on the Liberal Democrat Benches have acknowledged that the Government intend to push ahead with a radical programme of constitutional change. Freedom of information is a key part—I would argue, a central part—of the programme to modernise British politics. As the Prime Minister said, freedom of information is not some isolated constitutional reform, but a change that is absolutely fundamental to how we see politics developing in this country. He is absolutely right and the overwhelming majority of hon. Members share that view.

In our 1997 manifesto, we said that we would introduce

"a Freedom of Information Act, leading to more open government"

and we will. Both parts of that statement are correct. They are related, but not dependent on each other. Governments can, should and will be open in providing information to citizens and to Members of Parliament.

**Mr. Baker:** Will the right hon. Gentleman give way?

**Dr. Clark:** I shortened my speech to allow everyone to get in and I do not want to exclude anyone, but I hope that the hon. Gentleman will excuse me if I do not give way. I want to try to answer points raised by the hon. Gentleman and other hon. Members.

We have to be more open. That is why we published the background papers leading to the White Paper and why we have published much more information on the internet.

The hon. Member for South Staffordshire (Sir P. Cormack) criticised me for not acknowledging the code of practice, but we do acknowledge it in the White Paper. We have not laid great emphasis on the code because we intend to surpass it, but it has had a part to play. It has been the yardstick against which we have tried to measure our progress but, by and large, all hon. Members—including the hon. Gentleman—believe that the time has come to move on.

I should point out that the annual monitoring report for the code—which I announced only last month—states that the Government recognise the continuing value of the code. In planning the transition to a statutory regime, the Government will therefore seek to build on the experience gained and the lessons learnt from operating the code. We acknowledge the importance of the code in taking forward the White Paper.

We have made progress in the White Paper. As has been pointed out this evening, we are extending the coverage to almost the whole of the public sector. We are widening and deepening the information available. It is no longer just information that people will have access to, but the original document. We are reducing the exemptions from 14 to seven. We are creating an information commissioner. Some hon. Members may not have quite understood the full powers of the information commissioner.

The hon. Member for Portsmouth, South (Mr. Hancock) was a little critical—I put it no higher than that—because he felt that all the commissioner could judge was the reasonableness of the decision of the civil servant. That is not the case. Under our proposals, the commissioner will examine and rule on the merits of the refusal to disclose information. The point of reasonableness comes in when we have a final appeal—if there is one—under the judicial review. The hon. Gentleman can be reassured by that point.

We have, for the most part, imposed harm tests that are much more stringent than any of the existing mechanisms. I think that the House will accept that we are moving forward from the code and that we are making a quantum leap.

I am encouraged by the response of hon. Members on both sides of the House, particularly by that of the official Opposition, who are now prepared to change their stance and to support a statutory freedom of information regime. That is welcomed by Labour Members and by Liberal Democrats, who spent many years trying to persuade the previous Government that they were wrong on this matter.

Hon. Members have also raised the issue of process, which is a difficult matter to get right. I assure the House that the process remains on course and that progress is good. I tell my hon. Friend the Member for Cardiff, West (Mr. Morgan) and other members of the Select Committee who have expressed concern that the Government have an agreed timetable to publish a draft Bill by the end of September for pre-legislative consideration. Indeed, nothing whatever has happened to affect the Bill's candidature for inclusion in the Queen's Speech later this year; I cannot be more open or definitive than that.

The Government's declared intention is that there will be further consultation. That is why we are publishing the draft Bill and why the Select Committee will have the opportunity to consider it before the legislation is finalised and brought before the House after, I hope, the next Queen's Speech. The Opposition will have the opportunity to feed in their views on the draft Bill, but the issues are so difficult that, unless the Government give a lead after consultation—as is their duty—we shall have no framework within which to work. The White Paper "Your Right to Know" is a declaration of the Government's intent. It contains the principles on which the Government will build and from which they will derive their draft Bill.

As has been acknowledged, we are going much further than other countries. That is right and proper, given that we have been so far behind. However, I want to correct one or two of the points that were raised today. It is important that hon. Members understand that we intend to exclude only the security services; we shall not exclude the police or the immigration service per se. Paragraph 2.21 of the White Paper states that

"the Act will exclude information relating to the investigation and prosecution functions of the police, prosecutors and other bodies carrying out law enforcement work such as the Department of Social Security or the Immigration Service."

We do not intend to exclude administrative functions of the immigration service or the police.

Deciding what constitutes administration and what constitutes investigation has taken up much of our time and attention; finding the right definition is a difficult task, but we are trying to do it. Once we decide that a matter is not excluded, we shall have to determine whether it belongs to one of the seven specified interests and, finally, whether disclosure is against the public interest.

We are trying to bring forward a Bill that strikes the right balance between privacy and freedom of information.

We have taken on board the fact that the Select Committee pointed out that we should integrate data protection and freedom of information. When the Lord Chancellor appeared before the Select Committee, he pointed out that the two pieces of legislation must be dovetailed. We are very much persuaded by the Select Committee's argument that we need to get that absolutely right. Probably, most of the applications on subject matter will be under the data protection legislation, but we are also aware that it does not go as far as we would like and does not cover as much as the freedom of information legislation.

*Question deferred, pursuant to paragraph (4) of Standing Order No. 54 (Consideration of estimates).*

*It being Ten o'clock,* MADAM SPEAKER *proceeded to put forthwith the deferred Questions which she was directed by paragraph (5) of Standing Order No. 54 (Consideration of estimates) to put at that hour.*

## ESTIMATES 1998–99

### Class IX, Vote 1

*Resolved,*

That a further, revised sum not exceeding £6,019,940,000 be granted to Her Majesty out of the Consolidated Fund to complete or defray the charges which will come in course of payment during the year ending on 31st March 1999 for expenditure by the Department for Education and Employment on voluntary and special schools; the Assisted Places Scheme; the provision of education for under-fives; city colleges and other specialist schools; grant-maintained schools and schools conducted by education associations; music and ballet schools; the school curriculum and its assessment; the youth service and other educational services and initiatives; careers guidance and services; payments for or in connection with teacher training; higher and further education provision and initiatives; loans to students, student awards and other student grants and their administration; the payment of access funds; reimbursement of fees for qualifying European Union students; compensation payments to teachers and staff of certain institutions; expenditure on other central government grants to local authorities; the provision of training and assessment programmes for young people and adults; initiatives to improve training and qualifications arrangements and access to these; the promotion of enterprise and the encouragement of self employment; payments for education, training and employment projects assisted by the European Community and refunds to the European Community; events

associated with the UK presidency of the EU; the UK subscription to the ILO; help for unemployed people; the promotion of equal opportunities, disability rights, childcare provision and co-ordination of certain issues of particular importance to women; the payment of certain fees to the Home Office; the Department's own administration and research and that of Capita; the information and publicity services; expenditure via training and enterprise councils and amounts retained by them as surpluses and spent by them on training and other initiatives within their articles and memoranda of association; expenditure in connection with the sale of the student loans debt; and on expenditure in connection with Welfare to Work Programme and Millennium Volunteers.

## ESTIMATES 1998–99

### Class XVII, Vote 1

*Resolved,*

That a further sum not exceeding £55,642,000 be granted to Her Majesty out of the Consolidated Fund to complete or defray the charges which will come in course of payment during the year ending on 31st March 1999 for expenditure by the Office of the Minister for Public Service on the central management of, and delivery of services to, the civil service including the delivery of cross-departmental IT systems; expenditure resulting from the Chancellor of the Duchy of Lancaster's chairmanship of the Ministerial Committee on Food and Safety; and certain other services.

## DELEGATED LEGISLATION

**Madam Speaker:** With permission, I shall put together the motions relating to delegated legislation.

*Motion made, and Question put forthwith, pursuant to Standing Order No. 115(3) (Northern Ireland Grand Committee (Delegated Legislation)),*

EDUCATION (NORTHERN IRELAND)

That the draft Education (Northern Ireland) Order 1998, which was laid before this House on 8th June, be approved.—*[Mr. Betts.]*

*Question agreed to.*

*Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),*

EXPORT AND INVESTMENT GUARANTEES

That the draft Export and Investment Guarantees (Limit on Foreign Currency Commitments) Order 1998, which was laid before this House on 11th June, be approved.—*[Mr. Betts.]*

*Question agreed to.*

*Motion made, and Question put forthwith, pursuant to Standing Order No. 115(3) (Northern Ireland Grand Committee (Delegated Legislation)),*

APPROPRIATION (NORTHERN IRELAND)

That the draft Appropriation (No. 2) (Northern Ireland) Order 1998, which was laid before this House on 16th June, be approved.—*[Mr. Betts.]*

*Question agreed to.*

## PETITION

## Overbuilding (West Sussex)

10.1 pm

**Mr. Howard Flight** (Arundel and South Downs): I present a petition on behalf of the citizens of my constituency in the county of West Sussex, which is further to three petitions presented to the Prime Minister in 10 Downing street. The petition expresses the concerns of the citizens at overbuilding in rural areas, in particular in West Sussex, and the requirement to build 12,800 new dwellings additional to the county's structure plan, all of which will be built on green-field sites.

The petition has 507 signatures and, in addition to the previous petitions presented to the Prime Minister, makes a total of 45,000 signatures on the subject. It reads:

The petitioners therefore request that the House of Commons urge the Secretary of State for the Environment, Transport and the Regions, to ensure that more homes are built in city areas instead of in the countryside or in the Green Belt, both to breathe new life into our cities, and to protect the valuable countryside, and in particular, that of West Sussex, for future generations.

*To lie upon the Table.*

# Education (East Sussex)

*Motion made, and Question proposed,* That this House do now adjourn.—*[Mr. Betts.]*

10.2 pm

**Mr. Nigel Waterson** (Eastbourne): The Prime Minister used to describe his three priorities as "education, education, education". We have heard rather less of that recently. Reducing class sizes was one of the Government's so-called "early pledges" when in opposition. The spin doctors now tell us that we got it wrong, and that, when we thought an early pledge was one that would be delivered early, it was in fact one that was made early. That minor embarrassment does not, of course, stop Ministers announcing all sorts of wonderful developments in education. However, after 14 months in office, I thought it was time to examine whether, in East Sussex at least, the reality on the ground matched the rhetoric.

Of course, education funding in East Sussex must be seen against the Government's general policy to switch funding from counties to urban areas. I pointed that out in the House during the debate on the revenue support grant on 5 February.

Since February, there has been a change in control in East Sussex. We now have a Lib-Lab pact, faithfully mirroring the one we have at national level. Voters in East Sussex will have noted that the net result of the pact was the installation of a Labour chairman of education. So far, he has not exactly bombarded me with protests at the effects of Labour Government policy on education in East Sussex.

Be that as it may, the effect of Government policy this year has been cuts in primary education of 1.53 per cent. or £886,000, and in secondary education of 1.85 per cent. or £1.178 million. I am sure that the Minister will say that an extra £9.2 million was given for education in East Sussex, and that it was passported through.

How does that convert into real cuts in education? The overall revenue budget allowed for East Sussex in 1998-99 was £324.8 million, but forecast committed necessary revenue was £329.7 million. Education needed £13.17 million extra, compared with the extra £9.2 million offered by the Government. In other words, there was an initial shortfall of nearly £4 million. Moreover, the previous Liberal Democrat administration ran the reserves down to almost nothing, making it impossible to cushion the blow by drawing on reserves.

At the same time, the Government changed the way in which capital debt was treated, at a cost to East Sussex of £1.67 million. To add insult to injury, the Government's raid on pension schemes cost the county council £800,000, and changes to what is now called the standards fund are costing a further £900,000. That is to say nothing of the extra cost to the local education authority of new Government initiatives; yet the cost of our central administration is only about half the national average.

How are those across-the-board cuts affecting individual schools in my constituency? Mr. Arthur Cornell, the head teacher of Cavendish school, says:

"we received £39,000 less than expected . . . There have been no redundancies because of retirements . . . There has been a 5% cut in spending on books and equipment".

Mr. Salmon, the acting head teacher of Ratton school, says:

"We have lost the equivalent of one and a half teachers".

The headmaster of Bishop Bell school, Mr. Terry Boatwright, says:

"Our annual growth in pupil numbers averages an impressive 13% per annum with an increase in number on roll from 520 to 660 pupils."

That is impressive in anyone's language, but he goes on to say:

"Our budget in the last financial year was £1,348,000 and, with a 13% increase in pupil numbers"

he would have expected

"a budget of £1,455,000 assuming that the teachers' pay award was fully funded . . . Our actual budget is . . . £60,000 less . . . This leaves us in real terms £38,000 short . . . When basic running costs and salaries are taken out . . . I have only around £150,000 per annum to spend on educational resources. You can imagine the effect of a cut of £38,000, or 25%, on that budget!"

One of my local infant schools is in a similar predicament, having lost £27,500 from its budget. The chairperson of the governors says:

"in September we will have to lose a teacher in order to balance the books . . . our S.E.N. teacher must take a class instead of being peripatetic . . . This makes a mockery of this claim of increased funding and apart from being very depressing for the school staff it means that the recruitment of caring governors will be even more difficult in the future."

I fear that those horror stories are replicated throughout my constituency and the whole of East Sussex. I am indebted to my right hon. Friend the Member for Wealden (Sir G. Johnson Smith) for passing me letters in a similar vein from his local schools.

The head teacher of Hellingly county primary school, in a letter to the Prime Minister, says:

"For the very first time ever in 39 years of my adulthood, I voted for your party at the last election, because as a Headteacher I was very disheartened with the Conservative Government's devastation of education. However, since your party took office"—

I am being very fair, and reading the whole of this—

"I have become more and more alarmed about your proposals for education and about the impact that your new legislation is having on my children in my school."

She says that her budget share is more than £25,000 short, despite a rising roll. She concludes:

"I have never been so disheartened and disappointed. If I could afford to retire after giving my life to the profession, . . . I would most certainly do so as the burden is intolerable. Many of my dedicated colleagues will be feeling the same."

That is not a ringing endorsement of the Government's education policy. History does not relate whether she received a reply from the Prime Minister, or, if so, to what effect.

A letter to my right hon. Friend from one of the governors of St. Philip's Roman Catholic primary school in Uckfield states:

"In 1997 we had 197 pupils with a budget of £297,000. This year we have 198 pupils . . . we now have £294,000, a 2.5 per cent. overall cut . . . We now have another staff vacancy—a loss of a very experienced employee—and here we are thinking this is a good opportunity to save money by employing another newly qualified teacher."

I have had representations from Conservative county councillors about the massive contradiction between the Government's policy on class sizes and their professed

*[Mr. Nigel Waterson]*

support for parental choice. Ministers may insist on a maximum of 30 in a class, but in rural areas there is often no room to build extra classrooms, and in most areas there is no money to do so. Last weekend, a worried mother phoned to tell me that she wanted her son to go to St. Andrew's Church of England school, a choice that I can certainly understand, as it is an excellent school with a dedicated headmistress. The child is apparently unable to go to the school of his parents' choice, because admission numbers were reduced across the board this year. The boy is one of three children left out in the cold. My constituent and her father went to that school, and, she said, she received an excellent education in a class of 36.

Another assault on local education is the Government's intention to take away the right of parish and town councils to appoint a governor to their local schools. The Opposition fought that tooth and nail in Standing Committee, and I welcomed the Government's defeat on the matter in the other place last week. The Government's proposal caused concern in rural communities up and down the country, and I hope that the Minister will confirm that that ill-considered proposal will be abandoned.

The situation is not much happier in the pre-school sector. The nursery vouchers scheme was popular with private nurseries and playgroups in my constituency. I know that, because I took the trouble to visit them. I also met on several occasions members of the Independent Preschool Nursery Association, an excellent organisation based in Eastbourne. For purely dogmatic reasons, the former Liberal Democrat administration in East Sussex refused to participate in the pilot scheme. Then the new Labour Government abolished the scheme, again for reasons of dogma.

Nursery operators are supposed to be working in partnership with local education authorities through the early years development plan. It is some partnership. Nurseries must wait upwards of six weeks for payment, a serious burden for small businesses. Whether through incompetence or design, our LEA seems to be sitting on funds received from the Department. Barbara Davies of IPNA, who runs the Tots and Time Out nursery, contacted the Department to establish that the money was sent out on 29 May. Yet she received her money only in the past few days, and after threatening legal action. How many others are still waiting? The situation is wholly unacceptable, and I hope that the Minister will undertake to investigate it.

Let me turn finally to students' tuition fees. I do not recall the Labour candidate in my constituency saying that a Labour Government would impose fees. I know that many parents in Eastbourne feel betrayed on that issue, among others. For poor families, it could make the difference between a son or a daughter going or not going to higher or further education.

For once, I agree with the Prime Minister that education should be an important priority for any Government. That is why the Conservatives placed such emphasis on driving up standards in education and on parental choice. Children and young people are the future of any nation, and a Government who betrayed that future would deserve condemnation.

I call on the Minister tonight to accept that his policies are simply not delivering improved education to my constituents and to promise that he will put things right. Empty rhetoric may have been all right in opposition, but he and his colleagues are now in charge. I hope that we can expect the political equivalent of the Minister's staying behind after school and writing out 100 times, "I must try harder."

10.14 pm

**The Minister for School Standards (Mr. Stephen Byers):** I welcome the opportunity to put some facts before the House this evening regarding the Government's policies on education in East Sussex and across the country. The hon. Member for Eastbourne (Mr. Waterson) failed to acknowledge the good work that is being done in many schools in his constituency and in East Sussex generally. As Minister for School Standards, I put on record my thanks and congratulations to those schools in the hon. Gentleman's constituency and throughout East Sussex that are doing a very good job. One needs only to look at the standards being achieved to realise that real improvements are taking place in schools in East Sussex.

In 1997, at key stage 2, tests for level 4—the level that we expect 11-year-olds to achieve—revealed an average of 63 per cent. for English and 61 per cent. for mathematics. Those figures are broadly in line with the national average. What is particularly impressive is that they show a dramatic increase on the 1996 figures, when, in the key stage 2 tests, the figure was 55 per cent. for English and 52 per cent. for mathematics. Schools in East Sussex are making real improvements. Although the hon. Gentleman failed to do so, I congratulate those schools, the teachers and the parents on the improvements that have been made this year. I hope that standards will continue to rise.

I began my speech by referring to standards, because that is the Government's No. 1 priority. That is why, contrary to the hon. Gentleman's comments, we have provided a substantial increase in funding for schools in East Sussex and across the country. In light of the hon. Gentleman's remarks, it is worth reminding the House of the facts—we shall rely not on the prejudice that we have heard from the hon. Gentleman, but on what is happening and the actions that the Government have taken.

On capital spending, which is used to repair the fabric of school buildings, the new deal for schools means that we expect to spend some £2 billion repairing, renewing and improving school buildings, security and information technology by the end of this Parliament. In the March Budget, the Chancellor of the Exchequer allocated a further £100 million to support education capital spending in England. My right hon. Friend the Secretary of State for Education and Employment announced details of that funding last Friday. On day-to-day spending, we have allocated an extra £835 million this year in England alone over and above the spending plans of the previous Administration—whom the hon. Gentleman supported.

**Mr. Michael Jabez Foster** (Hastings and Rye): The Minister will be aware that Sussex has received more than £7 million extra funding this year. When I served on Sussex county council, there was a £12.6 million cut in central Government spending in 1995–96; an £11.5 million cut in 1996–97; and an £11.3 million cut

in 1997–98. The county council coped with those spending cuts by drawing on reserves, and it had to spend £22 million in order to maintain standards in East Sussex.

**Mr. Byers:** I am grateful to my hon. Friend for that illustration of what went before. His experience of the county council is informative about the cuts that were made year on year by the Conservative Administration. That contrasts starkly with the steps taken already by this Government to remedy the wrongs imposed on our schools system by the actions over not three but 18 years of the Conservatives.

In the general election, we pledged to raise the proportion of national income invested in education as we cut the misuse of Government money elsewhere. We are delivering on that, and next week the outcome of the comprehensive spending review will be announced. I am confident that we will bring good news for schools in East Sussex and the rest of the country, and it will not only be about extra funding for priority areas such as education.

The review provides an opportunity to develop a new approach to public services, with targets for improvements set and outcomes publicly identified. All too often in the past, simply spending more was good enough. No thought was given to raising standards or improving the quality of education on offer. Those days have gone. Increased spending must be linked to specific, clearly stated outcomes. Funding to support reform and modernisation must be the key.

We have not simply awaited the outcome of the comprehensive spending review. We have taken action already and provided increased funding—real money—for East Sussex. The education standard spending assessment for East Sussex for 1998-99 represents an increase of 5.9 per cent., or some £9.2 million. That is well above the rate of inflation, and should be sufficient to meet the needs of schools in East Sussex, even after allowing for inflation, pay awards, rising pupil numbers and any other spending pressures that they might face.

It is informative to consider the per pupil increase. Total figures often do not clearly illustrate the amount of extra money that is being provided. This year's per pupil increases bring home the extra funding that the Government are providing. East Sussex is getting an extra £132 for every primary pupil and an extra £156 for every secondary pupil. In percentage terms, that represents an increase of 6.3 per cent. for primary pupils and 5.7 per cent. for secondary pupils. That is a real-terms increase of around 3 per cent., which we expect the county council to use for raising standards in schools.

It is worth contrasting those real-terms increases with the funding provided by the previous Conservative Government. It is only by considering those figures that we can find out whether they were committed to education. The figures reveal clearly the point made by my hon. Friend the Member for Hastings and Rye (Mr. Foster).

Under the previous Government, it was cuts not in one year, but year on year, for the schools and the pupils of East Sussex. Over the final five years of the Conservative Government, education standard spending assessment in East Sussex was cut in real terms for secondary pupils by £218 per pupil, or 7 per cent. It says something about the different priority that this Government give education that, in stark contrast to that reduction of £218, for secondary pupils there has been an increase in spending of £156 in one year. Those are real figures, affecting real children, in the schools of East Sussex.

While the Government have allocated an extra £9.2 million to East Sussex county council, we are disappointed that the full £9.2 million has not been passed on to its schools: £3.6 million has been held back. Schools are receiving only £5.6 million of the money allocated by the Government. That is bound to have an adverse impact on schools in East Sussex.

However, East Sussex gets a fair deal from the Government. It receives 4 per cent. more in the education standard spending assessment per pupil than the average for shire counties. The formula that the Government use to allocate resources through the education SSA is currently being reviewed, because we are not happy with the formula that we inherited from the previous Administration. We want to, and we shall, make it fairer, and many authorities and schools throughout this country want us to do so.

Decisions will not be taken until the autumn, and nothing has been ruled in or out, so it is too early to say how the review might affect funding in East Sussex or in any other authority. However, I can say that there will be a new system of allocating finance to local authorities that is both fair and transparent, which is not the case at present.

In addition to putting the extra £835 million into day-to-day spending through education SSAs, we have secured a substantial increase in specific grants for local education authorities, the most important of which is the standards fund—money that is specifically earmarked for raising standards and improving the quality of education. I shall mention just three of the 23 programmes that are helping to raise standards in East Sussex.

The first relates to class sizes. I was interested in what the hon. Member for Eastbourne said about St. Andrew's Church of England primary school and the difficulties there, but I have to tell him that that has nothing to do with the measures being introduced by the Labour Government. The legal powers that we are seeking for ourselves in the School Standards and Framework Bill are not yet on the statute book, so any action taken in respect of that school have nothing to do with the Government's proposals as they affect class sizes.

We have pledged to reduce class sizes for all five, six and seven-year-olds to 30 or fewer by September 2001 at the latest, and we shall do that. Positive steps are already being taken to achieve that goal, with £116,000 being made available to East Sussex that it must use to reduce infant class sizes. That is money redirected from the phasing out of the assisted places scheme, and is a good example of redirecting resources from a privileged few to benefit the majority.

By ring-fencing those funds, we shall ensure that every school in Eastbourne, in East Sussex and throughout the country will have classes of 30 or fewer by September 2001. That pledge will be delivered in a way that enhances parental preference. That is our commitment, and it is one that we shall deliver. We have also allocated an extra £1.3 million to schools in East Sussex for school improvement and raising standards, and £783,000 specifically for the national grid for learning.

*[Mr. Byers]*

We have been able to go beyond improvements in day-to-day revenue spending by providing additional funding for the maintenance and repair of the fabric of school buildings. The new deal for schools means that we were able to allocate East Sussex £2.1 million to improve school buildings. In addition to the new deal for schools, we have allocated more credit approvals in the form of annual capital guidelines.

For the financial year 1998-99, more than £10 million of credit approval has been allocated to East Sussex. In addition to the main allocation, £860,000 has been made available for capital expenditure on special educational needs. On top of that, a specific grant of £700,000 is being made available to Church schools, in recognition of the fact that such schools are often popular with parents, and offer a high standard of education.

Taken together, all that means that, through the actions of the Labour Government, East Sussex is receiving £225 capital funding for every pupil in the county. That is almost 90 per cent. more than the national average allocation of £120 per pupil. When people can see the facts, they will be in no doubt that the Government are investing in the children of East Sussex.

Eleven schools in the hon. Gentleman's constituency will benefit because of successful applications to improve and repair buildings, and to make them more efficient. Teachers and pupils will all benefit from a better environment in which to teach and learn. Investing in education in this way also means that, over time, more resources will be able to be spent in the classroom, rather than on premises costs. We are sure that that will help to raise standards.

In the end, it is for East Sussex county council to determine the level of budgets of the schools it maintains from within the resources made available by Government. The hon. Gentleman has talked about cuts for some schools in his constituency. It is certainly true that some schools have suffered budget cuts, but what is hard to explain are the differences in funding per pupil. Looking at primary and secondary schools in Eastbourne, in the hon. Gentleman's constituency, changes in per pupil funding range from about minus 8 per cent. to plus 8 per cent. I have to say that I find that difficult to accept. I would urge schools in the hon. Gentleman's constituency to ask the local education authority to explain precisely why that is happening.

It is not my job to set the budgets of individual schools, but the Government have allocated an extra £9.2 million. We are disappointed that not all that money has been passed on to benefit schools in East Sussex. The county council has to explain why it has withheld £3.6 million of that sum from the raising of standards in schools within the area covered by the county council. We believe that the Government have acted properly in relation to the schools and the pupils of East Sussex. It is for the county council to discharge its responsibilities.

There can be no doubt, as my right hon. Friend the Prime Minister has said, that education, education, education is the Government's priority. We have acted to demonstrate that that is the case. We have acted in a way that will benefit pupils in Eastbourne, in East Sussex and in the country generally. We look forward to working in partnership to deliver those improved standards.

*Question put and agreed to.*

*Adjourned accordingly at twenty-eight minutes to Eleven o'clock.*

# House of Commons

*Tuesday 7 July 1998*

*The House met at half-past Two o'clock*

PRAYERS

[MADAM SPEAKER *in the Chair*]

# Oral Answers to Questions

## ENVIRONMENT, TRANSPORT AND THE REGIONS

*The Secretary of State was asked—*

### Regeneration

1. **Mr. Bob Blizzard** (Waveney): What plans he has to assist the regeneration of peripheral areas of the country. [47619]

**The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Angela Eagle):** May I extend to the House the apologies of my right hon. Friend the Deputy Prime Minister and my hon. Friend the Minister for the Regions, Regeneration and Planning for their absence today? As you know, Madam Speaker, both are abroad on official business.

A Bill to introduce regional development agencies is being considered by Parliament. Those agencies will play an important role in stimulating new economic growth while tackling the effect of industrial decline in all areas of their regions.

**Mr. Blizzard:** Does my hon. Friend accept that peripherality is a major factor which affects economic under-performance and competitive weaknesses in certain parts of the country? I believe that that fact is recognised by the European Union. Does my hon. Friend accept also that peripheral areas are sometimes forgotten by those at the heart of government? Will she consider that point when making appointments to regional development agencies? Bearing in mind the fact that the Department is integrated, does she agree that one of the best ways of assisting peripheral areas is by improving transport links, thereby making them less peripheral?

**Angela Eagle:** On my hon. Friend's latter point, the Government have clearly already made a start with the rural transport money announced by my right hon. Friend the Chancellor of the Exchequer. It will have a big effect in rural areas that have been cut off as a result of the deregulation of buses perpetrated by the previous Government. The Government recognise that peripherality can be a significant factor in creating economic difficulties. For that reason, we have negotiated with the European Union to ensure that it gives sufficient recognition to those points in its on-going review of European Union structural funds.

**Miss Anne McIntosh** (Vale of York): Will the Government be minded to introduce an element of rurality as well as peripherality? By wiping £100 million off this year's budget for shire counties, is the Minister doing anything to improve the circumstances of rural, as opposed to urban, areas?

**Angela Eagle:** I disagree with the hon. Lady's view of local authority funding. It is clear that rural areas have particular needs. That is why, through the creation of regional development agencies, we intend to ensure that rural and urban development issues are dealt with strategically.

**Mr. Stephen Timms** (East Ham): Does my hon. Friend accept that parts of the Thames gateway might be properly regarded as peripheral? Will she reaffirm the Government's commitment to regeneration of the Thames gateway area? Given that the Thames gateway is divided between three regional development agencies, will she consider the proposal that one agency should be designated with a lead responsibility for that whole area?

**Angela Eagle:** I congratulate my hon. Friend on his creativity in framing that question. I agree that the Thames gateway is an important area for regeneration, but I will have to think carefully about designating a lead agency. Sub-regional and cross-RDA boundary regeneration projects, such as the Thames gateway, can continue within the new structure. I envisage that the Thames gateway will be successful through real partnership, rather than through one RDA taking the lead. I should like to see the Thames gateway initiative taken forward in partnership, with agreement and co-operation.

**Mr. Adrian Sanders** (Torbay): Will the Minister please distinguish between economic peripherality and geographic peripherality, as some areas in United Kingdom cities can be economically, but not geographically, peripheral? Will she also consider the question of peninsularity, where the problems of peripherality are compounded?

**Angela Eagle:** I do not think that I should even try to say "peripherality". Clearly, however, rurality and peripherality are important points. I think that the hon. Gentleman should congratulate the Government on their recent success in securing NUTS 2 status—the nomenclature of units of territorial statistics—for Cornwall as an economically peripheral area.

**Mr. Cynog Dafis** (Ceredigion): Does the Minister agree that the vigorous pursuit of a sustainable energy policy could make an important contribution to the dispersal of economic activity and prosperity to peripheral regions? As for bio-energy and energy crops, is there not an important opportunity now for policies to be put in place to encourage their development? Would that not help the agriculture sector and would it not be good for jobs and economic prosperity? What discussions is the Department having with the Department of Trade and

Industry and the Ministry of Agriculture, Fisheries and Food to put policies in place to ensure that these developments can take place to assist rural areas?

**Angela Eagle:** The hon. Gentleman is right to point to the potential of biomass and crops as forms of sustainable energy. One of the core functions of the new regional development agencies will be sustainable development. The Government are considering how best to achieve and improve on the renewable energy resources targets set down by the previous Administration. There is a cross-departmental view, because of issues such as the non-fossil fuel obligation, which helps to ensure that energy generation on the edges of economic viability can be developed.

**Mrs. Gillian Shephard** (South-West Norfolk): Does the hon. Lady believe that the regeneration of peripheral areas is assisted by the Government's policy of granting planning permission to build on green-belt land in areas such as Sussex and Newcastle?

**Angela Eagle:** I congratulate the right hon. Lady on her creativity in putting that question. As has often been said from the Government Dispatch Box, the issues of planning, housing and the green belt have been dealt with in reviews of planning guidance in the Government's determination to ensure that they devolve decision making to a level where it is most obviously appropriate for these difficult issues of future planning of housing to be dealt with.

**Mrs. Shephard:** I thank the hon. Lady for that attempt to reply. It is important for peripheral areas, however they are defined, as well as for the rest of the country, that the Government should come clean on their policy for the green belt. Does the hon. Lady accept that, until they do, their position is as defined by the Minister for the Regions, Regeneration and Planning, that the green belt is "up for grabs", or by the comments of Mr. Derek Draper, that the green belt is

"just a . . . bunch of mud tracts at the edge of town"?

**Angela Eagle:** I should like to point out to the right hon. Lady that there is more green-belt land designated under this Government than was ever designated previously. Moreover, we shall achieve our targets for building on brown-field land, unlike the previous Administration, which achieved only 42 per cent. during their all-too-long tenure of office.

### Local Authorities (Pilot Schemes)

2. **Mr. Tony Colman** (Putney): What progress has been made by local authorities undertaking best-value pilot schemes. [47620]

**The Minister for Local Government and Housing (Ms Hilary Armstrong):** All best-value pilot schemes started in April and are implemented in accordance with the plans set out by the relevant local authorities. Under the research programme, a comprehensive overview on progress will be produced in October. Any assessment ahead of that time is necessarily rather selective, but authorities such as Leeds, Newham and York are clearly making good early progress in implementing their plans.

**Mr. Colman:** I thank my hon. Friend for that answer. I am pleased that pilot progress is so good. I believe that the best-value arrangements require a level playing field to ensure that employers and employees have the same expectation contractually, whether in the public or the private sector. Would my hon. Friend like to comment on the discussions involving the United Kingdom standing committee on local authority pension funds, the public sector trade unions, the private sector employers and the Association of Direct Labour Organisations to ensure that the pension arrangements for local authority employees now, and perhaps future employees working for private sector contractors that contract with local government best-value arrangements, are equal and fair to all sides in terms of the cost of those pensions and of ensuring that the value and type of the pensions are maintained for the employees?

**Ms Armstrong:** That is an important aspect of moving forward into a changing situation in local government, where the key issue is not who delivers services but ensuring that services are delivered in the best interests of local people. It is important that employees know that they have as much security as possible so that they can play their full part in changing and modernising those services so that they produce the best value for local people. We are pleased with the way in which discussions on pension arrangements are progressing, and I hope that we shall return to that matter to achieve the level playing field to which my hon. Friend refers.

**Mr. James Gray** (North Wiltshire): Does the Minister accept that the enthusiastic use of compulsory competitive tendering by Wandsworth borough council, among many others, has resulted in Wandsworth having the lowest council tax and the best services in England? Does she agree that the acceptance of that approach by local people is precisely why, during the local government elections last month, every ward in the constituency of the hon. Member for Putney (Mr. Colman) was won by the Conservative party?

**Ms Armstrong:** I am afraid that the Audit Commission does not agree with the hon. Gentleman on the quality of services in Wandsworth. However, we are determined that all services, not just those that were ideologically targeted by the previous Government, deliver the best value for local people. Unlike compulsory competitive tendering, that is not an ideological approach. Instead of being narrowly confined to a contract culture, that approach will be dedicated to responding to the aims and aspirations of local people.

### Vehicle Emissions

3. **Mr. Jeff Ennis** (Barnsley, East and Mexborough): How many deaths each year he estimates are hastened by air pollution from road traffic. [47621]

**The Minister for the Environment (Mr. Michael Meacher):** The Department of Health's Committee on Medical Effects of Air Pollutants estimates that, each year, between 12,000 and 24,000 deaths are brought forward by short-term exposure to certain air pollutants from all sources, including traffic.

It is, at present, not possible to say by how much lives are shortened. It is also not possible to attribute a proportion of those effects to traffic alone.

**Mr. Ennis:** I thank my right hon. Friend for his reply. Given the number of deaths attributed to air pollution and

road traffic, does he agree that the Government should take serious action to address the problem? May I suggest that my right hon. Friend consider three courses of necessary action: first, clamping down on the worst polluting vehicles on our roads; secondly, reducing even further the exhaust emissions of new vehicles, and, thirdly, reducing road traffic congestion throughout Britain?

**Mr. Meacher:** We aim to address all those objectives. First, with regard to the worst polluters, we have instigated in seven local authority pilot areas the roadside testing of emissions and summary fines for owners of those vehicles with emissions above the prescribed level. Secondly, I am pleased to say that, almost in the last day of the British EU presidency, we managed to conclude negotiations on the auto oil dossier, which is an extremely complicated matter and will reduce vehicle emissions and improve fuel quality to such an extent that new cars will be 30 to 50 per cent. less polluting. My hon. Friend is right to stress the need to reduce the quantity of traffic on our roads, as against technological improvements, and that is precisely why we shall shortly issue our integrated transport strategy, which will do just that.

**Mr. Norman Baker** (Lewes): Is the Minister aware that one in six children in my constituency suffers from asthma, and that, at Lullington Heath, the Government's ozone monitoring site, the maximum recommended level has been exceeded 719 times since 1 January 1997? Can he confirm that the White Paper will be radical and will concentrate on encouraging walking, cycling and transfer to rail; and that the lunches that the Prime Minister has had with the Automobile Association and others will not in any way weaken its radicalism?

**Mr. Meacher:** To take the serious point in what the hon. Gentleman said, we are concerned about the increasing incidence of childhood asthma. There has been something of an epidemic over the past decade or more. We need an integrated transport strategy, partly to reduce vehicle emissions; but reducing the number of vehicles on the road is precisely designed to deal with the asthma problem. Under the Road Traffic Regulation Act 1984, local authorities have powers to direct traffic in their area to pedestrianised areas, shut off certain roads to prevent their being used by vehicles, and install traffic-calming measures. All those are being used by local authorities to protect those who are most vulnerable to air pollution.

## Local Government Finance

4. **Dr. Phyllis Starkey** (Milton Keynes, South-West): What responses have been received to the consultation paper on improving local financial accountability. [47623]

**The Minister for Local Government and Housing (Ms Hilary Armstrong):** We have received 491 wide-ranging responses to the consultation paper on improving local financial accountability from local authorities, other organisations and members of the public. In due course, we will place a list of respondees in the House Library and full copies of the responses in the Department's library.

**Dr. Starkey:** One of the issues that will undoubtedly have been covered in the consultation is whether local authority self-financed expenditure should be treated in the same way as central Government spending for control purposes. There are strong arguments in favour of allowing local authorities much greater discretion in self-financed expenditure, not least because that would bring us into line with most of our European partners. Is my hon. Friend prepared to look again at that issue, especially for councils that are already clearly demonstrating their accountability to their local electorate?

**Ms Armstrong:** In his recent announcement to the House, my right hon. Friend the Chancellor dealt with that issue and made it clear that, although there has been a change to the manner in which public expenditure is accounted for, local authority self-financed expenditure none the less remains an important part of overall public expenditure.

We are considering how we can encourage good practice in local government and how we can make sure that authorities, many of which are working effectively, respond financially and in other ways to the needs and aspirations of local people. That includes keeping local taxes down as much as possible while achieving good value, quality services. We shall find ways of encouraging and supporting such councils and encouraging the spread of good practice throughout local government.

**Mr. Paul Burstow** (Sutton and Cheam): Will the Minister confirm that the vast majority of respondents to the consultation confirmed their clear view that they want an end to capping—whether sophisticated, crude or otherwise—and that replacing it with something else would not be satisfactory since it would certainly mean abandoning the promises given by Ministers when in opposition? Will she also scotch the rumours circulating in the local government press that the Government will be unable to introduce their White Paper on local government before the summer recess?

**Ms Armstrong:** I have not read that speculation. We intend to continue our work on the responses to the consultation so that we can present a White Paper to the House before the recess. I can confirm that many respondents wanted to get rid of crude and universal capping: it was never a commitment of anyone who is now a Minister to break the relationship between central Government and local government. Central Government will always have an interest in what local government does, and in its spending power—that is what partnership is all about. Increasing local democracy will increase the autonomy of local government, but we must do both. Central Government will continue to be interested in the way in which local government spends its money.

**Mr. Bill O'Brien** (Normanton): Will my hon. Friend have regard to the representations made by Special Interest Groups of Metropolitan Authorities—SIGOMA—in the review to which she refers? Will she have special regard to the fact that secondary school children in the Kensington and Chelsea constituency receive £3,949 per pupil, whereas those in Wakefield receive £2,728? The difference is more than a third. Will she bear in mind the

imbalance and unfairness between the sums allocated for education to Tory-controlled Chelsea and Kensington and to Labour-controlled Wakefield?

**Ms Armstrong:** It is my responsibility, and one that I take seriously, to listen to representations from all groups. All groups are currently making representations on behalf of the different local authorities that they represent so that they can contribute to our deliberations on achieving a fairer standard spending assessment. In that way, all people, wherever they live, will know that they are being treated fairly.

**Mr. Richard Ottaway** (Croydon, South): Will the Minister agree that local accountability goes out the window if she diverts £200 million in cash from the education of deprived London youngsters to the newly created coalfields region in the north? Will she deny reports that she plans to alter the education budgets of London boroughs by disregarding ethnic origin in calculating additional educational needs? Does she accept that there is a huge ethnic minority in London, and that removing the extra funding will result in larger classes, teacher redundancies and school closures? She may think that tinkering with local government finance is the right thing to do, but she does not have the right to do what is wrong.

**Ms Armstrong:** I welcome the hon. Gentleman's sudden conversion to being concerned about those matters. I am also remarkably encouraged to hear him say that people must be careful about tinkering with local government finance. He might have said that to his colleagues when they were contemplating the poll tax.

I have made it clear to the House on many occasions that there is a proper process of consultation on standard spending assessments. That is taking place now, and it is not my job to pre-empt it. We shall go through the responses to our consultation seriously, and deliberate at the end of the consultation process later in the year.

### Sustainable Resources

5. **Mr. David Hanson** (Delyn): What steps he is taking to encourage business to adopt a sustainable use of resources. [47624]

**The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Angela Eagle):** Sustainable use of resources is the focus for many existing Government programmes and at the heart of the current consultation on sustainable business, launched on 18 June. The responses will inform future policy and programmes, and help to shape the Government's wider strategy on sustainable development.

**Mr. Hanson:** I thank my hon. Friend for that answer. Will she confirm that it is vital that business people take up the challenge offered by sustainable business and look towards making their businesses sustainable for the future? Will she outline how she intends to encourage good practice in business to ensure that we have sustainable development? What do the Government intend to do with businesses that are recalcitrant in that respect?

**Angela Eagle:** One of the best arguments for that challenge to be taken up by business people is that it enables businesses to produce more, more cheaply, and therefore to make higher profits if they get it right. Businesses need to understand the potential for savings, as demonstrated by the Government's energy efficiency best practice programme. For example, a 40 per cent. saving on fuel bills can be made if combined heat and power is installed. A range of other savings can be made in many, sometimes surprising, areas. British businesses need to take account of those and put them into effect.

**Sir Michael Spicer** (West Worcestershire): One of the ideas that are apparently floating around the Department is that the water that farmers use for irrigation should be rationed. Will the minister confirm that farmers already pay for the water they use for irrigation according to usage, so it would be entirely unnecessary and completely unfair to impose this further burden on agriculture?

**Angela Eagle:** It is for the water companies to ensure that supplies are available in their areas, and to charge accordingly. The hon. Gentleman will know that not only is the Office of Water Services undertaking a review, but the Government launched a review of charging and abstraction at the water summit after we came into power. Perhaps the matter will be clearer once the reviews have reported.

### Vehicle Emissions

6. **Fiona Mactaggart** (Slough): What measures he has taken to monitor emissions from all forms of transport since 1 May 1997. [47625]

**The Minister for the Environment (Mr. Michael Meacher):** Direct monitoring of emissions from road vehicles occurs at the annual roadworthiness tests and in roadside emissions testing exercises. National aggregate figures for the transport, industrial and domestic sectors are provided by the national atmospheric emissions inventory. The Department monitors levels of air pollution at 114 automatic networked sites.

**Fiona Mactaggart:** I thank my right hon. Friend for that reply. Is he aware that the town of Slough, which I represent, is encircled by the overcrowded M40 to the north and the M4, which operates at 105 per cent. of capacity, to the south? The M4's eastern junction with the M25 is the busiest road junction in Europe. Heathrow, with its aviation emissions, is to the east of town, and a railway that is not electrified runs through the middle of it. Slough has fantastic communications, but we do not have adequate information about how those different forms of transport add to air pollution. In the preparation for the integrated transport White Paper, could consideration be given to providing better information on how each of those forms of transport contributes to air pollution? For example, what is the effect of Heathrow on the people in the surrounding areas?

**Mr. Meacher:** My hon. Friend makes it clear why the people of Slough voted for a Labour Member at the last election. Areas such as Slough desperately need an integrated transport strategy, and that is what we shall deliver. I agree that full information about the quality of air, the quality of water and the contamination of land should be more widely available. I hope that the freedom

of information Bill, which will not be published before the White Paper on integrated transport, will enable us to make available much more extensive information which should be more readily accessible to the public, including on the internet. A great deal of information is already provided on teletext and in the public media. It is broadcast hourly, but it is not broken down by district to the extent that I would like.

**Mrs. Ann Winterton** (Congleton): Does the right hon. Gentleman accept that emissions from modern motor car engines are minimal, and that the problems are caused either by vehicles that are badly maintained or by engines in older cars, which are often owned and run by people who are less well off? Will the Government introduce measures to encourage those people, by fiscal means if possible, to buy newer, cleaner engines for their cars? *[Interruption.]* And does he accept, in spite of the noise from Labour Members, that ownership of a motor car remains one of the aims of most families? Personal mobility is exceptionally important. I hope that an anti-car strategy is not emanating from the Government.

**Mr. Meacher:** There is certainly not an anti-car strategy emanating from the Government, as the Opposition will rapidly discover when we publish our White Paper. We are concerned that people should walk or use bicycles and public transport where appropriate. If that is not possible, cars remain extremely important, particularly in rural areas. We are trying to deal with that problem for people who do not have cars or cannot afford them.

I accept what the hon. Lady said about emission levels: the problem is indeed caused by older, badly maintained cars. We are trying to deal with the lack of maintenance by carrying out roadside emission tests and issuing summary fines of £60 at the kerbside. I take note of her comments. It would be helpful if we could find ways of encouraging people to exchange old and polluting cars for newer, more fuel-efficient cars.

**Mr. Gordon Prentice** (Pendle): The Minister did not mention compressed natural gas, perhaps because it is pollution-free. May I warmly congratulate the Government on the £500 grant enabling people to convert from polluting fuels to compressed natural gas? May I also urge the Minister to make local authorities aware of the grants that are available? Thousands of depot-based vehicles could benefit from those grants, which could rid our streets of noisy, nasty, polluting vehicles.

**Mr. Meacher:** I am sorry that, in a rather long answer, I failed to mention road gas duty. As my hon. Friend says, we have frozen the duty for the second successive year, improving the market attractiveness of alternative fuels. I accept that we have not made the advantages of using such fuels sufficiently available, although I think that the major problem that we must overcome is the lack of recharging points around the country. Until there are several hundred or, preferably, several thousand, I do not think that the market will take off.

**Several hon. Members** *rose—*

**Madam Speaker:** Order. We have not heard a brisk question or a brisk answer as yet. It has been a very poor performance so far. Let us try the hon. Member for Denton and Reddish (Mr. Bennett).

**Pedestrians**

28. **Mr. Andrew F. Bennett** (Denton and Reddish): What extra provision he intends to make to encourage people to walk to local *(a)* schools, *(b)* shops and *(c)* places of entertainment. [47649]

**The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Ms Glenda Jackson):** We have increased funding for local authority transport packages to £85 million this year. Most of those packages include measures to promote walking. The forthcoming White Paper on integrated transport will set out further measures to encourage walking.

**Mr. Bennett:** Is it not very disappointing that so many young people expect to be driven everywhere by their parents? Will my hon. Friend have a strong word with the Secretary of State for Education and Employment, to ensure that his policies encourage children to attend local schools and that, in the school curriculum, emphasis is put on what young people can do to improve their environment, rather than being concerned about the Bengal tiger or the rainforests? Should they not be told that walking to school would be a good contribution to improving the environment?

**Ms Jackson:** I am sure that my right hon. Friend the Secretary of State for Education and Employment will note what my hon. Friend has said. Equally, I am sure that my hon. Friend will know that, on 21 May, my right hon. Friend the Minister of Transport announced the setting up of the school travel advisory group. Its membership has not yet been finalised, but it will include representatives of my Department, the Department for Education and Employment and the Department of Health, as well as local authorities and others at local level. Its main task will be to oversee further measures to reduce car use for school journeys. The aim is to produce comprehensive guidance on best practice for local authorities by this time next year.

**Mr. Nicholas Winterton** (Macclesfield): Does the Minister accept that, although walking is excellent exercise for those who are young, old or somewhere in between, the security of children going to school is of the utmost importance? A constituent of mine, a young lady of 13 called Claire Hart, was murdered in broad daylight. Sadly, she had been befriended by an unfortunate young man, who murdered her one day when she was on her way to school. If it is not completely secure, this business of walking can be a problem for young people.

**Ms Jackson:** I hope that the hon. Gentleman will accept my condolences following the particularly tragic incident that has afflicted his constituency. As he points out, the question of "stranger danger" also arises when parents decide whether to allow their children to walk or cycle to school rather than being escorted in cars. That is why all our thinking—both in the school travel advisory group, and when we are considering safe routes to school—is based on the premise that the safety and security of children must be overriding.

**Ms Gisela Stuart** (Birmingham, Edgbaston): Will my hon. Friend join me in congratulating two schools in my

constituency that took part in the Walking to School week, an initiative of Birmingham city council? However, in urging children and adults to walk more, will she also look at the Crime and Disorder Bill, which puts a statutory duty on local authorities for safer communities? As the hon. Member for Macclesfield (Mr. Winterton) has pointed out, safety is an extremely important consideration if we want to encourage people to walk, whether it is for entertainment or to school.

**Ms Jackson:** I will certainly congratulate my hon. Friend's local authority, as I would congratulate all local authorities that participated in that part of the Don't Choke Britain month, which encouraged children either to walk or cycle to school. She highlights the important role that a properly integrated transport system can play, not only in reducing and breaking down barriers of social exclusion, but in helping to reduce crime.

## Traffic Congestion

29. **Mr. Nigel Evans** (Ribble Valley): What representations he has received on congestion charging. [47651]

**The Minister of Transport (Dr. Gavin Strang):** Congestion charging was one of the range of options that were raised in the Government's consultation exercise on developing an integrated transport policy. A number of respondents commented on it. We continue to receive representations and correspondence on the subject from a wide range of sources.

**Mr. Evans:** Does the Minister appreciate that rural motorists are concerned about two new car taxes: being taxed every time they enter major towns, and being charged to park outside supermarkets and the place where they work? Does the Minister appreciate that many rural people use their car as a necessity, not as the luxury, and that they have to go into major towns and cities because that is where the services and jobs are? Do rural motorists have to club together to pay for a lobbyist who can have a word with one of the aides in Downing street, so that he can make that telephone call on their behalf, before this Government really listen to their concerns?

**Dr. Strang:** First, we are consulting on these policies, as the hon. Gentleman knows, and will announce our decisions in the forthcoming White Paper. Secondly, of course, the situation of people living in rural areas is different, transport wise, from that of people living in urban areas. If we were to adopt any of these policies, including some of the policies that the previous Government advocated in their Green Paper, it would be only on the basis of the fullest consultation. I remind him that this Government have done more than the previous Government to help people living in rural areas, not least because of the huge subsidy increase that we have announced for rural bus services.

**Mrs. Anne Campbell** (Cambridge): Does my right hon. Friend agree that, although congestion metering could certainly help in some cases to reduce congestion in town centres, there is a danger that such metering will not reduce the traffic level, but simply spread the traffic throughout the day, so that there is not a peak in the morning and evening? Does he agree that that should not be the main objective of the Government's transport strategy? The main objective is to reduce the level of private transport and to make integrated public transport beneficial and available to everyone.

**Dr. Strang:** My hon. Friend raises a number of important points. Surely the whole House agrees that the real issue is to tackle congestion and pollution. We cannot go on the way that we are. We want to create an environment in which people can use their car, but in a way where there is no congestion. That means pursuing policies that make it easier for people to use their car less.

**Mr. Bernard Jenkin** (North Essex): Is the Minister aware that the average weekly shop weighs 60lb? Are we to expect poorer housewives, or indeed poorer househusbands, who cannot afford congestion taxes to take their shopping on and off the bus? Does he agree that a policy of extra taxes for the Chancellor of the Exchequer that is aimed at forcing poorer households off the road, in favour of fat-cat commuters in their gas-powered Jaguars, is not acceptable?

**Dr. Strang:** I do not think that the hon. Gentleman is impressing anyone with that sort of rhetoric. Let me make it clear that of course we recognise that there are a whole range of journeys, particularly shopping and shopping with young children, where the car will be a convenient and flexible mode of transport. However, that does not mean that we do not have to address what is happening. On the basis of present trends and with unchanged policies, traffic on our roads is predicted to increase by over a third over the next 20 years. We cannot go on like that. The Government are prepared to bite the bullet and we will put forward our proposals later this month.

30. **Ms Rosie Winterton** (Doncaster, Central): If he will estimate the cost per year of traffic congestion. [47652]

**Dr. Strang:** Road congestion imposes costs on the environment, the economy and society. Estimates of the cost to the economy vary. For example, the Confederation of British Industry estimated that congestion cost the British economy some £15 billion in 1989. A more recent estimate by National Economic Research Associates put the costs to road users in 1996 at £7 billion.

**Ms Winterton:** Does my right hon. Friend agree that one of the key ways of reducing the cost of traffic congestion would be to improve bus services? In view of my right hon. Friend's previous answer, can he reassure the House that the forthcoming White Paper will address some of the problems created by the previous Government's deregulation policies which, in my constituency, mean that the local bus company, Mainline, has withdrawn a number of bus services against the wishes of local people and the South Yorkshire passenger transport authority? That is forcing people into their cars and increasing congestion and all the costs that go with that.

**Dr. Strang:** Yes, I can give my hon. Friend the assurance that she seeks. For many people who do not live in the London area and who do not live near a railway station, the only public transport option is the bus service.

That is why we attach so much importance to supporting buses. It is why we increased the fuel duty rebate and announced a virtual doubling of the subsidy available to rural bus services. It is why the bus operators described the last Budget as the best Budget the bus industry has ever had.

**Mrs. Gillian Shephard** (South-West Norfolk): Does the right hon. Gentleman recall that, in opposition, his party's view of reducing congestion by widening the M25 close to the proposed terminal 5 near Heathrow was that it represented £100 million-worth of motorway madness? What is his view now?

**Dr. Strang:** I am sure that the right hon. Lady appreciates that we will be publishing our White Paper in the next couple of weeks. Following that, we will be publishing the result of the roads review. As I am sure she understands, we are appraising all the road schemes and will be announcing our decisions in the near future.

31. **Mr. Andrew Dismore** (Hendon): What proportion of the trunk road network on current forecasts will be overloaded with traffic in 20 years' time. [47653]

**Dr. Strang:** I have today placed in the Library of the House of Commons maps showing the extent of traffic congestion on the trunk road network. Based on 1997 national road traffic forecasts, they show that, on present trends and unchanged policies, the proportion of the trunk road network which experiences regular congestion during peak periods is expected to increase from 14 per cent. in 1996 to 26 per cent. in 2016.

**Mr. Dismore:** Is my right hon. Friend aware that in Hendon we have some of the busiest parts of the trunk network in London, with the A1, the M1, the A41 the A5 and the north circular? Is he aware that my constituents are becoming increasingly concerned about the environmental impact of ever-growing traffic levels, which can often be made worse by schemes such as that proposed by the Highways Agency for the Five Ways corner A1-A41 interchange, which will turn grass verges into road space? Will my right hon. Friend assure me that the views of local residents will be fully taken into account before any final decisions are made about the scheme? Does my right hon. Friend welcome, as I do, the Road Traffic Reduction (National Targets) Bill which points the way forward for tackling pollution and congestion in the years ahead?

**Dr. Strang:** I can give my hon. Friend the assurance that he seeks. I am grateful to him for giving me advance notice of this question. I know that he is greatly concerned about the number of injuries at that junction in his constituency. The Highways Agency is working on plans. My hon. Friend needs to be consulted, and I can assure him that we want to move forward and produce a scheme that meets the needs of the local community, particularly the needs of pedestrians in the area.

**Mr. Matthew Taylor** (Truro and St. Austell): The figures show how important it is that the White Paper brings about a real change of direction in transport policy. Is the Minister aware that local authorities have been given a deadline of 31 July to submit their transport plans for the coming year, yet they have not yet seen the White Paper and are unlikely to do so until very shortly before 31 July? Could they be given time to amend their plans, so that there can be a change of policy before the millennium rather than after it?

**Dr. Strang:** The hon. Gentleman raises a good point. I shall consider it and write to him. Local authorities already understand that the Government want a much greater emphasis on public transport and want policies that enable people to choose to use public transport rather than cars and, where appropriate, to walk or cycle. We have already announced those policies and are getting responses from local authorities. However, I shall consider the hon. Gentleman's suggestion.

**Mrs. Gwyneth Dunwoody** (Crewe and Nantwich): Is my right hon. Friend aware that if he were to persuade the Treasury that by using congestion charging and motorway tolling directly hypothecated for transport schemes, he could give everybody in this country clean, safe and modern transport almost immediately? If he is not doing so, why not?

**Dr. Strang:** As always, my hon. Friend raises an important point. The White Paper will deal with the whole issue of charging, including tolling. We still have some years to go before we could put in place, with the necessary technology, a modern, advanced system of tolling that would be efficient and reliable and would not result in people being billed for journeys that they had not made.

**Mr. Eric Pickles** (Brentwood and Ongar): Where hypothecation relates to local authorities, is the right hon. Gentleman aware of their despair at the Treasury's suggestion that those hypothecated sums be taken into consideration when determining revenue support grant, whether or not local authorities raise the hypothecated sums? If that is true, would not it be a clear example of the Government giving with one hand and taking away with the other?

**Dr. Strang:** The hon. Gentleman should not believe all the rumours that he reads about in the newspapers. Nevertheless, he raises an important point. If we were to give local authorities discretionary powers to introduce some form of charging, they would win popular support only if the bulk of the money were available for investment in local transport.

**Mr. Christopher Leslie** (Shipley): May I draw to my right hon. Friend's attention the fact that the A650, which runs through Bingley main street in my constituency, is already one of the most congested A roads in the country? I welcome the Government's plans to reduce congestion—especially the focus on integrated public transport and other environmentally friendly measures—and ask him to consider the proposed Bingley relief road scheme as part of the roads review. What is his view of the Conservative Government's record of failing to deal with congestion and overloaded transport networks?

**Dr. Strang:** I congratulate my hon. Friend on the single-minded and effective way that he has campaigned for a Bingley relief road. How could we hold a roads

review without giving it the deepest consideration? I assure him that we will consider it, and I will be announcing our decision shortly.

### Roads Review

32. **Mrs. Jacqui Lait** (Beckenham): When he plans to announce the results of the roads review. [47654]

**The Minister of Transport (Dr. Gavin Strang):** We will announce the outcome of the roads review following the publication of the integrated transport White Paper later this month.

**Mrs. Lait:** I am grateful to the Minister for saying that the results will be announced later this month. Can he confirm that the matter will come before the House before we rise for the summer recess, although it will be towards the end of our Session? No doubt the right hon. Gentleman will then confirm that there will be cuts in the roads programme—another broken Labour promise, despite the Government's assurance before the general election that they would provide a better network of roads in Britain.

**Dr. Strang:** If the hon. Lady will await publication of both the White Paper on integrated transport strategy and the report on the roads review—which will certainly be before the House rises—all her questions will be answered.

**Mr. Clive Efford** (Eltham): Will my hon. Friend, in considering the review, take on board the issue of land adjacent to major road developments, and the contribution that such land can make to the environment? In my constituency, the Rochester Way relief road is adjacent to attractive land that is next to a wildlife conservation area. However, repeated requests have been refused by his Department to make that adjacent land part of the wildlife conservation area. Will he consider the financial and environmental implications of allowing land tracts to be used in such a manner? That use may produce savings for his Department.

**Dr. Strang:** I certainly agree with my hon. Friend that we want to take all reasonable opportunities to encourage biodiversity and to support improvement of the countryside and of general amenity. I am not aware of the position on the specific piece of land that he mentioned in his constituency, but I shall look into the matter and write to him about it.

**Mrs. Teresa Gorman** (Billericay): Is the Minister aware of the very many jumbo lorries that travel each day from cities—such as London—and from Kent to my constituency, to dump domestic waste and other rubbish in landfill sites? Has he noticed the filthy verges that line the roadways because of that traffic? Does he agree that he could have a word with his friends in the Department of the Environment, Transport and the Regions and insist that towns, such as London, and parts of Kent, incinerate their own rubbish or else dump it in their own backyard?

**Dr. Strang:** The hon. Lady demonstrates the extent to which people's standards are—quite rightly—rising. They want a higher quality of life, and are much more critical of the type of pollution that she mentioned. Part of our policy has to be to integrate land use planning with our transport objectives. Part of achieving that objective is to reduce the need for the type of journeys that she described.

### Integrated Transport

33. **Mr. Jonathan Shaw** (Chatham and Aylesford): What steps he is taking to promote local integrated public transport schemes between different operators. [47655]

**The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Ms Glenda Jackson):** We will soon publish our White Paper on integrated transport policy, which will set out new strategies for delivering integration at the local level. Integrated public transport will be a key element in generating new transport choices for people.

**Mr. Shaw:** Is my hon. Friend aware that, on average, the bus speed in towns and cities is approximately 10 mph, and getting slower? She recently launched the Medway railbus service, in which the local authority brought together the train operator and bus operator to provide through-ticketing facilities for my constituents travelling to London. Does not that service set the type of excellent example that we hope will be repeated in the integrated transport policy?

**Ms Jackson:** My hon. Friend is entirely right. I was particularly pleased to be able to support initiatives such as the Medway railbus scheme. We welcome similar integrated-ticket initiatives, which have been introduced in Brighton, Oxford, Luton, the west midlands and the western region.

**Mr. Gerald Howarth** (Aldershot): Given the interminable delays in making concrete proposals to deal with those issues, why should we take the Government seriously in their wish to address them? Surely the truth is as stated by Mr. John Mendelsohn—of a company called Lawson, Lucas, Mendelsohn—who said of the Prime Minister:

> "Tony is very anxious to be seen as green. Everything has to be couched in environmental language—even if it is slightly Orwellian".

Surely it is a case not of the green welly brigade but of the new green Orwellian storm-troopers?

**Ms Jackson:** As our White Paper will be the first such document for 20 years, I do not believe that it is asking the House too much to wait for a couple more weeks. As for the comments on whether the Prime Minister or the Government are green, we require no readings from the hon. Gentleman of mere gossip and allegation. The Government have made it abundantly clear that we have to formulate all our policies based on sustainable development and protection of our environment.

**Mr. Geraint Davies** (Croydon, Central): Will my hon. Friend join me in giving a cautious welcome to the City of London's proposals to charge a £3 levy for access to the square mile? Does she agree that it will provide a unique opportunity to try out road-pricing technologies, that it will ease congestion and provide the funding for

better public transport, and therefore ensure quicker journeys for everyone while prioritising those journeys that make the most economic contribution to the community?

**Ms Jackson:** My hon. Friend will be aware that the idea of raising a dedicated income stream, to which my right hon. Friend the Minister of Transport referred, from across the entire kingdom usually presented itself in two ways. One was congestion charging, and the other was a levy on private, non-residential parking, but always with the caveat that such moneys raised should be ring-fenced and directed to local authority transport schemes. As for what we have been reading in the newspapers about the alleged proposals by the City of London, it is my understanding that the introduction of any such scheme would require primary legislation.

## Points of Order

3.31 pm

**Mr. David Heathcoat-Amory** (Wells): On a point of order, Madam Speaker. My point of order concerns a written question to the Financial Secretary to the Treasury; I have given her notice of my intention to raise this matter. I asked her when she was first aware that Customs and Excise, for which she is responsible, had told her that it was launching an investigation into the affairs of Sandline and the alleged breach of the arms embargo to Sierra Leone. She recently answered the question by refusing to give the date, on the ground that an internal investigation is being conducted.

Page 302 of "Erskine May" explains that matters are sub judice only if they are before a court of law; matters that are the subject of administrative inquiry are specifically ruled out of being sub judice.

Relevant and allied to that is the fact that the Prime Minister has answered an identical question. He has given a date on which he was first made aware of the Customs and Excise inquiry into the allegations. The Prime Minister has answered the question, but a Treasury Minister refuses to do so on the spurious ground that the matter is the subject of an internal investigation. Will you confirm, Madam Speaker, that the Minister is in breach of the rules of the House by refusing to disclose the date of which she has knowledge, and that this is therefore a contempt of the House unless she supplies that information at an early date?

**Madam Speaker:** The right hon. Gentleman is quite correct. The main business today is certainly not covered by the sub judice rule. Neither he nor the House would expect me to comment on the answers given by Ministers. Perhaps such questions could be put to members of the Government Front Bench in the course of the main business, but the most important thing is that today's debate is not covered by the sub judice rule.

**Mr. Gerald Howarth** (Aldershot): On a point of order, Madam Speaker. I seek your guidance on a point of ministerial accountability. There is a report in *The Sun* today—*[Interruption.]* It might not always be regarded as the most accurate record of our times, but it contains a report that suggests that a man who used to work for the Labour party—Mr. Derek Draper—was invited to and took part in a radio or television programme concerning a newspaper report, a programme in which no Minister was prepared to take part. From the studio, the man sought and obtained a briefing from the Prime Minister's policy unit. The policy unit is not the headquarters of the Labour party; it is funded from public funds. Is it right that such things should be allowed to proceed if a Minister refuses to take part?

**Madam Speaker:** Order. That is not a point of order for me. I certainly have no intention of commenting on newspaper reports. I do not even comment on newspaper reports that relate to me.

**Mr. Nicholas Winterton** (Macclesfield): Further to the point of order raised by my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory), Madam Speaker. My right hon. Friend sought to establish that a Treasury Minister was withholding information, against the precedents established by "Erskine May", and that the Minister in question should provide that information in reply to a parliamentary question that has been tabled. Will you instruct her to do so?

**Madam Speaker:** The hon. Gentleman and I and many right hon. and hon. Members will remember that some years ago, during an inquiry into other matters, information was not given during Question Time. I have already made it quite clear that answers to questions are not a matter for me. We have a full debate in the House today, in which those matters can be raised. No doubt Government Front Benchers will do their best to answer the questions of Opposition Members. I repeat that the matter is certainly not sub judice.

## United Kingdom Passports

3.35 pm

**Mr. Howard Flight** (Arundel and South Downs): I beg to move,

That leave be given to bring in a Bill to make provision with respect to the form and appearance of United Kingdom passports.

The Bill would specifically require that the royal coat of arms be retained on the cover of the passports of British citizens. In 1981, an EU directive, which was implemented between 1989 and 1992, abolished the old blue hardback British passport and replaced it with the standard red EU format that retained the royal coat of arms on the front cover. Although there is a requirement that the style be similar and that passports are machine readable, there is no common EU passport agency and the issuing of passports remains the responsibility of individual countries.

The irony is that whereas the old-style passports were extremely difficult to forge, the new-style ones have proven very easy to forge. As a result, on 5 October this year a changed format will be introduced for British passports, much in line with the changes that have been implemented in Germany. The photograph, which is under the cover and under laminate, will be digitally produced and various items of information will appear on another page near the end of the passport. The data page will include digital security features with a bespoke watermark and perforations. The royal exhortation will continue for the time being, but the words "European Community" will change to "European Union".

At this juncture, the forthcoming changes do not introduce a full European Union passport or substitute the royal arms with the EU circle of stars. However, I have confirmed with the EU Commission that the treaty of Amsterdam opens the door to the introduction of EU passports in five years' time by qualified majority vote, or sooner by unanimous agreement. As the House will be aware, the EU symbol will soon be on the front of driving licences and, under the 1981 directive, the European Council can by unanimous vote replace the British coat of arms with the EU symbol. The Amsterdam treaty provides, on the proposal of the Commission and the majority vote of the Council, the ability in five years' time to introduce a common format with the EU circle of stars on the front of the passport and for a full EU passport. The Court of Justice will be responsible for cross-border issues and visas, but no Government in the EU could appeal to the court in this matter. Appeals will relate to individual cases.

We could all wake up in 2003 and find that we have been issued with EU passports with the circle of stars on the cover. [HON. MEMBERS: "Shame."] The House should place a legal barrier in the way of that, and at least maintain the British royal coat of arms on the passports of British citizens. The EU is not a country or a state. Flags and coats of arms reflect shared national historic loyalties and identities. The cancellation of British passports without our citizens being consulted will mark the ending of such enduring loyalties.

The plans for European integration are intended to abolish separate country nationality in the EU, and to create a sense of EU loyalty, to replace the centuries-old symbols of our country and our nation. The EU has become desperate to arrogate to itself the trappings and symbols of the nation state, in a deliberate attempt to manipulate the way in which we think of ourselves. Are we British citizens? Are we subjects of Her Majesty the Queen, or are we EU citizens?

The royal exhortation in our passport, which already looks pretty pathetic as this little red job, states:

"Her Britannic Majesty's Secretary of State Requests and requires in the Name of Her Majesty all those whom it may concern to allow the bearer to pass freely".

[HON. MEMBERS: "Hear, hear."] Some people may not mind such things passing. There is no legal barrier to that happening in five years' time. To me, it is not just the thin end of the wedge, but an issue on which it is worth drawing a line. I hope that the House will erect a constitutional barrier to prevent such a change without British citizens being consulted.

*Question put and agreed to.*

Bill ordered to be brought in by Mr. Howard Flight, Miss Julie Kirkbride, Mr. Tim Loughton, Mr. Christopher Gill, Mr. Owen Paterson, Mr. William Cash, Dr. Julian Lewis, Mr. Nick Gibb, Mr. Andrew Robathan and Mrs. Angela Browning.

UNITED KINGDOM PASSPORTS

Mr. Howard Flight accordingly presented a Bill to make provision with respect to the form and appearance of United Kingdom passports: And the same was read the First time; and ordered to be read a Second time on Friday 9 October, and to be printed [Bill 221].

# Opposition Day

[16TH ALLOTTED DAY]

## Select Committees (Information)

[*Relevant documents: First Special Report from the Foreign Affairs Committee, Session 1997–98, on Sierra Leone: Exchange of Correspondence with the Foreign Secretary, HC 760; Second Special Report from the Foreign Affairs Committee, Session 1997-98, on Sierra Leone: Further Exchanges of Correspondence with the Foreign Secretary, HC 852.*]

**Madam Speaker:** I have selected the amendment in the name of the Prime Minister.

3.43 pm

**Sir George Young** (North-West Hampshire): I beg to move,

That this House considers that it is wrong in principle for the Executive to seek unilaterally to impose prior conditions on the release of information properly sought by a Select Committee in pursuit of the responsibilities given to it by the House.

The words of the motion are, of course, those of the concluding paragraph of the Foreign Affairs Select Committee's second special report—perhaps the most important sentence of any Select Committee report in this Parliament.

Those words assert a general principle about the relationship between the House of Commons and the Executive—a relationship which is at the centre of our role as Members of Parliament. Although the motion was triggered by a specific incident, it does not refer to any particular Select Committee—or, indeed, to the Executive run by any particular party. It is a clear assertion of the rights of the House to hold the Executive to account.

My argument is, first, that the Select Committee is entitled to the support of the House in that assertion and, secondly, that in view of the change in the overall terms of trade between the House and the Executive, it is in the interest of the House to reassert itself on this issue to prevent any further erosion of its ability to hold the Executive to account.

Most Opposition days focus on disputes between Government and Opposition, but this one focuses on a dispute between Government and Parliament. The Foreign Affairs Select Committee is appointed by the House, and it operates under powers given to it by the House. I pay tribute to the work of that Select Committee, under the chairmanship of the widely respected hon. Member for Swansea, East (Mr. Anderson). Indeed, I pay tribute to the work of other Select Committees, too.

I believe that that work has confirmed the reputation of Select Committees as one of the most effective instruments developed over the past 20 years for holding Governments to account. If the House were not to stand shoulder to shoulder with its Select Committee on this issue, that would damage the reputation and the credibility not just of this Select Committee but of all Select Committees. For that reason—

**Mr. Andrew F. Bennett** (Denton and Reddish): Will the right hon. Gentleman give way?

**Sir George Young:** I want to make a bit more progress, after which I shall give way.

The motion is thus of interest to every Member who serves on a Select Committee, and to all Members who value the key role that they play in holding the Government to account.

**Mr. Bennett:** Will the right hon. Gentleman explain why it was right for the Government regularly to give Select Committees information on a confidential basis throughout the previous Parliament, whereas it is no longer right to do so now? Is that not humbug?

**Sir George Young:** No, it is not humbug at all. There is no precedent for the issue that confronts the House this afternoon—no precedent whereby a Select Committee has come to the House and asked for its support in resolving a dispute with the Government.

The arguments for supporting the Select Committee are well set out in paragraph 3 of its second report.

**Mr. Dale Campbell-Savours** (Workington): Will the right hon. Gentleman give way?

**Sir George Young:** I shall give way in a moment, but first I should like to make more progress.

It is worth reminding the House that the Foreign Affairs Select Committee consists of seven Labour Members, including the Chairman, four Conservatives and one Liberal Democrat. The Committee has been carrying out an inquiry into Sierra Leone, in the course of which it has asked for certain documents from the Foreign Office—

**Mr. Campbell-Savours** *rose—*

**Mr. Eric Illsley** (Barnsley, Central): Will the right hon. Gentleman give way?

**Sir George Young:** No, I shall give way to the hon. Member for Workington (Mr. Campbell–Savours) in a moment.

**Mr. Illsley:** On that very point?

**Sir George Young:** No, I shall give way to the hon. Member for Workington in a moment.

**Mr. Ernie Ross** (Dundee, West) *rose—*

**Sir George Young:** The Select Committee is carrying out an investigation into Sierra Leone, in the course of which it has asked for certain documents from the Foreign Office and has asked a number of questions of witnesses.

**Several hon. Members** *rose—*

**Sir George Young:** I shall give way to the hon. Member for Workington in a moment.

Key documents—

**Mr. Ross:** On a point of order, Madam Speaker. The Foreign Affairs Select Committee is not carrying out an investigation into Sierra Leone.

**Madam Speaker:** That is not a point of order.

**Sir George Young:** Thank you, Madam Speaker.

Key documents have not been handed over, and a number of questions have not been answered, on the grounds of what is called the "Legg defence"—that the parallel inquiry commissioned by the Foreign Secretary might be prejudiced by the prior release of documents and the answering of questions asked by the Select Committee. We need to be told today by the Leader of the House when Sir Thomas Legg plans to report.

The "High Noon" scenario—here I use the words of the Chairman of the Select Committee—has arisen because the Select Committee rejects the Legg defence as a matter of principle. As an aside, I add that the Foreign Secretary's assertion that prior release might prejudice Legg is an astonishing assertion in the light of his subsequent statement in his letter to the Chairman dated 30 June, in which he stated that

"there was no ministerial conspiracy to breach the arms embargo. There was no connivance within Whitehall to breach the arms embargo".

Those are precisely the allegations that Sir Thomas Legg has been invited to investigate, which the Foreign Secretary himself has pre-empted.

**Ms Diane Abbott** (Hackney, North and Stoke Newington) *rose—*

**Sir George Young:** I shall now give way to the hon. Member for Workington.

**Mr. Campbell-Savours:** I understand that the documents can be provided in confidence to the Committee. I can recall repeated occasions throughout the previous five Parliaments when the Public Accounts Committee and the Defence Select Committee were given information on exactly the same basis. Even the Agriculture Committee was given information; the hon. Member for Congleton (Mrs. Winterton)—who is sitting behind the right hon. Member for North-West Hampshire (Sir G. Young)—was on the Committee when it was given information on the same basis about BSE. Repeatedly, Select Committees have been subject over the years to exactly the same rules as set out in the latest communication to the Committee.

**Sir George Young:** There is no resolution of the dispute between the Select Committee and the Foreign Office on the issue of telegrams. One of the key issues is that of timing, and that is why the Select Committee has not resolved the issue with the Foreign Office.

**Mr. Ted Rowlands** (Merthyr Tydfil and Rhymney): Will the right hon. Gentleman give way?

**Sir George Young:** No, I want to make more progress. I will give way in a moment. [HON. MEMBERS: "Give way."] I will in a moment. I have just given way to the hon. Member for Workington.

The Select Committee goes on to make the fundamental point that

"no area of Government expenditure, administration or policy can be 'ring-fenced' from parliamentary scrutiny by the establishment of a Government enquiry, however eminent are those conducting it."

That is the key point in answer to the hon. Member for Workington. That principle must be right.

I do not doubt the competence of Sir Thomas Legg. However, he is not a judge, his internal departmental inquiry has no legal or constitutional standing, it is meeting in private and we have no idea how it is being conducted and what questions are being asked of whom. It will report to the Foreign Secretary, who will then publish the report. If that principle of ring-fencing is conceded, any Government can stop any Select Committee investigating anything by the simple device of choosing their inquisitor and asking him to investigate. I have to say to the House that that is unacceptable.

**Mr. Rowlands:** There was indeed a dispute between the Committee and the Foreign Secretary because he was clearly placing conditions on access to information and on the question of timing. However, in his latest letter to the Committee, the Foreign Secretary makes it clear that no such condition will be placed on access to the information in confidence.

**Sir George Young:** The key issue is that of principle—of whether central Government can ring-fence an area of inquiry and say to a Select Committee, "Thou shalt not investigate this subject." That key issue is more important than the issue raised by the hon. Gentleman.

*The Times* on 1 July put the issue well:

"It is perfectly possible for the House of Commons Foreign Affairs Select Committee to shape an inquiry that complements rather than competes with the Legg investigation. The Foreign Secretary has stalled for long enough. He should start to co-operate fully with Parliament."

The case for the Select Committee has been strengthened since the publication of the report by the revelation that the territory fenced off for the inquiry could be extensive. The Press Association report of Sir John Kerr's recent appearance before the Select Committee reports him as saying:

"In order not to prejudice the inquiry, I have to fence off the area where the inquiry may roam. I do not know where it is roaming. The beast may roam wherever it wants"—

precipitating, quite rightly, an intervention from the Chairman:

"Don't you believe the committee has rights?"

The reality behind all that is that the Government have made some errors of judgment. Their mishandling of the issue has meant that it has escalated from a dispute about sanctions busting into a constitutional confrontation between Parliament and the Executive. We have had abrasive—indeed, defiant—language from the Foreign Secretary, and a spectacular failure of diplomacy. If the Foreign Secretary cannot build a good working relationship with his hon. Friends on the Select Committee, what chance has he with the rest of the world? For this, I am afraid, the Government have no one else to blame. There is no conceivable argument that the spin doctors can deploy that pins the crisis on anyone but themselves.

Let me quote the hon. Member for Hackney, North and Stoke Newington (Ms Abbott). She said:

"When we have a Government with a majority of 179, it makes the role and rights of Select Committees absolutely crucial. It has always been understood that they have the right to call persons and papers. The Government is now saying that we can only have papers at the discretion of Ministers and that must be wrong and cuts across the intentions of the House in setting up Select Committees. This is

now bigger than Sierra Leone. The Government has given the unfortunate impression that it is seeking to hide behind the Legg inquiry to avoid a wider public inquiry."

**Dr. Norman A. Godman** (Greenock and Inverclyde): A moment ago, the right hon. Gentleman praised members of the Foreign Affairs Select Committee. However, he may wish to issue a qualification about me because I voted against the insertion of paragraph 6 on the grounds that those persons being investigated by Sir Thomas Legg deserved to be given a fair hearing. I voted against that proposal—I have campaigned on this platform throughout—on the proviso that, as soon as the Legg report was published, the Foreign Secretary would appear before the Select Committee to be cross-examined on the report's findings and recommendations. I believe that it is far more appropriate and useful for a Select Committee to cross-examine a Minister about a report than to have a debate in this dear green place.

**Sir George Young:** I am not sure that I agree with the way in which the hon. Gentleman phrased the last part of his intervention. However, in making that concession, he has conceded that the Government can impose restrictions on what the Foreign Affairs Select Committee may investigate. That is not a concession which I am prepared to make.

While the Foreign Affairs Select Committee is having the most difficulty on this subject, it is not the only one. On 1 July, the Defence Select Committee published its sixth report on the Defence Evaluation and Research Agency. Paragraph 13 of the report states:

"We are disappointed that Ministers felt unable to provide the DERA Corporate Plan to the Committee as requested, and we call upon Ministers, as we did in our evidence session in March, to clarify how 'advice to Ministers' ought to be construed and reconsider its application in this particular case. Access to such key documents is essential if a select committee is to have a meaningful and well-informed scrutiny role. Restrictions on such access can only undermine departmental accountability to Parliament, and should be used very sparingly."

The Defence Select Committee might be expected to be more belligerent than the Foreign Affairs Select Committee in seeking a solution.

Yesterday, when confronted with a different embarrassment, the Government's response was "give us the evidence." However, that is the call that the Select Committee has made in respect of today's debate. It would be unacceptable for a Select Committee to knock on the Government's front door, ask for information to which it is entitled and be refused, while those with close connections with the Government can allegedly get information through the back door to which they are not entitled.

The lack of respect that the Foreign Secretary has shown for the Select Committee's work has been compounded by the failure of the Leader of the House to find time to debate it. The Select Committee's request for a debate was not a normal request. It was not a case of a Select Committee making recommendations to Government, the Government responding to those recommendations and the Leader of the House being asked for time for a debate. We all understand the difficulty in finding time for debates. In this case, the Select Committee issued a special report about a deadlock that it had reached with the Government, and its conclusion was to ask the House for its views at an early date to resolve that deadlock.

Opposition Front Benchers have raised the matter at business questions no fewer than seven times: twice on 25 June, twice on 11 June, once on 4 June, and twice on 21 May. The requests were refused each time. My right hon. Friend the Member for South-West Norfolk (Mrs. Shephard) also wrote to the Leader of the House on 21 May, making a total of eight requests for this debate. She was told in a reply of 1 June that the Leader of the House proposed to deal with the report in the usual way. The reply stated:

"As with all Select Committee reports, if a debate is considered appropriate, we will then decide whether Government time can be found for such a debate."

That decision sits uneasily with paragraph 26 of the document "Departmental Evidence and Response to Select Committees", which was last reprinted in January 1997. It says:

"The Government has given a commitment that where there is evidence of widespread general concern in the House regarding an alleged Ministerial refusal to divulge information to a Select Committee, it would seek to provide time for the House to express its view."

However, the Government turned a deaf ear to the Select Committee's request for support. The right hon. Lady did find time for a debate last night on freedom of information, and the introduction to that White Paper—

**The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor):** Before the right hon. Gentleman leaves the point about finding time for Select Committee debates when there is a problem with evidence, may I ask whether he recalls the debate that took place on 25 June 1979 when he voted against Select Committees' having the automatic right to demand time to debate such issues?

**Sir George Young:** We know that 1979 was the year in which the previous Government established Select Committees—a most important innovation in holding the Government to account. That innovation is under threat as a result of the actions of the Leader of the House.

The Leader of the House found time for a debate last night on freedom of information. The introduction to the White Paper, Cm 3818, began with the words:

"Unnecessary secrecy in Government leads to arrogance in governance and defective decision-making. The perception of excessive secrecy has become a corrosive influence in the decline of public confidence in Government".

Those words may come to haunt the Government.

The Opposition have made time for this debate because we believe that it is important enough to devote an entire Opposition day to it. We believe that the Select Committee deserves better treatment than it is receiving, and we also believe that in tonight's vote the Select Committee deserves support in the Lobby.

I turn briefly to the other half of my argument—that this issue encapsulates a broader one that has been simmering away for some time but has been brought to the boil since 1 May by a number of changes initiated by the new Government. Those changes have further eroded the institution of Parliament and tilted the terms of trade towards the Executive. Unless the House makes a stand, that erosion, which affects every one of us who is not in government, will continue. I refer briefly to those trends because I believe that we need to place the debate in a broader context.

I believe that we are moving towards a more presidential style of government, with a reduced role for Cabinet and for formal Cabinet sub-committees. We have seen the politicisation of the information service within government, as civil servants have been replaced by those sympathetic to the Labour party. We are threatened with an appointed second Chamber as an interim solution that may last indefinitely. We have seen more special advisers and an increasing tendency for Government decisions to appear in the press before they appear in the House. The convention on such matters is not an outdated relic. Its purpose is to ensure that changes in Government policy are subjected to critical and democratic scrutiny when they are announced.

**Mrs. Gwyneth Dunwoody** (Crewe and Nantwich): I am trying to follow the right hon. Gentleman with great care. Is he not aware that when he talks about the abandonment of Cabinet government, some of us have the strange idea that he was a member of the Cabinet of Baroness Thatcher of somewhere or other?

**Sir George Young:** The hon. Lady is wrong. I was never in Baroness Thatcher's Cabinet. *[Interruption.]* The noble Lady and I got on very well—we got on so well that she twice appointed me to her Government.

I shall touch on one change that affects the ability of the House to hold the Executive to account. One of the most effective checks on the Government, as on previous ones, is opposition from within it. However, unparalleled steps are being taken to muzzle that independence, and that impacts directly on our debate today. The rules of the parliamentary Labour party impose a tight grip on the independence of Back Benchers. They state:

"Members shall consult the Chief Whip before tabling any Motion, Amendment or Prayer".

The standing orders continue:

"A reprimand may be given by the Chief Whip in writing, and reported . . . to the CLP of the member concerned."

The House is entitled to an assurance during today's debate that no Labour Member who supports the motion before the House will be disciplined under the PLP's standing orders. To discipline a Member for upholding the rights of the Commons against the Executive would be to undermine the very basis on which we serve in this place.

The media also have a role to play.

**Mr. Tam Dalyell** (Linlithgow): Before the right hon. Gentleman launches into strictures, may I point out that as one who voted against a three-line Whip on, for example, the Gulf war, I never received a reprimand? Would it not, however, be only polite and good manners to let a Chief Whip know what one was going to do? If one is to vote against a three-line Whip of one's party, is it not elementary good manners to let the Chief Whip know?

**Sir George Young:** The PLP rules go further than that. The hon. Gentleman should not table an amendment to a Bill going through the House without, first, touching base with the Whips. I think that that is an intrusion on the rights of Members.

The media also have a role to play in holding the Executive to account. Much of the information referred to in the motion is denied to the media as well. On 27 June, *The Times* showed that the media are finding their task harder, as the House finds its task harder. It said:

"Ministers shun BBC inquisitors for chats on sofa."

*The Times* tells us that a serious rift has opened up between the Government and the BBC over "invisible Ministers" who seem to have vanished from the airwaves. Broadcasters complain about senior Labour figures refusing to appear on serious television and radio shows with tough inquisitors such as Jeremy Paxman, John Humphrys and Nick Clarke. Set against the broader context of the Executive taking additional steps to get their way, the motion assumes greater significance.

The matter should be resolved by putting to one side the political divisions that take up so much of our time in the House, and by focusing on our common responsibilities as Members. That is why my party has announced a free vote, and we urge the Labour party to do the same, as some of its Back Benchers have requested.

To those Labour Members who have not yet decided how to vote, I say this: on 1 May last year, many voters decided that our democratic traditions might be harmed if the same party was returned for a fifth time. If the Government continue on their present path, the electorate will come to that conclusion after one term. The growing suspicion that the Government will stop at nothing to get their way would be confirmed if they used their large majority to crush the wishes of a Select Committee. Such a response would, paradoxically, be good for the Opposition and bad for the Government. But, because it would be a disaster for Parliament, I urge all hon. Members to vote for the Opposition motion.

4.5 pm

**The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor):** I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"reaffirms that, in accordance with the House's Resolution of 19th March 1997 and the Code of Practice on Access to Government Information (Second Edition, January 1997), Ministers should be as open as possible with Parliament; recalls that the House approved on 18th May 1998 the Government's commitment to an urgent outside investigation and publication of a full report of the Sierra Leone arms investigation; believes that nothing should be done to prejudice the conduct of that inquiry by premature public disclosure of parts of the evidence; and notes that the Foreign Secretary remains ready to make available to the Foreign Affairs Committee, on a confidential basis, the telegrams it has requested.".

I make it clear at the outset that there is one point on which I agree with the right hon. Member for North-West Hampshire (Sir G. Young). Today's debate is about two separate issues. They are closely related, but it is right to define the two separate elements of the debate. The first, as the right hon. Gentleman said, is what principles should govern the release of papers by Government to a Select Committee. The second, as the right hon. Gentleman also said, is the specific example that is before the Foreign Affairs Committee at the moment. That is why I have tabled the amendment.

Originally, I was tempted simply to accept the Opposition's motion, despite the fact that it was based on a split report from the Foreign Affairs Committee, because it would be easy to argue that there is no difference between this Government and their predecessor on the question of what principles should govern the release of documents.

*[Mrs. Ann Taylor]*

However, my right hon. and hon. Friends and I thought it right to table the amendment, partly because we thought it right to reaffirm the motion that was passed in March 1997, and partly because the Opposition, during business questions last week, made it clear that the context in which they wanted the debate to take place was the Sierra Leone situation.

I want to give some background in terms of the principles that should govern the release of information by the Government to Select Committees. I start by reading the resolution that was passed in the House on 19 March 1997 without dissent, without a Division. That resolution states:

"Ministers should be as open as possible with Parliament, refusing to provide information only when disclosure would not be in the public interest, which should be decided in accordance with relevant statute and the Government's Code of Practice on Access to Government Information (Second Edition, January 1997)".—[*Official Report*, 19 March 1997; Vol. 292, c. 1046-47.]

The motion, tabled by a Conservative Minister, was accepted unanimously by the House.

At paragraph 4.a), the code of access to Government information clearly refers to exempting information

"whose disclosure could prejudice the administration of justice (including fair trial), legal proceedings or the proceedings of any tribunal, public inquiry or other formal investigations (whether actual or likely) or whose disclosure is, has been, or is likely to be addressed in the context of such proceedings."

Paragraph 10 refers to information

"which is or will soon be published, or whose disclosure, where the material relates to a planned or potential announcement or publication, could cause harm".

The resolution in respect of the code of access to Government information drawn up by the previous Conservative Government was accepted unanimously by the House. Why? Every hon. Member knew that there was a need for limitations in some circumstances.

The Minister on whose advice the resolution was drawn up, Roger Freeman, described that day as historic, because Parliament was setting out for the first time what the relationship should be between the Executive and Parliament in terms of such information. As my hon. Friend the Member for Workington (Mr. Campbell-Savours) said, the previous Conservative Government denied information to Select Committees on many occasions, so this is not a new issue.

**Dr. Tony Wright** (Cannock Chase): My right hon. Friend is being too kind in her account of the history of this matter, because the resolution and the form of words were, in essence, the product of a Select Committee with which some of us had a connection. The form of words came forward because the history of the Scott inquiry was prefaced by the inability of the Trade and Industry Select Committee to be helped by the Government in its inquiry. The Committee was disabled in its investigations, which is an indictment of the previous Government. Even when the Scott inquiry reported, Conservative Members simply went into the Lobby in massed party support for defiance of that report. That is the history of the resolution and what really went on.

**Mrs. Taylor:** My hon. Friend is right to point out the background, and I had intended to mention the Scott inquiry. The Conservative Government also refused to answer parliamentary questions on matters that were covered by the partially public Scott inquiry, and many concerns were raised in the House and in that Select Committee at the time.

Information was refused to the House or to Select Committees not only in respect of the Scott inquiry, however. For example, the Defence Committee was refused by a Conservative Secretary of State copies of the defence costs study on naval stores and reports produced for the Ministry of Defence by outside consultants; the MOD refused the Defence Committee access to a report on the operational capability of medical services; the Conservative Government refused to allow the intelligence services to give formal evidence or informal briefings to the Foreign Affairs Committee on their work in combating proliferation of weapons of mass destruction; and a Conservative Secretary of State for Transport, the post once held by the right hon. Member for North–West Hampshire, was asked about channel tunnel rail link blight, but would not give information about internal departmental discussions.

I do not say that, on every single occasion, the Conservative Government were wrong to say that there were good reasons why information should not be given, but it is important to register the fact that all Governments have on occasion thought that there had to be a limit on the information given to Select Committees. I hardly need remind the House that, during the previous Parliament, the hon. Member for Havant (Mr. Willetts) resigned from the Front Bench following a Standards and Privileges Committee report on the improper pressure that was put on a Select Committee by a Whip. I hope that we will not have any lectures from the Conservative party on this matter.

On the specific case before the Foreign Affairs Committee, the right hon. Gentleman has outlined some of the chronology, and perhaps I can follow on from what he said. He mentioned the first special report, which I think was published on Thursday 22 May. That asked for the views of the House. The Committee was, of course, split in reaching that recommendation and, at business questions that day, I said that I would look at the issues. Subsequently, there was an exchange of correspondence between the Foreign Secretary and the Select Committee, and a second special Committee report was produced. I think that it was published on Thursday 25 June. At business questions that day, I undertook to discuss that report with the Foreign Secretary before making any decision on the Opposition's request for a debate.

Two other things happened at that time. The first was that the Foreign Secretary wrote to the Chairman of the Committee, following up suggestions that had come out of informal suggestions on a way forward. Secondly, on 1 July, the Opposition informed me that they had chosen this subject for debate today. Also around the same time, the Chairman of the Foreign Affairs Committee wrote to the Prime Minister following an exchange at Prime Minister's Questions the day before. That letter made it clear that

"The Committee has not yet taken a collective view on the proposals set out in paragraph 3 of the Foreign Secretary's letter of 30th June."

Paragraph 3 of the Foreign Secretary's letter of 30 June said:

"You also know that I was willing to entertain your proposed compromise by which the telegrams could be made available to the Select Committee now, subject to an assurance of confidentiality until the Legg Report is published."

Later in that letter, the Foreign Secretary also offered to give evidence to the Select Committee if that was required. Subsequently, the Foreign Affairs Committee decided to invite the Foreign Secretary to give oral evidence on 14 July.

**Sir Peter Emery** (East Devon): May we make it absolutely clear, so that there can be no misunderstanding, what the suggested compromise was? It was that the documents should be made available after the Legg committee had reported. Indeed, that suggestion—*[Interruption.]* May I finish my remarks without interruption? I wish to make it clear that that was the position at that time. That was the compromise offered by the Chairman at that moment, but it was not accepted.

**Mrs. Taylor:** No. I think that the right hon. Gentleman is under a misapprehension. What the Foreign Secretary said was that the confidentiality of those telegrams should be respected until after the Legg report was published.

**Mr. Illsley:** May I explain to my right hon. Friend that the Foreign Affairs Committee was offered a compromise in respect of the telegrams as early as 21 May? Committee members were offered an opportunity to view those telegrams on the same basis as under the Pergau dam inquiry.

**Mrs. Taylor:** The more members of the Committee enlighten the House the better.

The current position is as follows: the Select Committee Chairman has proposed to his Committee a compromise, which the Foreign Secretary has accepted but on which the Foreign Affairs Committee has yet to reach a decision. The Foreign Secretary has offered to give evidence to the Foreign Affairs Committee again and the Committee is considering whether it will accept his offer of the date of 16 July.

**Sir John Stanley** (Tonbridge and Malling): I am sure that the Chairman of the Select Committee, if he catches your eye, Madam Speaker, will explain that the compromise that the right hon. Lady said he offered was quite different from the compromise referred to in the Foreign Secretary's letter. The Chairman's compromise was rejected by the Committee, whereas the compromise referred to by the Foreign Secretary and which the right hon. Lady has mentioned has yet to be put to the Committee.

**Mrs. Taylor:** I said that in a letter of 2 July to the Prime Minister, the Chairman of the Select Committee said that

"the Committee has not yet taken a collective decision on the proposal set out in the third paragraph"

That refers to the third paragraph of the Foreign Secretary's letter, which I have just quoted.

**Sir Patrick Cormack** (South Staffordshire): The right hon. Lady has referred to a number of letters. During our exchanges, reference has been made to a letter of today's date from the Foreign Secretary. Can any letters that the right hon. Lady is quoting from, or has seen, be placed in the Library before the end of the debate?

**Mrs. Taylor:** The letters to which I have referred have been written by the Foreign Secretary or by the Chairman of the Select Committee. The proper procedure is probably for the Chairman of the Select Committee to be responsible for any letters that he has written. The hon. Member for South Staffordshire (Sir P. Cormack) is very concerned that procedures should be followed, and I am sure that he would be quite stressed if we did not do so. From my point of view, there is no problem in releasing any copies of letters on this issue sent by the Foreign Secretary or any other Minister. However, the Chairman of the Select Committee should make such decisions on any letters over which he has rights.

**Sir Patrick Cormack:** The point that I am making to the right hon. Lady is simple. She is quoting from letters. She has obviously obtained those letters, and it would appear from what she has been saying that we have not seen all of them. I am merely asking for a simple, clear and unequivocal undertaking that anything that she has quoted from or referred to during her speech will be placed in the Library before the end of the debate.

**Mrs. Taylor:** I have said that I have no objection at all to every letter being placed in the Library or anywhere else. The Chairman of the Select Committee is entitled to give his view if he has a problem. I have not said anything that is particularly revealing. Most of what I have quoted is in the public domain.

**Sir Patrick Cormack:** The right hon. Lady has obtained the letters from somewhere. All I am asking is that we have the privilege of seeing the letters from which she is quoting.

**Mrs. Taylor:** I have already said that I have no objection to that—nor do my ministerial colleagues—but I do not want to trespass on the rights of the Select Committee. If the Chairman of the Select Committee were to catch your eye, Madam Speaker, he could tell us whether he wishes those letters to be made public. The hon. Member for South Staffordshire would be the first to remind me that I should not disclose those letters. I am saying that ministerial letters can be disclosed, but letters written by the Chairman of the Select Committee are not for me to disclose. *[Interruption.]*

**Madam Speaker:** Order. Hon. Members should calm down and clear this matter up.

**Mr. Donald Anderson** (Swansea, East): It may assist if I tell the House that the only letters that are not in the public domain—I believe that the letter of 30 June is—are a letter that I wrote to the Prime Minister shortly afterwards with enclosures, a letter from the Foreign Secretary to me of 6 July and the reply to that letter of 7 July. I should be happy for those to be made available to the House.

**Mrs. Taylor:** I am sure that that will be helpful to the House. I have not quoted from the last two letters to which

*[Mrs. Taylor]*

my hon. Friend referred: I have quoted from the letters that are already in the public domain. Anything else is a matter for the Chairman of the Select Committee.

I was reminding the House of the current position. The Chairman of the Select Committee has proposed to the Committee a compromise that the Foreign Secretary has accepted, but on which the Committee is yet to reach a decision. The Foreign Secretary has offered to give evidence to the Select Committee again, and has suggested a date that is close to the date requested by the Committee.

**Mr. Rowlands:** I apologise for interrupting my right hon. Friend.

The closing words of the amendment state that

"the Foreign Secretary remains ready to make available to the Foreign Affairs Committee, on a confidential basis, the telegrams it has requested."

Will my right hon. Friend make it clear that that no longer refers, as it did originally, to the period post-Legg? That was the condition that caused the aggro and the argument between the Committee and the Foreign Secretary. If my right hon. Friend will confirm that the position has changed, I think that the point will have been made.

**Mrs. Taylor:** The position, clearly, is that the confidentiality of those telegrams must be respected until Legg has reported. That is what is important, and that is what we have made clear all along. Having established that that is the current position, I hardly think that it constitutes a crisis, or a clash, that cannot be resolved.

I remind the House that, following an Opposition day debate on 18 May, the House agreed a motion including the words

"That this House . . . congratulates the Government on its commitment to an urgent outside investigation and publication of a full report."

That was the Opposition day debate on Sierra Leone, during which the Chairman of the Foreign Affairs Select Committee said:

"Perhaps it would be unwise"—

of the Foreign Affairs Committee, that is—

"to attempt to duplicate or parallel the inquiry being conducted under the auspices of the Foreign Office, which will publish its report."—[*Official Report*, 18 May 1998; Vol. 312, c. 621.]

**Mr. Rowlands:** I am sorry to interrupt my right hon. Friend again, but I am trying to help the House. As my right hon. Friend said, no one has ever disputed the need for confidentiality before the publication of the Legg report: that has never been a subject of dispute between the Committee and the Foreign Secretary. The subject of the dispute was the fact that the Foreign Secretary was not willing to make the summary and telegrams available to the Committee, in confidence, before Legg reported. Does not the wording of the amendment make it clear that the conditional timetable that caused the row in the first place is no longer a matter of difference between us? Does it not make it clear that the Foreign Secretary will allow members of the Committee—under the arrangements that were made—to have access to the telegrams before Legg reports?

**Mrs. Taylor:** I have made that clear, but I must disagree with my hon. Friend. There was a dispute about whether that confidentiality should be respected on the part of some people—I do not say on the part of my hon. Friend.

**Ms Abbott:** As a member of the Foreign Affairs Select Committee, I am not aware that there was ever any dispute about the confidentiality of the telegrams. The dispute was always about the conditions that the Foreign Secretary sought to attach to releasing the telegrams—conditions which the majority of Committee members from all parties found unacceptable.

**Mrs. Taylor:** Perhaps the Committee should have considered inviting the Foreign Secretary to talk directly to its members earlier. If it had, the problem would not have arisen. I think that the advice given by the Chairman of the Committee on 18 May was very wise.

**Mrs. Virginia Bottomley** (South-West Surrey): On a point of order, Madam Speaker. Does the Leader of the House not recall the first Foreign Affairs Committee report—

**Madam Speaker:** Order. That is a matter of argument, not a point of order.

**Mrs. Taylor:** As I was saying, I think that the Committee and the House were wise to heed the advice given during that debate.

**Mrs. Bottomley** *rose*—

**Mrs. Taylor:** I am going to make progress now. I think it was wise of the Chairman to advise the Committee not to try to conduct a parallel inquiry, or to duplicate the work of the Legg inquiry. That is clearly what he said during the debate. It is, of course, entirely open to the Foreign Affairs Committee to follow up the matter in any way it wishes.

**Mrs. Bottomley:** Will the Leader of the House give way?

**Mrs. Taylor:** No. I recall how often the right hon. Lady gave way when she was in government. I was going to refer to a specific question that was raised by the right hon. Member for North-West Hampshire. That concerned the timing of the Legg inquiry. That is, of course, an independent inquiry, so it is up to Sir Thomas Legg to determine the timing, but he is well aware of the urgency of the matter, and we hope that his report will be available some time this month. However, the precise timing is up to him.

**Mr. David Winnick** (Walsall, North): If it is clear that members of the Foreign Affairs Select Committee can see the telegrams in question on the basis that they wish to see them, what is the purpose of this debate? It is resolved. We are wasting our time and I trust that, when

my right hon. Friend has completed her speech, the Opposition will withdraw their motion. It is simply a waste of the time of the House of Commons.

**Mrs. Taylor:** The reason why we are having the debate is that the Opposition have to attack the style of the Government because they have no policies of their own.

**Sir George Young:** The reason why we are having a debate is that the Foreign Affairs Select Committee asked for one.

**Mrs. Taylor:** I look forward, then, to future Opposition day debates being determined by resolutions from Select Committees, and perhaps some of the other pressure that we are under to hold Select Committee debates on Wednesday mornings can be taken away because the Opposition are going to find time for them all. We are having the debate because the Tories have no policies and have not adjusted to the fact that they are in opposition.

**Mrs. Virginia Bottomley:** Will the right hon. Lady give way?

**Mrs. Taylor:** No, I will not give way. I am moving to the conclusion of my speech. I think that we have heard enough from members of the Select Committee. I gave way to one person who was not on the Select Committee and I think that we got a clear view of what other hon. Members think about this debate.

The right hon. Member for North-West Hampshire has a cheek in saying that this debate is about the balance of power between the Executive and Government. He was a member of a Government who allowed quangos to mushroom. The Tories packed the 40,000-plus appointments with their supporters. The concept of public accountability was completely undermined by the previous Government. The former Deputy Prime Minister told the Treasury and Civil Service Select Committee:

"The paraphernalia of so-called public accountability is nothing better than a burcaucratic overhead".

In contrast, this Government have devolved power, opened quangos and started the process of local government renewal. We have published a White Paper on freedom of information, and improved accountability to Parliament.

The right hon. Member for North-West Hampshire serves on the Modernisation Committee. His deputy used to serve on it. I do not think that this Government have acted arrogantly when they have sought to programme major Bills rather than guillotine them. We have made the proceedings of Parliament more transparent and comprehensible by revising the Order Paper and explanatory memorandums. We have taken decisions to publish Bills in draft form to allow pre-legislative scrutiny by Select Committees and extended scrutiny of European legislation to cover pillars two and three of the European Union and to allow pre-Council meetings, so that Ministers can talk to hon. Members about their objectives there.

We have given the Opposition many of the debates that they have asked for on the Floor of the House. We have taken the devolution Bills, the European convention on human rights and other Bills on the Floor of the House, which could have been split, as other hon. Members had requested, but we have been reasonable—some might say over-reasonable—in meeting the requests.

The right hon. Member for North-West Hampshire asked me for a debate on Derbyshire local authority financing; we found time for that. He asked for a debate on lone parent regulations tonight; we found time for that. His predecessor asked for a debate on the health service; that is to be held on Thursday. They asked for a debate on NATO enlargement; that is to be held on Friday 17 July. Recently, we gave two days for the remaining stages of the Finance Bill, even though, in the event, the Opposition were not able to use those two days and we were having to use that time to best effect. Some people would say that I have been far too generous in accommodating the demands that have been made of me.

If the Government are at all arrogant, it is that we are arrogant enough to believe that we have a responsibility to deliver to the people of Britain the legislation and policies for which they voted. The Conservatives clearly find it extremely difficult to adjust to opposition. That is presumably why they sometimes break some of the conventions of the House and tell the press that they have applied for private notice questions. That never happened when we were in opposition. The Conservatives are so adrift that the shadow Chancellor has asked the Chancellor of the Exchequer whether he can receive the Government's press cuttings service on a daily basis because he is so bereft of any service of that kind.

The truth is that after 18 years of Tory centralisation, arrogance and contempt for Parliament, we now have a Government who are meeting their pledges and renewing the democratic process. The Conservative party simply cannot adjust to being in opposition.

4.36 pm

**Sir John Stanley** (Tonbridge and Malling): I am afraid that there is substantial confusion between the two compromises. I must tell the Leader of the House that I hope that the Chairman of the Committee, the hon. Member for Swansea, East (Mr. Anderson), will make it clear that the compromise put to the Committee is the one referred to in the Chairman's letter to the Prime Minister of 2 July. That letter states:

"The next day, in seeking to find a way out of the impasse, and entirely on my own initiative, I instructed the Clerk to send all Members of the Committee a possible package deal (copy enclosed) I had devised."

That is attached to the back of the Chairman's letter. Unfortunately—I am not suggesting that it was deliberate; it was entirely inadvertent—the Prime Minister at Prime Minister's Question Time last Wednesday and the Leader of the House at business questions on Thursday, claimed that the Select Committee had rejected a quite different compromise, which as I have said, has not yet been put to the Committee.

However, that is not the essence of the debate and the fundamental question before the House. That issue—I believe that there is only one—is whether the House accepts that accountability to it should be suspended during the period in which a Minister sets up a departmental inquiry; a departmental inquiry which does not raise the issue of the sub judice rule That is the key issue and, for reasons that I shall explain, it is not as yet wholly resolved.

*[Sir John Stanley]*

The House secures accountability through three separate channels of information. It does so on the Floor of the House with the ability of hon. Members to ask written and oral questions. It secures accountability in front of Select Committees by the power of the House to call for papers. It also secures accountability by Select Committees exercising their powers to require witnesses to answer their questions. Those are the three key channels of information that secure accountability to the House. Each of those three channels follows different rules, procedures and precedents, and it is important to separate each of them and to deal with them in turn.

It is worth reminding the House about the first channel—that of accountability through the answering of oral and written questions. It is perhaps surprising that, over the centuries through which the House has been performing its democratic function, it has never enshrined in resolutions reflected in "Erskine May" clear requirements on Ministers to answer oral or written questions put by hon. Members on the Floor of the House. I could find only one exception in "Erskine May", and that was the resolution passed by the House in 1962 at the time of the Profumo affair. The House clearly resolved that it was a grave contempt for a Minister, in answering questions, knowingly to lie to the House. Beyond that, there are no specific requirements on Ministers when answering questions to the House.

This is no party point, because I believe that the practice that has been followed by this Government is the same as that followed by previous Governments. It is easy for Ministers to decline to answer questions, to give insufficient answers to questions, or to block lines of questioning—which in turn means that the Table Office will accept no further questions on that subject.

Like many other hon. Members who tabled oral and written questions to the Foreign Secretary and other Ministers, I was frustrated to receive a reply couched in the Legg terms of reference, but I do not have any grounds for complaint because the House has not given me or any other Member a means of redress through a resolution that would place a clear requirement on Ministers to answer oral or written questions.

Against that background, the remaining two channels of information—and, therefore, accountability to the Select Committee system—are all important. First, there is the power to send for papers. This matter is clearly spelt out in the resolutions that set up the Foreign Affairs Committee and the other Select Committees. "Erskine May" makes it clear that the powers of individual Select Committees to send for papers are heavily qualified when they are internal departmental papers. Indeed, "Erskine May" refers to the Address procedure—which, ultimately, would have to be used if the House required a Minister to produce a given departmental paper.

Because this is such a grey area, the practice has been to conduct a negotiation in each and every case, and such a negotiation has been conducted by the Foreign Affairs Committee in this instance. However, I must say that although the Foreign Secretary has been perfectly within his rights, as laid down in "Erskine May", in taking up successive positions, he has been unwise to proceed in that way over the past several weeks. The reality is that the right hon. Gentleman has been steadily driven backwards to three different positions. His initial position, in responding to the Select Committee's requirement, was to refuse any access to the documents. Following the Select Committee's rejection of that, he moved to a second position, which was to offer the documents, but only after the Legg committee had reported. He has now moved to a third position; that of offering the Select Committee the documents subject to their remaining confidential. The Select Committee has still to reach a view on that offer.

This is a significant grey area. I am glad to see the right hon. Member for Ashton-under-Lyne (Mr. Sheldon), the Chairman of the Liaison Committee, in his place. The Liaison Committee would do a considerable service to all Select Committees and to the House if it examined the matter afresh. I appreciate that its final report at the end of the last Parliament referred to the powers of Select Committees to send for papers, but the issue is deserving of more detailed examination. I invite the right hon. Gentleman and his Committee to consider further whether clearer guidance might be given, through recommendations from the Liaison Committee, on the ambit of Select Committees' power to send for papers where those papers lie within Government Departments.

**Mr. Illsley:** The right hon. Gentleman referred to the three positions taken by my right hon. Friend the Foreign Secretary on the telegrams. Will he admit that by 2 June the Clerk to the Foreign Affairs Committee had advised all members of the Committee that the Foreign Secretary's offer went even further than the Pergau dam precedent?

**Sir John Stanley:** I understand that the Clerk did advise the Committee of that point, but it was for the Committee to decide whether that was acceptable—and, by a majority, it decided that it was not.

**Mr. Rowlands:** We are following the right hon. Gentleman's case with great interest. I have read Douglas Hurd's February 1994 letter to the Foreign Affairs Committee about the Pergau dam, in which he put two sets of papers beyond the reach of the Select Committee: any official advice to Ministers internally and any memorandum or minutes between Ministers. Those documents were not to be made available to Select Committees. I simply make that point for the completeness of the right hon. Gentleman's case and to add to his explanation of the current position.

**Sir John Stanley:** I am grateful to the hon. Gentleman. If the Liaison Committee carries out a further investigation into how the power to send for papers should be used by Select Committees, I am sure that it will want to look in detail at all previous precedents, including that of the Pergau dam.

The third channel of information, to which the Leader of the House did not refer in her response to my right hon. Friend the Member for North-West Hampshire (Sir G. Young), is the most important issue for the House and the debate. "Erskine May" is very clear about the powers of Select Committees to require witnesses to answer questions. I have already said that the channel of seeking answers to questions on the Floor of the House can be blocked by Ministers almost at will, without redress for hon. Members; the channel of sending for

papers is still murky and unnavigable water; but the power of Select Committees to require witnesses to answer questions is at the heart of this debate. On page 109, "Erskine May" states:

"Witnesses . . . who have refused to answer questions . . . have been considered guilty of contempt."

On page 651, "Erskine May" states:

"However, committees, being extensions of the House, possess substantial powers to require answers to questions."

Footnote 1 is important. It states:

"These powers have been confirmed from time to time. In 1947 the House of Commons resolved 'that the refusal of a witness before a select committee to answer any question which may be put to him is a contempt of the House and an infraction of the undoubted right of this House to conduct any inquiry which may be necessary in the public interest'".

The key right of Select Committees is the right to require answers from those appearing in front of them as witnesses, whether they be Ministers, officials or anybody else. It is that right which is at the centre of this debate. It is that right which is threatened with encroachment—

**Mr. Illsley:** We are talking about the telegrams.

**Sir John Stanley:** I am referring not to Ministers' capacity to provide papers but to their answering questions as witnesses.

I was somewhat saddened to read that in his letter of 30 June, the Foreign Secretary refers to members of the Select Committee who prefer confrontation to a solution. I have to make it clear that the Foreign Affairs Committee is not engaged in a confrontation with the Foreign Secretary. The Foreign Secretary is engaged in a confrontation with the powers of the House, through the Select Committee system, to require witnesses to answer questions. That is the key issue.

In fairness to the Foreign Secretary, he has yet to appear on the matter before the Foreign Affairs Committee, although he has appeared several times at one remove through his permanent secretary, Sir John Kerr. In accordance with what is clearly stated in "Erskine May", the Committee is entitled to presume that an official who appears in front of a Select Committee is appearing on behalf of and under the instructions of the Minister in question. However, the House's powers in dealing with witnesses appearing before Select Committees will be determined when the Foreign Secretary comes before the Committee on Thursday 16 July.

**The Parliamentary Secretary, Office of Public Service (Mr. Peter Kilfoyle):** Will the right hon. Gentleman confirm that the Foreign Secretary made the offer to appear before the Select Committee? Was it not at the Foreign Secretary's behest that he will appear before the Select Committee?

**Sir John Stanley:** I have to correct the hon. Gentleman. At its most recent meeting, the Committee decided to require Sir John Kerr to come for a further evidence session and then to send also for the Foreign Secretary. That decision was conveyed to the Foreign Secretary. I make it quite clear that I am not suggesting any unwillingness by the Foreign Secretary to appear. Nevertheless, I make the point that, at its last meeting, the Committee decided—I think unanimously—that the Foreign Secretary should appear before it.

On 16 July, when the Foreign Secretary appears before the Select Committee, it will remain to be seen whether he seeks to continue to refuse to answer questions asked of him in his capacity as a witness, on the ground that the Legg inquiry is sitting. I trust that he will not.

The one thing that can be said is that the confidentiality issue is a red herring. If the Foreign Secretary believes that the answers to the questions need to be given in private, the issue can be easily resolved. He can make that request to the Committee Chairman, who will undoubtedly give him an answer at the time.

The issue is whether the Foreign Secretary, whether in public or in a private hearing of the Foreign Affairs Committee, is or is not prepared to answer questions asked of him in his capacity as a witness before the Committee. I earnestly hope that he will. I particularly hope that the House will hold fast to what is probably the most important power of accountability it has—its unqualified right to secure answers from witnesses before Select Committees.

4.53 pm

**Mr. Donald Anderson** (Swansea, East): I adopt much of what the right hon. Member for Tonbridge and Malling (Sir J. Stanley) has said in this debate. He said that production of documents to Committees is a murky area, and suggested that the matter should be clarified by the Liaison Committee. I agree entirely with that suggestion.

The right hon. Member made some points on the contempt issue, which arose during the Committee's examination of Sir John Kerr, the permanent under-secretary at the Foreign and Commonwealth Office. It is difficult to believe that the House would wish to pursue a senior civil service for contempt in such circumstances—basically on the grounds of principle and agent. As the right hon. Gentleman said, that problem is likely to arise, if at all, only when the Foreign Secretary appears before the Committee on 16 July.

By letter to me, of 6 July, the Foreign Secretary has already said:

"I will not be able, before the completion of the report, to disclose information on matters which may fall within Sir Thomas Legg's remit."

We may then be in a position of deciding to discuss that evidence in camera. We will have to wait until 14 or 16 July to decide the matter. In the same letter of 6 July, the Foreign Secretary agreed to come before the Committee, both pre-Legg and again after publication of the Legg report.

**Ms Abbott:** Has the Foreign Secretary explained to my hon. Friend why, in the first evidence-taking session, he will not be able to give evidence of matters that may be touched on by Legg? The Legg inquiry is not a judicial inquiry, and the matters covered by it are therefore not sub judice.

**Mr. Anderson:** There is a range of reasons why, on 16 July, the Committee may or may not decide to go into private session. The matter will be determined as a consequence of points made by the Foreign Secretary—for example, on highly sensitive personnel matters, or on

*[Mr. Anderson]*

other confidential matters that could cause any reasonable Committee to agree that it should consider evidence in private session. However, the Committee will have democratically to consider that matter first at our 14 July meeting.

I have on the board in my office a reproduction of a banner of the Penrhiwceiber miners lodge, in south Wales, which declares simply "Knowledge is power". Perhaps that says it all. A classic statement of the powers of the House was less succinct. It was in Redlich and Ilbert's "The Procedure of the House of Commons", which was published in 1908 and reproduced by Sir Richard Barlas in his memorandum to the first report of the Procedure Committee 1977–78 and holds:

"In the unlimited character of the claim for information, which may in principle be made at any time, there lies a fundamental parliamentary right of the highest importance; it is a right which, both constitutionally and practically is a condition precedent to all efficient parliamentary government."

Sir Richard, who was then the Clerk of the House, followed that quotation by observing:

"The powers both as exercised by the House and its Select Committees are, however, circumscribed by qualifications, apparent contradictions, and lack of opportunity to exercise the powers which undoubtedly exist."

Today's debate provides a rare parliamentary opportunity to examine the validity of certain qualifications that the Government have sought to impose on the supply of information.

I should like to offer several rather general reflections. First, our constitutional liberties were established only by struggles between government and Parliament. Those struggles reached a crisis point when the King wished to rely on the claim to divine right, which Parliament denied. I have always considered myself to be a roundhead, by both conviction and appearance. Although subsequent changes were less dramatic, they resulted—from precedent to precedent, effectively by case law—in the broadening of those liberties, as Parliament progressively extended its powers of control over the Executive.

Secondly, the tension or conflict between the Executive and legislature is both natural and inevitable, because Parliament and the Government have different objectives and perspectives. To ensure greater accountability and greater transparency, Parliament needs constantly to update the instruments that are available. With the 20th century explosion of information and expertise, Parliament itself has to become more expert and has to have greater access to information. The establishment of Select Committees in 1979 was a major institutional change to that end.

Thirdly, we may look with envy at the powers of the Committees of the United States Congress, but, as parliamentarians, we cannot realistically expect to transplant their experience to our country. The separation of powers in the US constitution and the looser concept of party mean that, in the US, the context and culture is fundamentally different. Our parties are more disciplined and our political culture more confrontational. It is not unknown for political leaders to change their perspective when moving from Government to Opposition, and vice versa. I recall the fulminations of a senior Conservative against what he termed elective dictatorship under the Labour Government of 1974–79, but that same senior Conservative was curiously silent when Baroness Thatcher abolished the Greater London Council and introduced the poll tax.

**Mr. Winnick:** Although I am all for Select Committees doing the work that they do—I am a member of a Select Committee myself—does my hon. Friend agree that the last thing we want is to emulate the United States? There, the Committees have all the power and authority, and the Senate itself hardly debates the issues. During the Vietnam war, it was the Senate Foreign Affairs Committee, not the Senate, that debated the issue. I am not in favour of more power being taken from this Chamber.

**Mr. Anderson:** I hope that I made it absolutely clear that it would be wrong to seek to transplant the US experience to our own quite different culture—"advice and consent" and various constitutional powers available to the US Congress are not available to our Parliament. It is more difficult for Select Committees to have a non-partisan debate against the background of a highly charged partisan debate in the Chamber. Parliament has to make the Government accountable, yet all its Members are elected to oppose or sustain that same Government. Therein lies part of our dilemma.

Fourthly, the problems of accountability are particularly acute in the field of foreign affairs where events move speedily, and often in crisis. There is a culture of secrecy. This is often necessary because of on-going negotiations with foreign Governments, or because of the activities of the intelligence services. Traditionally in our country, the conduct of foreign relations is Executive led and, indeed, based on the Crown prerogative. Our own Foreign Affairs Committee is probably the least powerful of all the Foreign Affairs Committees of the European Union, and we look perhaps with envy at that of Denmark or, indeed, that of Austria with its Main Committee.

Fifthly, it is hardly surprising that some of the major problems of defining the murky area, to which the right hon. Member for Tonbridge and Malling referred, have arisen in the relationship between the Foreign Affairs Committee and the Foreign and Commonwealth Office. There are two main precedents. The first is to be found in the 1984–85 Session. In its inquiry into the circumstances surrounding the sinking of the General Belgrano, the Foreign Affairs Committee sought various intelligence reports which were known colloquially as the "crown jewels". Eventually, the Government in that instance agreed to give the Committee access "under appropriate security conditions". The Committee visited the Ministry of Defence to read the documents but was not allowed to make notes.

The other major precedent occurred in the 1993–94 Session. In its Pergau inquiry, the Committee was refused access to certain communications between the British and Malaysian Governments, to communications between Ministers and to advice given to Ministers. As for intergovernmental documents—those between the Malaysian and UK Governments—the Committee did in fact receive non-classified summaries. To verify the accuracy of those summaries, certain members of the

Committee were allowed to inspect the documents themselves. Summaries of other documents were supplied, and the Committee commented in its report:

"The information . . . requested was eventually provided under various arrangements",

and it was later published as evidence.

Thus, the formal position is that the Foreign Affairs Committee cannot itself order the Foreign Secretary to produce papers. There are practical difficulties, both procedural and partisan, in exercising the powers available. It is significant that in the two key precedents—those involving the General Belgrano and the Pergau dam—the Committee was persuaded to agree a compromise with the Government, and a way was found around the difficulties.

**Mr. Bowen Wells** (Hertford and Stortford): As I understand the current position, the Foreign Secretary has now allowed the equivalent of the arrangements that were made to examine confidential information which, in the case of the General Belgrano, involved the Ministry of Defence. I understand that he has made arrangements for the Committee to examine the telegrams that the Committee wants to see and to allow its members to make the necessary notes from them, which is in addition to what was granted in the Belgrano case. Therefore, the Committee has access to the documentation, and the Foreign Secretary has withdrawn the proviso that the information cannot be used before the Legg inquiry has reported. Is that correct?

**Mr. Anderson:** The dispute between the Foreign Secretary and the Committee has indeed moved on. The right hon. Member for Tonbridge and Malling set out the position. Originally, the dispute was on a fairly narrow but important constitutional point. The Foreign Secretary told the Committee that it could see the documents but only after the Legg inquiry, which he had appointed, had reported. He said that, until that time, any disclosure might in his view, and in that of Sir Thomas Legg, prejudice the inquiry. The Committee was not prepared to accept that condition.

Obviously, the Legg inquiry is likely to report very shortly, but it is conceivable that, at some future date, a Minister might appoint a similar person, or similar persons, to conduct an inquiry that might last several months or, indeed, years. It would be absurd to suggest to a parliamentary Committee that its inquiries should be stayed, pending the outcome of that inquiry. That is the narrow but important constitutional point on which the Committee has stood firm. Clearly, as is set out in the third paragraph of his letter to me of 30 June, the Foreign Secretary appears to have lifted that condition.

I want to emphasise the fact that the Committee stood firm. We decided as a Committee, dare I say, not to blink first. We have not blinked, and the position has moved on from that which prevailed at the time when the important sentence that forms the basis of the Opposition's motion was drafted and accepted by the Committee.

**Dr. Godman:** I am grateful that we have moved on as a Committee. We were offered a summary of the telegrams. If Committee members are given access to the telegrams before the publication of the Legg report, we will be better equipped to analyse the report itself. I remind my hon. Friend that the Committee has been divided all along on the reports. My position is clear. My right hon. Friend the Foreign Secretary should be called to give evidence to the Select Committee following the publication of the Legg report so that we can cross-examine him and then the House should debate that report and the special report of our evidence session with the Foreign Secretary. That makes a hell of a lot better sense than simply having a debate. Every Select Committee Chairman, if he or she is honest, will agree with that.

**Mr. Anderson:** My hon. Friend is correct in both points. He has set out his own position clearly and emphasised that there has not been total consensus in the Select Committee.

**Ms Abbott:** As my hon. Friend will confirm, there has not been consensus, but there has always been a clear majority. Will he confirm that it has taken two months from 12 May, when we originally wrote to my right hon. Friend the Foreign Secretary requesting the telegrams, for him to come forward yesterday with an unconditional offer of the sight of a summary of the telegrams? Does my hon. Friend agree that if we had not reported the matter to the House—not once but twice—it is unlikely that the Foreign Secretary would have made that concession?

**Mr. Anderson:** The offer was made in his letter of 30 June and it is fair to say that, both prior to that and subsequently, there have been on-going negotiations.

**Mr. David Davis** (Haltemprice and Howden): I apologise for interrupting the hon. Gentleman's speech, and I understand that it is a difficult issue, but there is a fundamental point of principle that matters to other Chairmen and members of Select Committees. The hon. Member for Greenock and Inverclyde (Dr. Godman) has got it wrong. The fundamental issue is the access of the Select Committee to original papers. The right to interrogate the Foreign Secretary is also important, but it is not the issue in dispute. I wanted to be clear about the following point: are members of the Select Committee being given access to the telegrams, or simply to a summary of them? A summary, written by the people who may be culpable, is not the same as access to the telegrams.

**Mr. Anderson:** The position is summed up in the third paragraph of the letter of 6 July from the Foreign Secretary to me. It is a long letter, but the relevant paragraph reads as follows:

"In your letter you also refer to the proposed compromise by which a summary of the telegrams would be available to members of the Committee, subject to appropriate arrangements to ensure confidentiality, with two nominated members of the Committee able to visit the FCO to verify the accuracy of that summary by reference to the telegrams themselves. If the Committee accept this compromise, I will ask the responsible FCO officials to produce, as rapidly as possible, a summary."

So a summary is on offer.

**Sir George Young:** It is a very important letter, perhaps produced in response to today's debate. Will the hon. Gentleman make arrangements for right hon. and hon. Members who are interested to have a copy of it?

**Mr. Deputy Speaker (Sir Alan Haselhurst):** Order. Perhaps it would be helpful if I informed the House that various letters which have been referred to in the debate are available in the Library and will also be copied to the Vote Office.

**Mrs. Ann Taylor:** On a point of order, Mr. Deputy Speaker. May I confirm that all the relevant correspondence is in the Vote Office? The Clerk to the Foreign Affairs Committee has arranged that.

**Mr. Deputy Speaker:** I am sure that the House will be obliged to the Leader of the House.

**Sir Peter Emery:** Further to that point of order, Mr. Deputy Speaker. How can a letter sent to the Foreign Affairs Committee and not yet considered by that Committee, about matters on which the Foreign Affairs Committee has not reached a conclusion and where the Foreign Affairs Committee has the absolute right to decide whether or not evidence presented to it is published, be revealed before the Foreign Affairs Committee has taken a decision to that effect?

**Mr. Deputy Speaker:** That may be more in the nature of a question that might be pursued with the Chairman of the Foreign Affairs Committee. However, a request was made during today's debate that relevant documents that were being quoted from should be made available and there has been a response to that request in order to facilitate the debate.

**Mr. Anderson:** I am in a no-win situation. My point throughout has been that if the Foreign Affairs Committee is making the case for accountability and transparency, it should set an example. I would be properly criticised by the House had I decided to withhold that important letter from the House. Therefore, as Chairman, I took the decision not only to make that letter available, but, last Friday, to insist that all the relevant transcripts—which would not normally have been available to the House yet—were provided for today's debate, hopefully by way of example. Had I not done so, I would properly have been subject to criticism.

**Mr. Barry Sheerman** (Huddersfield): We just heard an intervention by the right hon. Member for Haltemprice and Howden (Mr. Davis), the Chairman of the Public Accounts Committee. That surprised me as the Government amendment clearly mentions that the telegrams are accessible. Had the right hon. Gentleman read the Order Paper, his intervention would have been unnecessary.

**Mr. Illsley:** Will my hon. Friend give way?

**Mr. Anderson:** I shall give way to my hon. Friend, who is a member of the Foreign Affairs Committee.

**Mr. Illsley:** Will my hon. Friend make clear to the House that the compromise mentioned in the letter that has been circulated to Committee members today is the Chairman's own compromise and that the Foreign Secretary is responding to the compromise suggested by the Chairman of the Committee. The letter states: "In your letter"— that is the Chairman's letter—

"you also refer to the proposed compromise".

The compromise was proposed by the Chairman of the Committee and was available some 10 days ago. So the compromise was available days ago and the Foreign Affairs Committee refused to take it on.

**Mr. Anderson:** I would put this gloss and explanation on my hon. Friend's point: knowing that the two precedents—General Belgrano and Pergau—amounted to a compromise between the Executive and the legislature, or between the Government and the Foreign Affairs Committee, on my own initiative I sought to obtain a compromise and I asked the Select Committee for authority to go ahead with it. On Friday June 26, I instructed the Clerk to send the Committee my own proposal which was for a summary and confidential access. I suggested that the Foreign Secretary would send the summary of the telegrams to the Committee to be seen under secure conditions, but I coupled that with my own view that, not as a condition of the above, but in consequence, the Committee would agree to stay all further proceedings on or arising from the Sandline affair until after the publication of the Legg report. That was my proposed compromise.

It is fair to say that the Foreign Secretary has gone much further towards the Committee than my suggestion. He did so in the third paragraph of his letter of 30 June in that he did not put his proposal in the context of the Committee staying all further proceedings. That was confirmed in an exchange between my hon. Friend the Member for Greenock and Inverclyde (Dr. Godman) and Sir John Kerr, the permanent under-secretary, and further confirmed by the Foreign Secretary's letter of 6 July. So it is clear that the Foreign Secretary has gone rather further than the compromise that I originally suggested.

**Mr. David Heath** (Somerton and Frome): I am most grateful to the hon. Gentleman and I realise that he is able to make only slow progress with his speech, but it is absolutely crucial that we understand this. The compromise that was referred to in the letter of 30 June was unacceptable to the Foreign Affairs Committee because it suggested that we could no longer pursue our inquiries into any matter relating to Sierra Leone. I believe that the hon. Gentleman is now telling the House that that condition is no longer applicable, and that the Foreign Secretary in his letter of 6 July is clear that no such condition applies to the arrangements for seeing the telegrams. If that is the case, it is a major step forward. The Foreign Secretary has backed down and I welcome it, but we must be clear about it.

**Mr. Anderson:** I agree that that is a major step forward, but my construction of paragraph 3 of the letter of 30 June is that the Foreign Secretary was not even then insisting that we do not carry matters forward until after the Legg report. Paragraph 3 states:

"You also know that I was willing to entertain your proposed compromise by which the telegrams could be made available to the Select Committee now, subject to an assurance of confidentiality until the Legg Report is published."

If there were any ambiguity in paragraph 3, that—as was said by the hon. Member for Somerton and Frome (Mr. Heath), who is a valued member of the Committee—has been overtaken by the clarification. Any ambiguities have been removed by the Foreign Secretary's letter to me of 6 July.

It is right that Select Committees try to understand the legitimate interests of the Executive. Equally, Governments must understand the rights and privileges of the House. The Foreign Office should be as open and accountable as possible, but we must understand that there are matters, such as personnel matters or matters of prejudice to on-going negotiations, which, if explained to a Committee, a reasonable Committee would wholly accept.

I shall skate as speedily as I can over the remaining letters and the current problem as set out in our two special reports. The special report of 21 May that the Committee made to the House speaks for itself. The Committee had asked on 12 May that the Secretary of State provide copies of those telegrams. Again, the Foreign Office had been reminded by a further letter of the precedent of the "crown jewels". The Secretary of State had effectively at that time refused access, mentioning the Legg report.

The second special report of the Select Committee was dated 23 June. It included the letter of 1 June from the Secretary of State who, after meeting me, wrote that he was prepared now to follow the Pergau precedent, but only—this was the important condition, which proved offensive to the Committee—after the publication of the Legg report. After that, the Committee met and rejected the reason for delay. We gave as our reasons, first, that the documents would remain confidential with the Committee, and secondly, that it was wrong in principle that a Secretary of State should establish a Committee and then seek to shelter behind it as a means of refusing access to information.

**Mr. Andrew Mackinlay** (Thurrock): Throughout the debate, there has been reference to Legg and the fact that potential disciplinary action should not be prejudiced. That is a dangerous precedent, because the same argument could be advanced in the case of any Select Committee. I shall postulate a hypothetical example to my hon. Friend the Member for Swansea, East (Mr. Anderson) and to the President of the Council and Leader of the House of Commons. If Mr. Derek Draper's boss decided to hold an internal inquiry that could lead to disciplinary proceedings, would the Standards and Privileges Select Committee decline to investigate the matter until Mr. Derek Draper's boss had completed his investigations? I do not like discrimination in favour of Government. If we accept the argument that Legg can put everything on ice, it could be advanced by every employer in the country.

**Mr. Anderson:** I would say that the discrimination is in favour not of Government, but of individuals and the natural justice that allows an individual not to be pilloried without the opportunity to reply. The matter should not be imposed unilaterally by any Minister, but should be put to a Committee. If there were a sensitive personnel matter, a reasonable Committee would, I hope, agree.

In an attempt to make progress, I shall not quote paragraphs 5 and 6 of the second report, but it is true that one sentence has been drawn from paragraph 6 by the motion and not put in the original context. It is not a general request. In the context of paragraphs 5 and 6, the condition of waiting until Legg was the Committee's main concern.

**Mr. David Davis:** I apologise for intervening again. I understand the difficulty that the hon. Gentleman is facing, and I sympathise. May I extend the point made by the hon. Member for Thurrock (Mr. Mackinlay)? We have in the House clear guidelines on sub judice matters, which apply to Select Committees, to protect the rights of individuals. They are limited to well-defined items from the criminal courts, courts martial, civil courts and tribunals set up under the Tribunals of Inquiry (Evidence) Act 1921. Even so, the Speaker has the right to waive that sub judice protection. We are discussing an extension of that, on the say-so of any Government Minister, without limit. That is the danger to which we must face up.

**Mr. Anderson:** Not on the say-so of any Government Minister, and not without limits. If, in the circumstances of a particular case, a Committee could be persuaded that to go public might prejudice a particular individual in subsequent disciplinary proceedings, in my judgment a reasonable Committee might then conclude that it should respond positively. Those are the conditions that I would place on the matter.

I shall try to make progress. The key fact is that an offer was made on 30 June. I quoted the element in paragraph 3 of the Secretary of State's report. That same day, my hon. Friend the Member for Greenock and Inverclyde (Dr. Godman) put the following question to Sir John Kerr:

"Am I right in interpreting paragraph 3 correctly, that the Foreign Secretary is willing to make the telegraphs available to the Committee right now subject only to an assurance of confidentiality until the Legg Report is published? Is that his position?"

Sir John Kerr replied:

"That is my understanding, yes."

I congratulate my hon. Friend on putting his finger on the key question.

The Committee has not yet reached a view on the further steps and on the welcome move made by the Foreign Secretary. When the Committee further considers the matter on Bastille day, 14 July, it will be my recommendation to the Committee that we accept the position now put to us by the Foreign Secretary.

**Dr. Godman:** I am grateful to my hon. Friend for displaying his characteristic courtesy. With an appalling lack of modesty, may I remind him of the following question that I asked Sir John Kerr? I refer to paragraph 478 of the document, on page 38. I asked:

"Is the Foreign Secretary aware of the paramount importance of confidentiality attached by the House to unreported evidence and to the heavy penalties the House imposes on those who, if you like, transgress the rule of the House?"

Sir John Kerr answered, as my hon. Friend may recall:

"I cannot answer for him but I would have thought the chances are yes, indeed."

**Mr. Anderson:** I thank my hon. Friend. Perhaps the Foreign Secretary had not fully appreciated two matters—first, that the Committee can move into private session, and secondly, that if my right hon. Friend feared that a member or members of the Committee would leak any confidential information and cause prejudice, strong weapons are available to the House. There is the precedent, which my hon. Friend cited, of my hon. Friend the Member for Linlithgow (Mr. Dalyell) in about 1978, who was brought before the House because of such a leak. In my judgment, those two matters are important.

*[Mr. Anderson]*

The Secretary of State's new offer gives the Committee the substance of what it has requested from the start, and as I have said, I shall certainly recommend on 14 July that the Committee accept it. An offer was made on 6 July to meet the Committee on 16 July, before the publication of the Legg report, and again on 28 July, after publication, with a promise that if the Committee accepted the compromise in the Foreign Secretary's letter of 30 June, he would instruct his officials to prepare a summary as rapidly as possible.

I replied today, first accepting both offers of meetings, on 16 July and on 28 July—ad referendum, after discussion by the Committee, because we try to run a democratic Committee—and secondly, expressing the hope that if the Committee accepts the offer on 14 July, the relevant documents can be made available speedily.

In conclusion, I must speak about the motion, and my difficulties with it. First, the motion is expressed in absolute terms, when some qualification of the principle is clearly necessary. Paragraph 6 of the second special report, from which it has been lifted, must be read in the context of the preceding paragraph, paragraph 5.

Secondly, the motion has been overtaken by events. There are always dangers in proceeding from the particular to the general. The words that the motion takes from our second special report were originally used in the context of the idea that a Government should not set up its own inquiry and thereafter shelter behind that inquiry to prevent a Select Committee from having access to relevant documents.

The Committee has never sought to establish the principle that it has an unqualified right of access to all documents. That would be against precedent and reason—the precedents both of the Belgrano and of Pergau. It would also be against the principle that there must be circumstances in which Government and Parliament will agree that, for good reasons, documents will be withheld and may remain confidential.

In my judgment there is now within the grasp of the Foreign Affairs Committee the establishment of the principle that we sought to establish. We were determined not to blink first—a phrase that I have borrowed from my hon. Friend the Member for Thurrock (Mr. Mackinlay). I shall therefore recommend to the Committee that we accept the offer. Unfortunately, the Foreign Secretary chose not to make that offer immediately. Perhaps he had not fully appreciated the points about confidentiality, or about the weapons available to the House if Members breach that confidentiality.

That said, it is clear that the Foreign Secretary has moved, and that the Committee has not yet reached a collective view, so the motion has been overtaken by events. It is in any case too absolute in its claims.

**Mr. Wells:** I am grateful to the hon. Gentleman for giving way, especially as he is summing up; he has exercised what his hon. Friend the Member for Greenock and Inverclyde (Dr. Godman) described as his characteristic courtesy. There is one outstanding point that I hope that he will address—a point raised by my right hon. Friend the Member for Tonbridge and Malling (Sir J. Stanley). Is the Foreign Secretary prepared to come before the Foreign Affairs Select Committee, and if the Committee agrees to go into confidential mode, is he prepared, under confidence, to answer the Committee's questions relating to the inquiry that it is undertaking into the circumstances surrounding the supply of arms to Sierra Leone?

**Mr. Anderson:** That is an important question; we are dealing with a moving situation. I hope that when we reach the discussion with the Foreign Secretary on 16 July, my right hon. Friend will, indeed, speak fully and openly. If he says that there are some matters that are confidential, it will then be necessary for the Committee to decide, with the Foreign Secretary, whether it is appropriate to go into private session. However, we have not yet reached that position.

I hope that the House will now agree that if the Committee accepts the offer on the table, it will successfully have stood its ground, and this whole affair will be seen as an important precedent establishing the principle that we set out as important in our second special report—a principle that we have now established for the House.

5.34 pm

**Mr. David Heath** (Somerton and Frome): This is a debate which, for a number of reasons, should not be happening. The first of those reasons is the 11th-hour climbdown by the Foreign Secretary. Had that happened a little earlier, I am sure that it would have satisfied the Foreign Affairs Committee, on which I serve, on the narrow point of the telegrams.

Secondly, it is regrettable that the debate is taking place in official Opposition time, because that suggests a political polarity about the issue which, on the evidence of our discussions in the Committee, should not be there.

**Sir Patrick Cormack:** Does the hon. Gentleman accept that we have repeatedly asked the Leader of the House to provide time? We accept that the present procedure is a regrettable alternative, but I do not think that we would have reached this stage had we not tabled the motion; certainly there would have been no debate.

**Mr. Heath:** I am most grateful to the hon. Gentleman for his intervention. Of course he is right; the matter would not have come to the House. None the less, I still think that it is regrettable that it has done so in a context that means that it will be seen as a polarised issue, rather than, as it should be, as a matter for the consideration of all hon. Members in all parts of the House.

**Mr. David Davis:** Will the hon. Gentleman give way?

**Mr. Heath:** Yes, but for the last time in my introduction. I must get on to the substance of my speech.

**Mr. Davis:** I beg the hon. Gentleman's pardon for intervening so soon, but is he aware that I agree with him that it is unfortunate that we have had to hold the debate in Opposition time, because of the colour that it casts on the debate? However, the Government have not only failed to respond to those eight requests; they have ignored their own guidelines in the Osmotherley rules, under which the Government have given a commitment in the past that where there is evidence of widespread

general concern in the House regarding alleged ministerial refusal to divulge information, they would seek to provide time for the House to debate that matter.

**Mr. Heath:** The right hon. Gentleman is absolutely right, and I accept his point entirely.

The last reason why we should not be having this debate is that the Government should not be in the position in which, as a result of their actions over recent weeks, they find themselves. The old cliché, "When you are in hole, stop digging," is appropriate, because the hole is entirely of the Foreign Secretary's making. Moreover, the depth of the hole is disproportionate to anything that may or may not be found at the bottom of it.

I do not understand why the Foreign Office and the Foreign Secretary have allowed the affair to progress in such a manner, to a point at which a major matter of principle is involved, although we started with a Select Committee simply doing its job in a straightforward way. That is strange, coming from the Foreign Secretary of all people. I have considerable respect for him, and I am disappointed in the line that he has chosen to take.

It is a misfortune that many hon. Members have focused so tightly on the issue of the telegrams, because there is a much wider issue—the fact that we have been given a blank refusal to answer a series of wider questions that we have sought to put to the permanent secretary and others. That is especially so, as the arguments adduced by the permanent secretary on behalf of the Foreign Secretary seem so inadequate.

As other hon. Members have said, the issue is not essentially about Sierra Leone but about the rights of a Committee of the House, and about the duty of the legislature to scrutinise the Executive. It is crucial that we do not give any future Minister the "get out of gaol free" card that says that simply setting up an internal inquiry is a sufficient reason for avoiding answering questions properly put by a Select Committee.

I must say, although in doing so I may lose the support of some hon. Members in this corner of the House, that I find it ironic that the motion should have been tabled by the Conservative party, with its record on arms to Iraq and the Scott report. It is not surprising that no quotation from the Scott report has been given so far in the debate; perhaps I can correct that imbalance. On page 503, paragraph D4.58 of volume 1 of the Scott report says:

"If, and to the extent that, the account given by a Minister to Parliament, whether in answering PQs, or in a debate, or to a Select Committee, withholds information on the matter under review, it is not a full account, and the obligation to account for what has happened, or for what is being done, has, prima facie, not been discharged. Without the provision of full information it is not possible for Parliament, or for that matter the public, to hold the executive fully to account. It follows, in my opinion, that the withholding of information by an accountable Minister should never be based on reasons of convenience or for the avoidance of political embarrassment and should always require special and strong justification."

Those are vital words in terms of this debate. We must ask what is the "special and strong justification" given by the Foreign Secretary in this case.

**Mr. Ernie Ross:** As a fellow member of the Select Committee, may I ask whether the hon. Gentleman thinks that this game could have been circumvented if the Committee had decided to carry out an investigation into whether arms were supplied to anyone in Sierra Leone, and if we had decided to send for the Secretary of State as the responsible Cabinet Minister? We could have confronted all this head on at the time. Would not that have been the best way forward?

**Mr. Heath:** That is an interesting suggestion. Had we done so on those terms, we would have been exactly duplicating the Legg inquiry—which the Committee has been at pains not to do.

That was the first objection from the Secretary of State—that the Committee was duplicating the work of the Legg inquiry. That is clearly not so. If the Committee had wanted to investigate the precise area that the Legg inquiry was put in place to look into, it would have summoned Tim Spicer of Sandline; it would have summoned Mr. Penfold, the high commissioner in Sierra Leone; it would have summoned John Flynn, the special adviser; it would have summoned Colonel Andrew Gale; and it would have summoned Rupert Bowen, the slightly shadowy figure who may or may not have something to do with MI6 activity in the area. Those are the people to whom we would have wished to talk if we were looking precisely at the issue of arms sales by Sandline or others in Sierra Leone.

**Mr. Mike Hancock** (Portsmouth, South): I wish to add something to the list of people whom my hon. Friend suggested. I should like the Government to provide to the Defence Committee the cables and signals between HMS Cornwall and the Ministry of Defence during February. I should like the Government to state whether there were any direct communications from the Foreign Office to the high commissioner via HMS Cornwall while she was in the area during February. Some interesting answers may come from the signals sent to and from that ship.

**Mr. Heath:** My hon. Friend raises an important point—which we may wish to look at when we revisit the Legg inquiry following the publication of its report—concerning HMS Cornwall, as well as its predecessor, HMS Monmouth.

**Mr. Illsley:** The hon. Gentleman said that we did not want to duplicate the Legg inquiry and that had we done so, we would have called Mr. Spicer and the list of other characters. The Committee decided specifically against calling the persons to whom he has just referred. If we do not want to duplicate the Legg inquiry, why is there so much fuss about seeing the telegrams?

**Mr. Heath:** The hon. Gentleman makes exactly the point that I am trying to make. I have been critical in the Committee of the adventitious nature of the inquiry on which we seem to have embarked. We do not seem to have a clear focus, but sufficient problems have been raised by the evidence that we have received to be of proper concern to the Committee. We have heard self-contradictory and wholly inadequate evidence—as would be confirmed even by those who gave that evidence—on the part of Ministers and the permanent secretary. Some of the inadequacies have had to be corrected later.

There is at least prima facie evidence of two policies being pursued in Sierra Leone, one being the official Government policy, and the other—apparently without

*[Mr. Heath]*

any knowledge of Ministers, whom I absolve of any responsibility—on the ground in Sierra Leone. That is worrying. There is prima facie evidence of inadequate communications within the Foreign and Commonwealth Office. There is prima facie evidence of a lack of focus in the arms sales controls that are in place.

Those are proper issues for the Select Committee to look into, which have nothing to do with the Legg inquiry. The second objection by the Foreign Secretary—that this is not the Committee's business and that it should be looking at other things—simply cannot be pursued. What I have just said is sufficient to debunk that suggestion.

**Mr. Wells:** I am grateful to the hon. Gentleman, who has given way a great deal. I know how difficult it is to keep the theme of one's speech going with constant interruptions. However, he made a statement just then that I would like clarified. Did he say that two policies could be pursued by the Foreign Office—one that the Minister knows about and for which the House could hold him responsible, and another pursued by officials which, if the Minister does not know about it, would be perfectly okay?

**Mr. Heath:** I am certainly not saying that it would be perfectly okay if officers of the Government—at whatever level—were to pursue a policy that was not known or supported by Ministers of the Crown. That would be quite improper. Nor am I suggesting that that has taken place. I am saying that there is evidence which might suggest that. If that is the case, it is the proper province of the Select Committee.

The third objection by the Secretary of State is that the Committee would somehow pre-empt the Legg inquiry by conducting any line of inquiry, putting any questions or coming to any conclusions. I find that hard to reconcile with the Foreign Secretary's letter to the Chairman of the Committee, dated 30 June, in which he says quite flatly:

> "There was no ministerial conspiracy to breach the arms embargo. There was no connivance within Whitehall to breach the arms embargo."

That would appear, at first sight, to rule out any grounds for an inquiry at all—unless it is read that "Whitehall" is important, in which case it may be that the Secretary of State feels that there are people within the Government service not based in Whitehall who may have connived. If interpreted in that way, that statement suggests to me a pre-emption of the Legg inquiry. That is dangerous ground for the Secretary of State, but I assure the House that I do not believe that any member of the Select Committee would wish to pre-empt the inquiry in that way.

The fourth objection has been dealt with by other hon. Members—that somehow it was improper to look into those areas because they were effectively sub judice. Legg, as has been pointed out, is not a judicial inquiry—it is an internal inquiry, carried out by someone with legal training, but who is, essentially, a civil servant. Although I have every confidence in his credentials for doing the job that he has been asked to do, he is nevertheless a mandarin looking into the activities of mandarins for mandarins. That is different from a Select Committee of the House looking at the same issue.

Even if one accepts the Secretary of State's assertion that the Legg inquiry has a legitimacy and that the Select Committee should not at this stage look into it, the fifth objection comes into play—that all the questions that we wish to put coincidentally happen to fall within the ambit of the Legg inquiry. In a glorious passage during his evidence to the Committee, the permanent secretary advanced the doctrine of the expanding reservation. He illustrated graphically how it could embrace almost any question that we chose to ask if he felt that Sir Thomas Legg might ask a question in the same general area. That cannot be a justification for not answering questions posed in a Select Committee meeting.

The inquiry's terms of reference are clear and clearly limited. The Foreign Secretary referred to them in that same letter when he mentioned the handling within the FCO of relations with Sandline. They are precisely the areas that the Committee does not wish to examine at this stage because we recognise that, if we were to do so, we would duplicate the work of the Legg inquiry. There is no justification for stating simply that one will not answer questions about matters that are within the proper province of the Committee.

The sixth objection—which I find rather insulting to the Foreign Affairs Committee, and to which the Chairman has already referred—is that we cannot be trusted to maintain confidentiality or to understand issues of national interest when disclosing information in telegrams. We are not Downing street lackeys or graduates of the Mandelson school for public relations men: we know where our responsibilities as Committee members lie. If we are entrusted with information that is confidential, we shall maintain that confidentiality in the national interest. We understand also that it is not appropriate to allow the verbatim release of telegrams that may have security connotations. That would be a gift to those who are not friendly to this country. We understand those things, and that is why we were prepared to find ways of not revealing confidences while continuing to do our work.

The Foreign Secretary has constructed a rampart against proper inquiry on the part of the Select Committee. A simple investigation of detail has been elevated into a matter of proper parliamentary principle. Civil servants and Ministers have performed lamentably, and I suspect that they have done lasting damage to their reputations. We have witnessed the refusal to answer questions, and obduracy in the face of reasonable questioning, which has served only to stiffen the Committee's resolve.

We have also had the off-stage noises. We have heard—the claims have not been substantiated—about the attempted bullying of Committee members. There has been quite extraordinary reportage in the past few days about the supposed motivation of Labour Members on the Committee. Such character assassination is wholly unacceptable. It suggests motivation that is different from their proper role as Committee members, and I have seen them perform that role with great dedication in the past year.

The Prime Minister's misleading statement to the House last week—it has been touched on this afternoon—regarding the position of the telegrams and our rejection of that position is compounded by the Government amendment on the Order Paper. No offer was made in the terms described without a conditionality attached that the Committee could not accept. In any case, the Committee did not accept or reject the offer because it was not put to the Committee.

We have witnessed some hon. Members attempting to politicise the issue and we have had the infelicitous use of archaic procedure in an attempt to stifle questioning in the Committee. The Leader of the House has apparently refused to bring not one, but two, special reports of the Committee before the House for discussion. This is an inglorious episode for a Government who take pride—or perhaps I should say refuge—in the rhetoric of open government. I believe that the Foreign Secretary's actions have been ill considered and, at times, intemperate. They are wholly out of true with his reputation for intelligence, principle and candour. He has piled the Ossa of obstruction on the Pelion of contempt for the Committee. Is it any surprise that the Foreign Secretary's actions have stimulated more questions and the issue has not been allowed to subside?

I believe that the Liberal Democrats are not alone in being extremely disappointed with the Government's behaviour on this issue. I suspect that some Labour Members share our disappointment and are embarrassed by the position in which the Government find themselves. There has been an attempt today at de-escalation and to accommodate the Committee on the subject of the telegrams. That is wholly welcome and I shall agree to that proposal in the Committee.

At the end of the day, we shall look back on this episode and see that Ministers have not been greatly at fault—if they have been at fault at all. I think that we shall find deficiencies in the workings of the Foreign and Commonwealth Office that we should examine. Most of all, we shall find that, through their actions in respect of their relationships with the Committee, Ministers have managed to escalate a small matter into a serious matter for the whole House. I hope that, when we come to vote, the parliamentary majority will not be used to stifle the proper views of the House regarding the rights of Committees.

I have great difficulty when hon. Members start talking about the high court of Parliament; I always check the spoons when that happens because it is normally a case of pomposity overriding common sense. Nevertheless, there are times when we must stress the paramount importance of the House and its Committees in holding the Executive to account. This is one such occasion. Before I conclude, I shall give way.

**Mr. David Davis:** The hon. Gentleman is as kind as ever. He has almost answered my question in drawing conclusions from the experience of his Select Committee. Is not the most important conclusion that no future Select Committee should be faced with a ministerial inquiry—let us be clear about it—that is apparently designed to fend off questioning from that Committee?

**Mr. Heath:** I am grateful to the right hon. Gentleman. I do not accept that the inquiry was established in order to fend off questioning from the Foreign Affairs Committee. I accept that the Foreign Secretary established the inquiry in good faith. However, it has been used to stifle debate—that is the key point. I return to my earlier point: no Minister should have a "get out of gaol free" card that says that, if there is something awkward down the track, an inquiry will be established, no questions will be asked, no Select Committee will be allowed to investigate and the House will be none the wiser about deficiencies in a Department or on the part of Ministers. That is unacceptable, and I invite the House to agree with that view when hon. Members vote this evening.

5.56 pm

**Mr. Robert Sheldon** (Ashton-under-Lyne): I share the regret expressed by the hon. Member for Somerton and Frome (Mr. Heath) that it was decided to debate this subject on an Opposition day, which has overtones of parliamentary controversy based upon party. That is a great pity. I agree with the right hon. Member for North-West Hampshire (Sir G. Young), who opened the debate, that Select Committees are more important now as a result of the Government's majority. Select Committees are able to investigate matters that the House of Commons, which is overloaded on one side, cannot, and can hold the Government to account.

Apart from the six years that I spent at the Treasury, I have been a member or Chairman of a Select Committee for almost all of my parliamentary life. Even during my six years at the Treasury, I was an ex officio member of the Public Accounts Committee. The task of Select Committees has changed fundamentally: we do not realise the changes that have occurred over the years. Select Committees have grown in importance even since 1979 when the new form of Select Committees was introduced.

The task of Select Committees is not to copy or to pre-empt the sort of discussions and debates that take place in the House—there are plenty of opportunities to do that in the Chamber. Select Committees provide the opportunity to produce a report based upon proper investigation and repeat questioning of witnesses, which is not possible in the House. Everyone soon learns the tricks of being able to avoid even the most brilliant question, but one cannot do that when the question is asked again and again. That occurs frequently in Select Committees, and Ministers are called to give evidence again and again.

Those permanent secretaries who appear before the Public Accounts Committee know that, if Committee members have second thoughts about the issue several months hence, they will be brought back before the Committee for questioning. That kind of scrutiny is not possible anywhere else in our political system. There has been an extension of that over a period.

Where Select Committees are unanimous, they have enormous power. When a Committee is divided, it does not receive the same attention that it will receive when there is unanimity. I speak with some experience because, when I was the Chairman of the Public Accounts Committee, I had 550-odd reports, and every one was unanimous. That was not bogus or botched unanimity but genuine unanimity. As a result of that, we had enormous power. A Select Committee can have that power if it goes back to the matter again. Changes will take place that will even increase the power of a Select Committee because so much is dependent on Select Committees in this Parliament.

Good relations between the members of Select Committees are crucial. It saddens me greatly to see a Committee that is divided. It is important to establish trust between members of a Committee. I was a member of the Expenditure Committee that examined money supply back in 1979, when the then Government became addicted

*[Mr. Robert Sheldon]*

to money supply. I had a great deal of respect for Tim Eggar and I achieved a great deal of agreement with him. We did a deal. We agreed that there were certain nonsenses in monetarism and we produced a report that showed that there were deficiencies in monetarism. That went wholly against the then Government. However, there was respect among members of the Committee for one another.

My hon. Friend the Member for North Durham (Mr. Radice) has taken this process much further. He has produced a sensible way of establishing seminars where Members discuss things among themselves. That creates confidence among people. We shall not deal with the big political issues. Of course, we cannot do that and we do not want to. We want to avoid them. However, in the limited areas in which Select Committees can operate, they should operate on a basis of trust. That trust was obviously not evident in the Select Committee on Foreign Affairs. That was a great shame. It was a pity. If there had been the trust that I have described, it would not have been necessary to come to the House. Instead, the Select Committee would have come to the Liaison Committee. I had means of doing things and I was going to do them if we had not had a report. That would have been the right approach if there had been unanimity. Do not think that success will be achieved by weight of numbers in a vote. Success is achieved by agreements, and let us make those as strong as we might. That is the way to do it.

Developments have continued. I pay tribute again to my hon. Friend the Member for North Durham, who introduced confirmatory hearings. I do not know how far that will go, but developments are taking place. Developments are possible in this Parliament partly because of its nature, and I approve of that wholly.

There were other ways of dealing with the matters that are before us. I shall tell a story about myself and the Al Yamamah contract, one of the most secret matters that ever came before the Public Accounts Committee. What did I do with it? The Committee had to investigate it, but I could see that there was a possibility of leaks. I say to my hon. Friend the Member for Swansea, East (Mr. Anderson) as well as to the hon. Member for Somerton and Frome (Mr. Heath) that I have been a member of the Liaison Committee ever since it was set up back in 1983. There were leaks again, again and again, and I knew where most of them came from—from members of Committees. Let us not fool ourselves about that.

If we are to deal with highly secretive matters, we cannot entrust a Select Committee to deal with them. So how is it to be done? There are means of proceeding, and I adopted them in dealing with the Al Yamamah contract. I approached the then senior Conservative member of the PAC, Sir Michael Shaw—Lord Shaw as he now is—and we went into the matters surrounding the contract. I decided that we would meet in my Room. The two of us operated as a PAC. If there were matters that showed that somebody had made big commissions—there were one or two important people in the public news who were supposed to have made great fortunes out of the contract—and if I had found them, they would have gone straight back to the PAC, and we would have produced a report upon those matters. However, we did not do that. We found that there was no evidence of anything like that.

The National Audit Office does not have the power to follow public money wherever it goes. That is a power which I have argued for, and we are making some progress in that respect. However, we did not have such powers at the time of the Al Yamamah contract. Although we could have our suspicions, there was no proof of anything. I was able to produce a report that showed that there were certain things that had to remain strictly confidential, strictly secret. We acted in that way. I informed the PAC of what I had done, and its members had sufficient confidence in the two of us, myself and the then Sir Michael Shaw, to accept that. There were matters involving jobs, and there could have been great problems for the country.

There is a problem with sensitive matters. My hon. Friend the Member for Swansea, East rightly referred to the Pergau dam. On that occasion, the permanent secretary came along with a note of dissent. Every permanent secretary has the right to produce such a note stating that he did not agree with the expenditure of certain moneys, in effect saying, "Please do not blame me when I come before the Public Accounts Committee." That is what the permanent secretary said, and we found out that he had written his note of dissent to the then Minister for Overseas Development, Lynda Chalker, Lady Chalker as she is now. She pointed out that she was overridden by the Foreign Secretary, Douglas Hurd. He pointed out that he was overridden by the Prime Minister.

At that point, the matter became too involved with foreign affairs for the Public Accounts Committee and so we passed it on to the Select Committee on Foreign Affairs. Incidentally, and most importantly, all notes of dissent now come automatically to the Chairman of the Public Accounts Committee. That did not happen at the time I am talking about. That happened only if there was an inquiry and it was discovered that there was something wrong. It was only then that the note of dissent had any significance. Now it has significance at all times. The present Chairman of the PAC has probably by now had his initiation into notes of dissent.

**Mr. David Davis:** One or two.

**Mr. Sheldon:** In fact, they are not all that bad, which rather pleased me. However, that is another matter.

Other matters involved the Department of Trade and Industry—the export licensing matter—and arms to Iraq. These were matters of confidentiality. There is something similar in the matter that is before us. We could have a solution similar to that which was arrived at with the Al Yamamah contract, and there could not be anything much more secretive than that issue.

The Liaison Committee had its meeting, and the Chairman of the Select Committee on Foreign Affairs, my hon. Friend the Member for Swansea, East pointed out the problems and sought the assistance of my Committee. That was a sensible thing to do. We want greater political weight to show the Government, quite rightly, that those are important matters. We agreed that I should see my right hon. Friend the Leader of the House, and that there was the possibility of the Speaker becoming involved. If that failed, we agreed that possibly there would be a debate in the Chamber. As I have said, those are important matters. What I have set out is what I did. That was the solution I was going to put forward in dealing with the matter. We cannot rely on all those matters coming to a Select Committee.

I am not making any criticism of any member of the Select Committee on Foreign Affairs. I do not think that the present membership of that Select Committee is unique among all the Select Committees that I have known during my period of involvement. I should be very happy if it were. I cannot prove the matter either way. On the basis of experience, however, I would say that the course that has been taken is not the way to proceed. I was going to put my solution forward, but it was pre-empted by the debate, which I am rather sad about.

I had hoped for a solution similar to the one to which I have referred. The aim of a Select Committee is to maintain confidentiality where it is necessary, and I believe that I found one way to ensure that confidentiality. I look forward to its being used, perhaps, in similar circumstances whenever such a matter may arise in future. If a Government refused to co-operate—I would be surprised—the proper avenue is through the Liaison Committee, getting the support of the Chairman. That will enable us to go further into the issue.

**Mr. Mackinlay:** Given my right hon. Friend's experience and in view of what he has said, in future, putting aside the specific matter that is before us, would it not be a good idea if the Legg type of appointment were the property of the Select Committee, just as the parliamentary ombudsman reports to a Select Committee? Somebody like Sir Thomas Legg could do the initial groundwork for a report to a Select Committee, rather than there being an appointment made of a person answerable to the Executive branch of Government.

**Mr. Sheldon:** I should not like to make a comment on that particular case.

I finish with a quotation from volume 1 of the Liaison Committee's first report of 18 February 1997. Sir Terence Higgins, now Lord Higgins, produced the report, and paragraph 8 on the powers to summon persons, papers and records, said:

"When the Departmental Select Committee was established . . . it was acknowledged that committees' general powers to send for persons, papers and records did not extend to ordering the attendance of Ministers nor to the production of specific Government papers."

It refers to certain undertakings and finishes by saying

"These undertakings have been amplified in the intervening period."

They have continued to be amplified and they will continue to be amplified. The important aspect of this debate is to show that there is much progress yet to be made, and I look forward to seeing it.

6.10 pm

**Sir Peter Emery** (East Devon): Thank you, Mr. Deputy Speaker, for calling me. I have come from Copenhagen and the parliamentary assembly of the Organisation for Security and Co-operation in Europe and I must return immediately I sit down. Therefore, I apologise to the two Front-Bench spokesmen for the fact that I shall not be here when they reply.

First, I want to clear up one matter which I raised with the Leader of the House, and on which she suggested that I was not accurate. It has been referred to, but, in my own defence, I must make it absolutely clear. I said that the aspect of the agreement that might be a compromise, that was not accepted by the Foreign Affairs Committee, was set out in the note summarising the Chairman's position as put to the Foreign Secretary. It states:

"For its part"—

the Committee's part—

"not as a condition of the above but in consequence, the Committee would agree to stay all further proceedings on or arising from the Sandline affair until after the publication of the Legg Report."

It was that which was not accepted by the Select Committee. It is important that that should be made absolutely clear.

The Foreign Secretary, in his letter of 30 June, said:

"You also know that I was willing to entertain your proposed compromise".

That was the compromise of the Chairman of the Select Committee, which the Select Committee had rejected. That needs to be made absolutely clear at the start.

I follow the right hon. Member for Ashton-under-Lyne (Mr. Sheldon), for whom I have great respect. He is obviously correct to say that Select Committees have the greatest authority when they are unanimous. There is no doubt about that. For 14 years, as Chairman of the Procedure Committee, I was able to make every one of our reports unanimous and they had some effect—not as much I should like, but some effect indeed.

The difficulty in the Foreign Affairs Committee is something with which the right hon. Gentleman never had to deal as the Chairman of various Committees, and that is the Foreign Secretary's complete arrogance in dealing with the Committee's requests. The Committee wanted papers. The Prime Minister and the Foreign Secretary had said quite openly that they had nothing to hide. According to the Prime Minister, it was all hoo-hah. We then asked for the telegrams from Sierra Leone and the notes and minutes of the five members of the Foreign Office who had met Sandline's officials during the period. If those had been produced and there was nothing to hide, the whole matter would have finished. It would have stopped. The Government would have been proved correct. When they were not produced, when those requests were not met, is it surprising that immediately people asked, "Why, what is there to hide? Why won't you produce the documents?"

**Mr. Kilfoyle:** Given the comment made earlier by the right hon. Member for Tonbridge and Malling (Sir J. Stanley) when he said, "The Foreign Secretary was perfectly within his rights in the position that he has taken", is the right hon. Gentleman suggesting now that the basis of his support for the Opposition's motion is a value judgment based on what he describes as the Foreign Secretary's arrogance?

**Sir Peter Emery:** Of course that is not right. Let me use an example that I did not intend to use. The Foreign Secretary wrote to the Committee on 30 June. The Committee had not had that letter before the spin doctors outside the Committee were telling the world what was in it. I remind the Minister that that was incorrect because it was entirely contrary to the proceedings set out in

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"Departmental Evidence and Response to Select Committees", the second document of the "Ministerial Code" which is signed by the Prime Minister himself, in which it says:

"Once information has been supplied to a Committee it becomes 'evidence' and, subject to any agreement with the Committee on the non-publication of protectively marked information . . . it is entirely up to the Committee whether or not to publish it and report it".

It may be well said that a letter is not evidence. Paragraph 107(b) states:

"A Memorandum by a Department to the Committee, or a letter from a Minister to the Chairman may be a more readily applicable form of response . . . Unlike a Command Paper, such responses are, formally, further evidence to the Committee and are therefore subject to the usual conventions on submitted evidence".

Therefore, there was arrogance from the Foreign Secretary and the Foreign Office in the way in which they treated the Committee in the publication of that letter before the Committee had even had it. That is pretty arrogant in anybody's book, and I think it necessary to point it out.

The Committee is concerned not simply with an inquiry about Sandline, but with the operation of the Foreign Office—its responsibility to Ministers and the responsibility of Ministers to its civil servants. Who knew what and when with regard to arms to Sierra Leone? If Ministers knew, why did they not say that they knew, and, if they did not, why not?

I have pursued a line of questioning about the reference of Sandline to the Customs and Excise Committee set up to investigate the export of arms in breach of British regulations. I asked how many times the United Nations arms embargo and British law had been broken. When I asked the Foreign Secretary that in a debate, he said it was about 200. That was misleading. It was entirely incorrect. When, three weeks later, we nailed the response, there had been only three, one of which was Sandline.

Do we really believe that, with an ethical foreign policy, the breach of the United Nations' regulation and British law on the export of arms is so unimportant not to be referred to Ministers? I have been a parliamentary private secretary in the Foreign Office. I have great regard for the working of the Foreign Office, but I find it nearly unbelievable that something of that nature, which was brought about on 18 February, is supposedly not seen by the Foreign Secretary until the end of April or the beginning of May. I said in questioning that I found it unbelievable that that had not been referred to Ministers. It was an Exocet in a Red Box. It was likely to cause parliamentary questions to be asked—indeed, it was likely to cause an inquiry—and here we are debating it. Is the Foreign Office really so inefficient that those matters were not referred to Ministers? If that is the case, something has to be done about it; if it is not, there are great worries. Parliament has a right to investigate the matter and carry it further to make certain that we can put our finger on where the problems are.

Everyone is suggesting that we have the correct solution because we have forced the Foreign Secretary finally to give way on our request to see documents—under security prospects, as we have always agreed—but he has given way only so far. In his letter of 6 July, which is now in the public domain, but which I did not have until I came into the Chamber this afternoon, he says:

"I will not be able, before the completion of the report, to disclose information on matters which may fall within Sir Thomas Legg's remit."

The Foreign Secretary is still saying, "The blazes with Parliament; my report and my investigation should take precedence over the work of the Select Committee." I believe that that is wrong, and the House should condemn it. No Secretary of State should have the right to appoint a committee so that he can say to any Select Committee, "I am not going to answer your questions on that matter until the committee has reported." That is what is being said.

The hon. Member for Greenock and Inverclyde (Dr. Godman) shakes his head, but the Foreign Secretary has said that he

"will not be able, before the completion of the report, to disclose information on matters which may fall within Sir Thomas Legg's remit."

That is plain enough, and the permanent secretary, with great embarrassment, has had to shelter behind the fact that he could not answer ordinary questions needing only a truthful answer because he had been instructed by Ministers not so to do. I shall give way, very briefly, to the hon. Member for Greenock and Inverclyde.

**Dr. Godman:** I promise that I shall be brief; the right hon. Gentleman sounds like my old sergeant major.

I am willing to wait for Legg, on the understanding that we cross-examine my right hon. Friend the Foreign Secretary on the text of the report and its findings. I remind the right hon. Gentleman that the Foreign Secretary agreed in his letter to appear before the Select Committee on Tuesday 28 July. He says:

"At that point, assuming that Sir Thomas Legg's report has been published, I will be in a position to respond in full to questions from the Committee."

As a member of that Committee, I shall hold him to that promise.

**Sir Peter Emery:** The hon. Gentleman's point is fair and definite. He has always held the view that it was quite all right for the Select Committee to wait until after the Legg inquiry to cross-examine. My point, which has also been made by several members of the Committee, is that I do not believe that the setting up of an inquiry such as Legg's should be allowed to stop a Select Committee putting questions to the permanent secretary, who sheltered behind the Legg inquiry, or to Ministers and the Foreign Secretary, who has said in his letter that he

"will not be able, before the completion of the report, to disclose information on matters"

which might concern Legg.

Legg is only a civil servant. What right has that committee to be thought greater than a Select Committee of the House? I put that to the permanent secretary at the Foreign Office, asking, "Do you consider that the Legg inquiry or your answers should take precedence over a Select Committee of the House?" For once, he gave a truthful answer—"No, I don't,"—and then he hid behind Legg for the remainder of his answers. That is what we are complaining about, and that is what we find wrong.

The way in which the Foreign Secretary has approached this matter has been arrogant, and we have not seen that from other Ministers; I think that he should resign. His behaviour has been quite incorrect, and the idea that he will be able to talk fairly about an ethical foreign policy when he has been so damned unethical with the Foreign Affairs Committee makes me laugh. He should go, and his resignation should be with the Prime Minister before the end of the debate.

6.24 pm

**Mr. Ernie Ross** (Dundee, West): I am a member of the Foreign Affairs Committee; I have listened to some interesting contributions to the debate, and I am sure that there will be many more.

**Dr. Godman:** Not many.

**Mr. Ross:** They will be very interesting.

The right hon. Member for North-West Hampshire (Sir G. Young) said that the Foreign Affairs Committee was conducting an inquiry into Sierra Leone. Some of us had great difficulty following him from that point: the fact is that we are not—and never have been—conducting such an investigation. As far as I am concerned, that is the main problem, although I shall come to other problems in a moment.

It must be made clear, so that no one is in any doubt, that there is no record, in any minutes, of the Foreign Affairs Committee deciding to inquire into the actions surrounding what has happened in respect of Sierra Leone.

**Ms Abbott:** I am grateful to my hon. Friend for giving way, because he is anxious to make progress, but is not it pedantic to say that we are not conducting an inquiry into Sierra Leone? On more than one occasion, the Committee has questioned civil servants about Ministers in respect of events concerning Sierra Leone—as it is quite entitled to do as part of its general remit. Is not my hon. Friend's insistence that we are not officially conducting an inquiry rather pedantic?

**Mr. Ross:** I shall come to the reason why I believe that we were not confronted with a decision to conduct an inquiry. As my hon. Friend knows, I think that we have been involved in a game; she has been at most of the meetings where we have discussed the matter, and I have put that position forward. That game is being played in the Chamber tonight, which is why what I have said is important, not pedantic. Either we are carrying out an inquiry or we are not, and we are not.

We are trying to investigate a human rights report and the moral foreign policy that the Government have said that they intend to implement, but we cannot get on with that because we are being sidelined on issues that may or may not relate to the Sierra Leone problem.

We are not carrying out an inquiry because members of the Committee cannot agree what to do; as my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) said, that is the problem. Some members of the Committee want to conduct an inquiry into the whole issue of Sierra Leone; some support a parallel inquiry and believe that that would be the best way to proceed, although it may not be possible to proceed; and others believe that the best way forward is to wait until Legg reports and then have an inquiry with the Foreign Secretary answering, when we have the advantage of having the report in our hands.

My hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) has already posed the question, but why are we not investigating the actions of Her Majesty's Government and their agents in the coup in Sierra Leone, subsequent actions in the area and at the United Nations, and the Government's determination to restore through democratic means the rightful, elected Government of President Kabbah?

The other suggestion that has been dragged across the debate, and which has been put to me by the hon. Member for Somerton and Frome (Mr. Heath), is that we are not seeking to replicate the Legg inquiry. I accept that that has probably been his position throughout. However, every Committee member knows that, even on the narrow line of questioning that some hon. Members allege they wish to pursue, some would deliberately stray into the domain of the Legg report. They would intentionally cause conflict to gain party political points rather than to gain knowledge. That is what is happening in the Select Committee.

**Mr. Wells:** I do not quite follow the hon. Gentleman. If the Committee is not conducting an inquiry into Sierra Leone, why did it ask to see the confidential telegrams between the high commissioner and the Foreign Office? Was the Committee's decision to ask for those documents unanimous or was there a divided vote?

**Mr. Ross:** In almost all its discussions on Sierra Leone, the Committee has been divided. There has not been one issue on which we have been united. There has sometimes been a minority of one, but never absolute unanimity.

**Sir Patrick Cormack:** Before my hon. Friend the Member for Hertford and Stortford (Mr. Wells) intervened, the hon. Gentleman referred obliquely to the hon. Members for Thurrock (Mr. Mackinlay) and for Hackney, North and Stoke Newington (Ms Abbott) as though they were Conservative party stooges. He may disagree with their judgment, but to accuse them of that is, to put it mildly, a travesty of the truth.

**Mr. Ross:** That is the hon. Gentleman's interpretation. I shall explain why I think my hon. Friends have taken the wrong position—I put it no higher than that—when we have discussed the matter. It is on the record that I have disagreed with them, but I have never suggested what the hon. Gentleman said. I do not intend to repeat his words because I do not agree with them.

I wish to explain why we are in this position. The reason that I shall give applies to at least one of my hon. Friends—I cannot speak for both of them. Some members of the Foreign Affairs Committee are playing party politics. I do not object to that, but I recognise it when I am confronted by it. The presence of the Opposition spokesperson on foreign affairs at our Committee proceedings tells me that there is a party political position on this issue. The publication of that person's evidence on the same day as the Select Committee was holding its press conference tells me that party politics are being played on this issue. The fact that

*[Mr. Ross]*

the right hon. Member for Tonbridge and Malling (Sir J. Stanley) announced at the same press conference that he had booked Committee Room 6 to hold his own press conference tells me, as a politician, that party politics are being played. The right hon. Member may disagree with me, but that is how it appears to me.

**Sir John Stanley:** I booked another Committee Room in anticipation of other Committee members wishing to stop me responding to questions from the press. My anticipation was proved wholly correct.

**Mr. Ross:** I thank the right hon. Gentleman for confirming what I said. Party politics are being played one way or another, and we are all trying to cover that up with great concern for the work of Select Committees. We are playing party politics.

I do not object to playing party politics—I spent 18 years in opposition and understand why the Conservative party is doing that—but I do object to being asked to believe that we were not engaged in a political game. Under no circumstances am I prepared to accept that.

When I objected to a line of questioning that the right hon. Member for Tonbridge and Malling wanted to pursue, the right hon. Member for North-West Hampshire accused me in the House—admittedly he had the good grace to tell me that he intended to raise the matter—of invoking a procedure that had not been used since 1937–38. That was considered a great offence against both Select Committees and the House. When I tried to raise a point of order earlier today, the hon. Member for West Derbyshire (Mr. McLoughlin), who unfortunately has now left the Chamber, referred to the matter again from a sedentary position.

I want to make it clear to the House that the procedure was not last used 60 years ago. A note by the Clerk of the House says:

"Following events in the Committee last week, there has been a certain amount of comment in the House and in the media to the effect that the procedure of objecting to a question has not been used since Session 1937–38.

The reference in Erskine May is indeed to that case. However, the procedure has been invoked on at least one occasion since then. That was on 25 July 1989 in the Select Committee on Members' Interests, when Sir William Shelton"—

who I believe was a member of the Government at that time—

"objected to a question put by Mr D N Campbell-Savours. On that occasion, the question concerned was subsequently withdrawn."

Thus, I was not using outdated, 60-year-old procedure but simply following on from a Conservative Member. I take it that now that I have advised the right hon. Member for North-West Hampshire of the evidence supplied by the Clerk, he and other hon. Members will withdraw the accusation that I was seeking to introduce obscure procedures into the business of the House.

I hope that when the right hon. Member for Tonbridge and Malling raises the issue with the Procedure Committee, as he claimed he would, he will refer to the incident when his then right hon. Friend used the procedure against my hon. Friend the Member for Workington (Mr. Campbell-Savours).

**Mr. Illsley:** For the information of the right hon. Member for Tonbridge and Malling (Sir J. Stanley), the issue of objecting during Select Committee proceedings was the first item on the agenda of the Procedure Committee's meeting this evening.

**Mr. Ross:** I wonder whether the Procedure Committee was told of the correction.

**Sir John Stanley:** I can inform the hon. Gentleman that when the Chairman of the Procedure Committee responded to my reference to the objection procedure, he made it clear to the Committee that one further precedent had been found in 1989. As the hon. Gentleman knows, I have already advised the Foreign Affairs Committee that my accusation that the procedure had not been used for 60 years was made after I had checked not once but twice with the House authorities. I apologised to the hon. Gentleman for the fact that, when I made that public, I was not aware of the 1989 precedent. I am happy to repeat that apology to him.

**Mr. Ross:** Obviously, I am prepared to accept that apology and I am glad that the Procedure Committee has been made aware of that tonight.

Why have we got ourselves into this position? One has only to read the special reports produced by the Select Committee to see that, despite the fact that we are not carrying out an inquiry but simply requesting information here and there—so there is no real coherence—my right hon. Friend the Foreign Secretary has gradually moved towards assisting the Committee. However, because of the political game going on in the Committee, which is preventing us from getting on with our work, my right hon. Friend's assistance has been rejected. In some cases, it has been rejected almost out of hand.

When the Chairman proposed a compromise, even before we reached the Committee most of the Committee members had said that they would not be prepared to accept the Chairman's compromise. That has been the Chairman's problem: when he has looked for compromises, a particular part of the Committee has not been prepared to make them.

**Dr. Godman:** May I correct my hon. Friend? He said that members of the Select Committee objected to the compromise proposed by my hon. Friend the Member for Swansea, East (Mr. Anderson). I sent the Chairman several amendments, one of which was that three members of the Committee should go to the Foreign Office to examine the telegrams to verify the accuracy of the summary. It was Conservative Members and our two hon. Friends who objected. I did not object to the compromise: I sought to amend it.

**Mr. Ross:** I absolve my hon. Friend the Member for Greenock and Inverclyde (Dr. Godman) completely. His position has been absolutely clear: he wants the Committee to be able to start an inquiry into the actions surrounding the coup in Sierra Leone and the restoration of the democratically elected Government. He has been constrained by the political game that is going on inside the Committee.

I want to put on the record the fact that the Secretary of State for Foreign and Commonwealth Affairs has made gradual efforts to accommodate the Committee, but they have been rejected on every occasion. I only hope that when the Committee meets on 14 July, the offer that he made in his letter of 6 July will be accepted.

Why have we got ourselves into this position? In the private sittings of the Committee, I have described it as the obsessional loop syndrome. Some hon. Members on the Committee—including some of my hon. Friends—are in this obsessional loop. This obsession is the result of 18 years of Conservative Governments, who have set out to—I shall not use the term "corrupt" political life—

**Dr. Godman:** They diminished it.

**Mr. Ross:** They have certainly diminished political life, and have come as near as possible to corrupting it. People have begun to lose faith in politicians. We have only to look at the actions of Conservative Members: the Pergau dam incident, the Scott inquiry into arms for Iraq, the activities of the former MP for Tatton, the inquiries that I carried out as a member of the Standards and Privileges Committee into the actions of members of the Conservative Government, the Jonathan Aitken affair and the Ian Greer incident. Those events have diminished political life, and have led to people losing faith in Governments. When Governments seek to tell the truth, they are faced with the obsessional view that they must be trying to hide something. A number of members of the Committee have got themselves into this obsessional loop and no longer believe that Governments can be honest and upfront.

I object to the fact that the Committee has not been allowed to get on with the work that it should be getting on with: there are several outstanding reports that we want to get on to, but cannot. We have just visited three areas of the world as part of our human rights inquiry. We have not even managed to discuss those visits. That is an item on our agenda, but we cannot get to it because of the activities of some hon. Members in this obsessional loop. They think that the Government are hiding information or are taking action that, in fact, they are not taking.

An entry clearance inquiry was conducted more than a year ago, but it has still not reported to the House. It involved concerns expressed by hon. Members on both sides of the House about relatives of their constituents who are trying to get visas in Islamabad and Delhi. That report has not been published, because we cannot get round to discussing it. We have an outstanding report on Hong Kong which cannot be published, because we cannot get round to discussing it. We have a human rights report which we hope to put before the House. It is the responsibility of the Select Committee on Foreign Affairs to give our colleagues a view of the report on human rights published by the Foreign Secretary, but we have not done that either because of this obsessional loop.

**Mr. Illsley:** Is it not ironic that the one issue on which we shall not produce a report is Sierra Leone?

**Mr. Ross:** Absolutely. That is because we are not carrying out an inquiry. We are in a Catch-22 situation of the worst kind.

We have a public expenditure report pending. We have examined the departmental report obliquely, and we do not know whether we will be able to raise serious concerns about Foreign Office funding. We do not know whether we shall issue a report, and we cannot get round to discussing the matter because of this obsessional loop.

We have just visited three different areas of the world as part of our human rights inquiry. The right hon. Member for Tonbridge and Malling, my hon. Friend the Member for Greenock and Inverclyde, and I were in Kuwait on the morning following the announcement by the special ambassador Richard Holbrooke about the two-month rolling programme. The Iraqi regime has been of serious concern to the House. Provided that they comply with the United Nations inquiry, the sanctions may be eased or lifted. We met the committee dealing with the prisoners of war and those missing in Kuwait.

When we came back, I suggested at our first meeting that we should raise with the Foreign Secretary the concerns that we had picked up on our trip. No sooner had I finished speaking than the right hon. Member for Tonbridge and Malling pooh-poohed the idea. He dismissed the issue as not very important. He suggested that hon. Members should go on their own and speak to the Foreign Secretary informally. Three members of the Select Committee had visited Kuwait, had received evidence from the committee that represents prisoners and had information useful to the Foreign Secretary and to the Foreign Office, yet we could do nothing about it because of our Committee's obsession with the possibility that there may be something hidden in these telegrams.

**Dr. Godman:** The Committee could be in a powerful position in this deeply disquieting affair—which is how I have described it several times—if we were to conduct a comprehensive inquiry into the Sierra Leone issue following the publication of the Legg report.

**Mr. Ross:** I could not agree more. We are supposed to be a Committee that matters and is taken seriously. We are not being taken seriously because we have got ourselves into this obsessional loop. This party political game is being played out for who knows what reason. We are not doing the job for which the House gave us responsibility. We are supposed to monitor the activities of the Foreign Office, but we are not doing that as we should. The sooner this debate is over and the sooner we get back to doing the job we were given, the better it will be for the House and for the Select Committee on Foreign Affairs.

**Mr. William Cash** (Stone): On a point of order, Mr. Deputy Speaker. A serious matter has been brought to my attention regarding Select Committees. I am a member of the Select Committee on European Legislation. Last Wednesday, a report was given by the Committee to the House on the manner in which the preliminary draft budget of the European Union should be debated. It had previously been thought that it would be appropriate for it to go to European Standing Committee B. I am informed that that Standing Committee will sit tomorrow, irrespective of the Select Committee's advice that this matter is so important that it should be debated on the Floor of the House.

The issue is directly relevant to the matter we are discussing now, because it is about the importance that should be given to Select Committees. The Modernisation Committee has virtually agreed that if the Select Committee on European Legislation recommends that a matter should be debated on the Floor of the House, that is what should happen. I should be grateful, Mr. Deputy Speaker, if you would be good enough to refer this matter to Madam Speaker, and to ensure that it is treated in the appropriate fashion.

**Mr. Deputy Speaker (Mr. Michael Lord):** That is not a matter for the Chair, and not a matter which I should

*[Mr. Michael Lord]*

necessarily refer to Madam Speaker. No doubt Front-Bench Members have heard the points that the hon. Gentleman has made.

6.49 pm

**Mrs. Virginia Bottomley** (South-West Surrey): I am sure the House is relieved to know that the hon. Member for Dundee, West (Mr. Ross) is not in an obsessional loop, and has no political agenda on the Select Committee.

I speak with great modesty. Unlike the Chairman of the Liaison Committee and virtually every other member of our Committee—apart from the hon. Member for Somerton and Frome (Mr. Heath)—I have almost no experience of Select Committee life, having been a Minister for 10 years. For our purposes today, therefore, I am very much a poacher turned gamekeeper. However, I strongly endorse the view that the role of the Select Committee is as important now as it ever was.

Many of us have been appalled by the way in which the rules of engagement have been shifted by this new Labour Government, who have adopted an extraordinary approach to diminishing the role of Parliament. The Prime Minister announced that he would no longer arrive for Prime Minister's Question Time more than once a week, and that there would be no proper debate. Government information officers have been dismissed on an unprecedented scale. The Prime Minister's chief information officer apparently thinks it legitimate for him, as a civil servant, to attack the Opposition—something which, when many of us were in government, would have been considered shocking, and would not have been countenanced for a moment.

All that makes it all the more important, when there is an opportunity to scrutinise the actions of Government, for the Select Committee to hold strongly to its principles, rights and duties.

Today, there is a further debate on cash for access. That is becoming understandable to colleagues who find that delegations are refused, that there is no real attempt to answer questions seriously in the House, and that—without there being a blush—the number of planted questions has reached a level that could never have been anticipated. As for the many other ways in which Ministers believed that they were accountable to Parliament—although, of course, Governments always try to give a good gloss on what they are doing, and to make life easier for themselves—the rules have changed beyond recognition.

I believe that, although Whips' bleepers can penetrate even Committee Rooms, it is in Select Committees that progress and accountability are increasingly being demonstrated when the Whips are offside and not exercising their thumbscrews. The Agriculture Committee, the Public Administration Committee and the Standards and Privileges Committee are all beginning to make inroads, and to hold an over-mighty Government—they had a spectacular election success—to account.

I was concerned when the Leader of the House—whose job is to protect the rights of the House, and to protect Back Benchers—would not take an intervention from me. I took that badly. The right hon. Lady subsequently accepted interventions from the hon. Member for Walsall, North (Mr. Winnick) and, indeed, from my right hon. Friend the Member for North-West Hampshire (Sir G. Young); but she did not take an intervention from me. When I spoke from the Government Front Bench, my colleagues used to criticise me at length for accepting so many interventions, especially from Opposition Members.

**Mr. Wells:** Particularly from Whips.

**Mrs. Bottomley:** Indeed. I took the view that it was right to respond to as many interventions as was reasonably possible, but the Leader of the House simply would not take my intervention.

What I wanted to do was remind the Leader of the House of the Foreign Affairs Committee's outrage at the fact that it was so difficult to find time to meet the Foreign Secretary in our first session in order to prepare our report on Europe. That ties in with what was said by my hon. Friend the Member for Stone (Mr. Cash). The House authorities bounced through the parliamentary debate on the matter, so that it was not possible for our report to be considered properly. We raised the issue with the right hon. Lady on several occasions, but I am afraid that today she did not add glory to her position, or deal with my concern about her willingness to be open and frank with the House and to protect our interests.

The whole point about the Government's amendment is that they imply that the situation has not changed. The Leader of the House said that she had not seen the letter that the Chairman of the Foreign Affairs Committee says that he has made available more widely, and which he gave permission to be raised in the debate.

Every time the Committee considers this question, it becomes curiouser and curiouser. It is right for the Committee to wish to examine not just the expenditure, but the policy and administration of the Foreign Office. When a Foreign Secretary proclaims an ethical foreign policy and heralds it in a self-advertising way, and evidence then emerges that begins to suggest that a United Nations arms embargo in Sierra Leone was breached, any self-respecting Select Committee will begin to ask questions about the gap between rhetoric and reality. That is our duty to the House.

As for administration, we have had a catalogue of discussions about what was in the box, what was not in the box, who had read what briefing, whether the briefing was there and whether the briefing was not there. Let me offer the Government some advice which—although this may seem presumptuous—they may accept, because it comes from the right hon. Member for Manchester, Gorton (Mr. Kaufman). He said:

"Doing your box is something that you have to do, because no one else can do it for you . . . If you send it back unmarked every document that you fail to sign or at least tick will relentlessly turn up again."

We have heard suggestions that Foreign Office Ministers do not now mark papers as having been read. It is difficult. The right hon. Gentleman continued:

"You will make mistakes, some of them serious. But it is better to make your own mistakes than someone else's . . . do your work and do it systematically."

Every debate that we have had on the Sierra Leone saga has suggested the most extraordinary state of affairs, in which it is impossible to know which Minister, which civil servant and which official has or has not done whatever. I have no doubt that, if our job is to scrutinise the Foreign Office's expenditure, administration and policy, we are complying with our duties. I have made clear my belief that this is a time when our duties are more serious than ever before. We have heard repeatedly from commentators. Peter Hennessy spoke of a Napoleonic style of government; Hugo Young, in today's *Guardian*, spoke of a Government who have doubled expenditure on special advisers compared with when we were in government. Our job as a Select Committee is to hold Departments to account. Government must answer to Parliament, and Select Committees seem to be the means by which that can be achieved.

Like others, I am sorry that Opposition time has had to be used for today's vital debate; but, undoubtedly, it is the debate which has produced a concession from the Foreign Secretary that suggests that we can now begin to make progress. We were obliged to take the opportunity, as all Select Committees will be the stronger for it. I hope that, at last, this Government, with their mighty majority, will begin to realise that their accountability is not through spin doctors and media manipulation—rather like that of a soviet Government of the past—but directly to Parliament. That is what matters, and the debate will help the process.

**Mr. Donald Anderson:** On a point of order, Mr. Deputy Speaker. It might assist the House, following the speech of the right hon. Member for South-West Surrey (Mrs. Bottomley), if I say that, following the undertakings that were given earlier to the House by the Leader of the House and by me, the bundle of relevant letters is available to hon. Members in the Vote Office.

**Mr. Deputy Speaker:** The House has heard what the hon. Gentleman has said.

6.59 pm

**Mr. Andrew Mackinlay** (Thurrock): This is not so much a debate as a conversation. Few hon. Members are present. I regret that because this debate—this evening's conversation—raises several important issues and allows us to canvass what should be done in relation to the Foreign Affairs Committee and its current discussions with the Foreign Secretary on Sierra Leone and in relation to Select Committees generally and how circumstances comparable with these can be avoided during the life of this Parliament. I realise that this is a general debate, but it is a pity that a representative from the Foreign and Commonwealth Office, or the parliamentary private secretaries, are not present.

**Mr. Ernie Ross:** I am sure that my hon. Friend would want to acknowledge the fact that the parliamentary private secretary to the Foreign Secretary has sat through most of the debate, as has the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Manchester, Central (Mr. Lloyd), who came before the Select Committee.

**Mr. Mackinlay:** I acknowledge that. I am just saying that someone from the team should have been present throughout the debate. I do not want to labour that point, but it is not an unreasonable one to make.

Frankly, the vote tonight is one of the rubrics of Parliament. It is the arguments that matter. If one can win the argument, that is important and I am not too exercised by tonight's vote. Therefore, the Chief Whip will be relieved to know, I shall dutifully follow him into the Division Lobby.

While I mention the Chief Whip, there is another important point to make that I hope he will think is positive. A lot of mythology has grown around Whips generally and around this issue in particular. Many weeks ago, the Government Chief Whip, on his own initiative—I appreciated what he said to me—told me, "I assure you that, under my stewardship, we will not fall into the same chasm as the Conservatives did in respect of the Willetts matter."

I wanted to put this on the record. The Whips Office has certainly never approached me about this matter; I think that that should be clearly understood. On occasions, I have had differences with my colleagues in the Whips Office and it would be unhealthy if that were ever to stop. None the less, in this respect, I want to put the record straight.

I do not want to delay the House too much, but there was a lot of speculation at the weekend in two Sunday newspapers that my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) and I had been put on the Committee so that there would be overzealous scrutiny of the Foreign Secretary—as distinct from the selection of members of the Treasury Committee, who were alleged to be favourably disposed to the Chancellor of the Exchequer.

Again, I am certain that that spin was wholly unattributable to and unauthorised by anyone in the Foreign and Commonwealth Office, but it needs to be stated that it was complete and utter rubbish. In fact, I am sure that my hon. Friend the Parliamentary Secretary, Office of Public Service, who is replying for the Government this evening, can testify to that.

Incidentally, I hope that the Parliamentary Secretary is a long time at the Dispatch Box—not just this evening, but throughout this Parliament. He certainly deserved that appointment. When there was a vacancy for the Labour party leadership, he twice tried to persuade me to nominate my right hon. Friend the Member for Sedgefield (Mr. Blair). I declined. He will remember that one of the reasons I declined was that I was trying to persuade my right hon. Friend the Member for Livingston (Mr. Cook) to agree to be nominated.

I had three conversations with my right hon. Friend the Member for Livingston, urging him to stand for the Labour party leadership. I wish he had taken my advice on that occasion, just as I wish he would take my advice on some of the matters before the House tonight. I tell that story because it is a matter of fact that I admire the Foreign Secretary. I wish him well. He has done much in his period in office—for example, in relation to the human rights initiative. He is unjustifiably criticised for not being

*[Mr. Mackinlay]*

quick enough on some policies he has initiated. Much has been done and that should be pointed out. However, we can be the Foreign Secretary's good friend, but we must be Parliament's first. That is what some of us who have a strong view about the role of Select Committees have put at the forefront of our approach to the Sierra Leone issue.

I have always felt that bipartisanship in Select Committees is important. It is right, in one sense, to say the Committee has been split on this issue, but one can also positively say that it has been bipartisan because members from the Government side have been prepared to take a view that is not ideal or comfortable for the Government. We have said that, on the way in which we look at the facts and circumstances, we should vote with members of other political parties.

I say to all hon. Members that it would be sad if party division were rigidly applied in Select Committees. Indeed, we would be starting on the slippery slope to eroding the efficacy not just of the Foreign Affairs Committee, but of other Select Committees. Bipartisanship is important. It is a matter of consistency for me. In my maiden speech, given on the first day Parliament sat after the 1992 general election, I referred to the importance of Select Committees. I criticised the then Government and Opposition for being tardy in setting up Select Committees after that election. Not just the existence of Select Committees, but the need for them increasingly to improve their status and effectiveness, regardless of who is in office, is paramount to me.

**Mr. Rowlands:** My hon. Friend has been making the point about bipartisanship in the Select Committee. Because of the way in which the press reported our last divisions, I should like to make it clear, as I am sure my hon. Friend will, that the vote on the second report was not a vote on an Opposition report or amendment; it was on our Chairman's report. Therefore, we were voting for the Chairman's report.

**Mr. Mackinlay:** I am grateful to my hon. Friend for making that valid point. The Chairman's stewardship of this matter has been principled. The circumstances have been difficult. Indeed, he has shown leadership in the preparation of the report and endeavoured to reach what has been referred to as a compromise. His efforts should be applauded. On this particular matter, the Select Committee was voting on the Chairman's draft.

I regret that we are debating this issue on an Opposition motion, but that is not a criticism of the Opposition; this matter needed to be brought before the House. I suspect that history will not be repeated. I think that some people will have got the message that, if such circumstances ever arise again—I hope that they will not; I think that they should be avoided—the business managers should recognise that Government time needs to be made available for these matters to be explored and rehearsed.

In her speech today, my right hon. Friend the Leader of the House rehearsed many of the wrongs perpetrated by the Conservatives when they were in office in relation to scrutiny and disclosure of information, for example. She also mentioned inconsistencies in their prosecution of the Government earlier in the afternoon. Everything that she listed was valid, but we must remember, quite simply, that two wrongs do not make a right.

I am proud to support my Government in the House of Commons. They rightly made great play up to and during the general election of promoting openness, reforming the constitution and making Parliament more relevant. I hope that, in the immediate aftermath of this debate and generally, they will consider whether they should be bolder in making themselves more available to scrutiny than any Government before, rather than limiting scrutiny. In my view, one of the great legacies that the Government could hand down is a machinery that makes them open to scrutiny and accountable as never before. That would be a tremendous achievement and something of which they could be proud. I hope that that will be reflected upon.

When we consider how we got into this difficulty, I have to say that the Government's approach has been somewhat deficient. I must just acknowledge that the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Manchester, Central (Mr. Lloyd) is now on the Treasury Bench and I am grateful to him for being here because, in fairness to him, I inevitably want to refer to some of the circumstances by which this matter has escalated.

The Minister of State was originally due to appear before the Select Committee on a matter separate from Sierra Leone on Tuesday 5 May, after a bank holiday. In the weekend papers, matters relating to what is now known as the Sierra Leone issue had emerged. The Minister was asked whether he would be prepared to respond to questions arising from the weekend press reports and he generously agreed to do so. However, things got off to a bad start. It appears to me that the Minister of State had not been adequately briefed, partly because it was after a weekend and a bank holiday. I believe that he referred to that. There were some things that he needed to clarify subsequently, but they were not clarified until Friday. I do not want to labour that point in the House now except to say that that is indicative of how things are a little slow.

I am sure you will remember, Mr. Deputy Speaker, that on Wednesday 6 May there was a private notice question from the shadow Foreign Secretary which required the Foreign Secretary to come to the Dispatch Box. It would have been much better if my right hon. Friend the Foreign Secretary had decided to appear at the Dispatch Box on the Tuesday afternoon. In that way, we would have had a controlled—perhaps that is the wrong term—a well-thought-out and prepared statement clarifying the position. It would have meant that the Minister of State could legitimately have declined to answer questions at the Foreign Affairs Committee meeting on Tuesday morning.

I venture to suggest that it would have been fair to the Minister of State if the Foreign Secretary had taken the initiative and said, "An important issue has appeared in the papers. There is controversy and I will speak to the House on Tuesday afternoon." That would have been better than waiting for the granting of a private notice question on the Wednesday.

**Mr. David Heath:** I have been critical of the Minister of State's evidence, but, in an attempt to be fair to him, I and other members of the Select Committee would have found it proper for him to have declined to give evidence on Sierra Leone at that first session. He could have come back at another time soon after in order to give precise

evidence. It was clear that he had not been briefed sufficiently to do the job that the Committee asked him to do on that occasion.

**Mr. Mackinlay:** I am looking my hon. Friend the Minister of State straight in the eye. He has had many achievements and is held in high regard both politically and personally by Labour Members and, I hope, elsewhere. I rehearse these arguments simply to show how the Government got off to a bad start. Subsequently, trying to get sight of the documents and trying to obtain recognition of the fact that the Select Committee has a right and a duty to probe has been like extracting teeth from a whale. I use the word probe deliberately because the valid point was made earlier that there is no formal Select Committee inquiry.

When an issue that causes some concern and controversy is placed in the public domain, the immediate duty of a Select Committee should be to scratch the surface of that issue. That is what we were doing on the Tuesday morning when the Minister of State appeared before us and subsequently. The fact that the Foreign Secretary was not readily disposed to make information available is part of the reason for the creation of the bad spirit in which we have had to try to deal with this matter. *[Interruption.]* Is the right hon. Member for Haltemprice and Howden (Mr. Davis) shuffling on his bottom or does he wish to intervene?

**Mr. David Davis:** Since the hon. Gentleman, for whom I have the greatest admiration, has invited me to intervene, I shall do so. I simply want to give him another example. I see that the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) is in the Chamber. There have been occasions in the Public Accounts Committee when matters have come to the surface which were not apparent when the Committee met. A recent example is that of the Office of the National Lottery. When it first appeared before the Committee, it looked as though there was no great issue to answer, but, during the Committee's inquiries, something came up, had to be pursued. That is quintessentially the nature of Select Committee inquiries. They do not have to be fettered by guidelines, job descriptions or any of the other paraphernalia of control that we are too used to today.

**Mr. Mackinlay:** Having pointed out, with the benefit of hindsight, what I believe to have been the wrong approach by the Government, I should now do a mea culpa, mea maxima culpa. I can say, again with hindsight, that we on the Foreign Affairs Committee should have approached things differently. We should have resolved much more quickly at least to have had a formal initial inquiry and we should have announced it pretty damn quick. We should have tackled the constitutional issues with the Foreign Secretary much earlier. Had we done so, history may have been different. With hindsight, I can say that we should probably have approached things differently. I am sure that if it ever happened again, we would do so. That is history.

There is one issue to which I want to return and on which I intervened earlier; the business of the setting up of the Legg inquiry. We are told that it is independent. It is independent, but it is internal. It is not set up under the tribunal inquiries legislation. We would be setting a dangerous precedent if Parliament accepted that a Minister can set up an internal inquiry and use it to dissuade a parliamentary Committee from doing the probing to which I referred earlier. I believe that it discriminates in favour of the Government.

I invite the House to consider an example. If the conduct or stewardship of the employees of an outside public or private corporation was the subject of some public concern and the Select Committee decided, as it often does, to inquire into their conduct, Parliament would not accept as sufficient ground to persuade a parliamentary Committee from doing the necessary probing the fact that the chairman of the corporation had set up an internal inquiry.

When I intervened earlier, some people said, from a sedentary position, "Trade union principle." I need no lessons in trade union principles because, before coming to the House, I had for many years been a trade union official. The Foreign Affairs Committee, like all Select Committees, is sensitive to people's rights. As has been pointed out, there is an opportunity to consider matters in camera. No Select Committee would wilfully allow its inquiry to jeopardise people's employment rights or rights of appeal, but Parliament is supreme and it is essential that the setting up of an internal inquiry by the Government should not obstruct Parliament in doing its duty.

**Mr. David Davis:** I draw the hon. Gentleman's attention not just to the parallel that he has chosen—the private sector—but to the previous inquiry in the Foreign Office. Much has been made today of the Scott inquiry. It was not set up under the Tribunals of Inquiry (Evidence) Act 1921, although in every other way—except for the sub judice requirement—it mimicked it. A senior judge was in charge and its general set-up was similar. Many more people were involved whose disciplinary rights could have been transgressed. The then Foreign Secretary—rightly from his point of view—did not hold back in answering parliamentary questions and in commenting in the press. Therefore, there is a precedent in the Foreign Office of an inquiry taking place, but the rights of Parliament not being withheld.

**Mr. Mackinlay:** Absolutely. If it is good for the private sector, it must be good for the Government. There should not be discrimination in favour of Ministers or Government Departments.

**Mr. Illsley:** My hon. Friend may not have been in the Chamber earlier when a former member of the Trade and Industry Committee complained about documents that were part of the Scott inquiry being kept from that Committee and about how the previous Government refused to release information.

**Mr. Mackinlay:** I did not raise the matter of the Scott inquiry, but I did state my view that although my right hon. Friend the Leader of the House trotted out all the wrongs perpetrated by the Conservative Government—we can add my hon. Friend's point to the list—two wrongs do not make a right. I expect a higher standard from a Labour Government. That is my point, and I intend to sustain it.

One issue that has not been raised was my right hon. Friend the Prime Minister's comment to the effect, "What's all the fuss about? The good guys won." If my

*[Mr. Mackinlay]*

right hon. Friend chooses to say that in the circumstances of the time, it increases our duty at least to scratch the surface in these matters with some expedition. I did not make the comment; my right hon. Friend did. Again, it is a matter of restraints being put on the Select Committee while the Executive can have its way.

Looking to the future, it would be better if, rather than Governments setting up inquiries and appointing people such as Legg, Parliament had at its disposal someone to carry out the initial scrutiny. That already happens in the general area of administration by way of the ombudsman. In addition, the Public Accounts Committee has the Comptroller and Auditor General, who can probe and examine on his own initiative. He can suggest matters for the PAC to examine, or the political members of the Committee might ask him to investigate certain matters. He might come back to the Committee with the judgment that there is nothing to worry about or that the matter does not justify an examination by the full Committee.

Other Select Committees need such people on their staffs—and they might well be people like Mr. Legg who would be under the instruction of and answerable to a Select Committee. I am not opposed to someone making an initial investigation. It could be conducted with some privacy, which would diminish the opportunities for malicious and malevolent complaints to be made against people. That might protect those who might subsequently have to answer disciplinary action. However, that investigation should be on the initiative of the Select Committee, not the Government, who are themselves subject to the scrutiny. I hope that that point will be taken on board by my right hon. Friend the Leader of the House when she and others come to reflect on these issues and determine how they can be avoided.

7.24 pm

**Mr. Bowen Wells** (Hertford and Stortford): I hope that we can conduct this debate on the common basis that we all want the supremacy of Parliament and the privileges of Select Committees to be upheld. We want to be sure that the Executive is, at all times and through us, brought to account to the electorate. Like many hon. Members, including the hon. Member for Thurrock (Mr. Mackinlay), it is our privilege to be Members of Parliament. We have to uphold the highest standards and make Parliament more effective. We have to uphold its prestige and gain the respect of the electorate.

I regard this matter as a House of Commons affair and I am amazed at the partisanship that has been revealed within the Foreign Affairs Committee. As the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) said, Select Committees are at their most potent and effective when their members are working together as a team on a bipartisan basis. Of course, politics is never absent in a political arena such as the House of Commons or a Select Committee, but the effective way to call the Government to account is for the Select Committee system to be allowed to develop and to increase—rather than to reduce—its powers.

What galvanised me to take part in the debate and to support the right hon. Member for Ashton-under-Lyne, the Chairman of the Liaison Committee, was the report, presented by the hon. Member for Swansea, East (Mr. Anderson), the Chairman of the Foreign Affairs Committee, that it was the Government's contention that, first, his Committee could not investigate a matter of concern when the Foreign Secretary had established an internal inquiry and, secondly, that his Committee must await the report of that internal inquiry before the Foreign Secretary would answer questions and allow the Committee to see relevant papers.

If the House allowed that ruling to stand, we would forfeit, on behalf of the electorate, the capacity to hold the Executive to account in any meaningful way. My right hon. Friend the Member for Tonbridge and Malling (Sir J. Stanley) listed the ways in which we could do that. We are aware of the ineffectiveness of asking questions and how that process has been undermined as a method of holding the Government to account. Select Committees are crucial to the perpetuation of the view that the House has supremacy. In fact, we may as well give up responsibility to the presenters of the "Today" programme who, over the past few years, have claimed that it is their responsibility to hold the Government to account—unelected as they are and unappointed as they are under the BBC's mandate. However, they claim that we are not doing our job. If we had allowed the Foreign Secretary's ruling to stand, we would have forfeited our rights.

In effect, our fox has been shot because the Foreign Secretary has now said that he will allow the Select Committee to look at the telegrams in summary and for that summary to be effectively scrutinised by one or two members of the Committee—presumably selected by the Committee, not by the Foreign Secretary—to verify that it is in all ways honest and truthful. That is how the matter should have been conducted initially. It is also how the previous Foreign Affairs Committee looked into the Pergau dam matter.

There was no division between Labour and Conservative Members who served on the previous Foreign Affairs Committee. The previous Committee wanted to hold the Government to account on the Pergau dam, and so it did. Government Members have made much of Pergau as a reprehensible incident in the previous Government's conduct of affairs. The previous Committee was absolutely right to hold the previous Government to account, and I support its actions. I hope that the current Select Committee will do the same with the current Government.

I should like to deal with a point that has been made by the hon. Member for Swansea, East. There are occasions on which Select Committees have to ensure that they maintain confidentiality between the Committee and the Executive. There are several obvious issues to consider in maintaining confidentiality, the first of which is reporting by high commissioners or civil servants to Ministers.

If we require all such correspondence—whether in the form of faxes, telegrams or letters—to be reported and recorded in the House, any self-respecting Minister or high commissioner will, because of fears that the correspondence will be published in full, for full public consideration, restrict the type of honesty that is necessary for efficient conduct of Government business. They will not include in their telegrams very important confidential—possibly personally libellous—information that they would otherwise report and which is necessary for a judgment to be made by Ministers.

It is right that Select Committees should use the mechanisms that we developed in dealing with the Pergau dam matter. The International Development Committee has already agreed with the Secretary of State for International Development to use those mechanisms when dealing with a case involving commercially sensitive information and the Trade and Industry Committee has used them.

The International Development Committee has asked the Commonwealth Development Corporation to tell us exactly why it has proposed investing in projects in competition with private sector investors. The Secretary of State has offered to let the Committee see all the information—including a summary of commercially sensitive information that we will be able to check. I think that that is the right way to go about such matters.

We require confidentiality in cases involving reporting from civil servants and high commissioners to Ministers, commercially sensitive information and serious security issues. We would not wish Select Committees to betray secrets that would in any way endanger the safety of the United Kingdom. In those three important examples, we must compromise Select Committees' rights to see absolutely every document.

We must conserve also the immediacy and relevance of Select Committee work, much of which is lost because time is not on a Committee's side. We therefore object to the Government establishing an inquiry and saying that it will be able to report in two and a half months—although, in the case of guns to Iraq, for example, it took an inquiry two years to report. Select Committees should be able immediately to call Ministers, to call for papers and to report to the House so that the House will be able immediately and relevantly to debate issues of very great concern to the country.

One of the problems with the Sierra Leone case is that we have not had such immediacy. Although I hesitate to criticise the Foreign Affairs Committee, the hon. Member for Thurrock said that the Committee perhaps should have immediately entered into discussions with Ministers. However, perhaps the Committee would have been hindered in doing so by the Foreign Secretary himself—thereby providing another reason for me to speak in this debate and to object very strongly to such action, in defence of the House's capacity to hold the Government to account and to inform the nation of the Government's actions on their behalf.

Today's debate has enabled the possibility of the Government giving way on the matter. I am not certain that we would have received quite such an emollient letter from the Foreign Secretary without the pressure that has been brought to bear on both him and the Government. I believe that, in the end, the Government have acted honourably and properly and that the Select Committee system will consequently be enhanced, which I very much welcome. The result has been achieved by work by hon. Members on both sides of the House, in defence of the very important privileges that we possess and the duties that our electors expect us to discharge.

7.35 pm

**Mr. Eric Illsley** (Barnsley, Central): I am grateful for the opportunity to speak in this debate—first, because I am a member of the Foreign Affairs Select Committee; and, secondly, because I am a member of the Procedure Committee, as I have been for a number of years. I am somewhat unique in the House because—despite two or three periods as an Opposition spokesperson or in the Whips office—I have been a Select Committee member since being elected to this place. I am therefore somewhat struck by the naivety of some hon. Members when they speak about Select Committees—specifically about confidentiality and bipartisanship.

I give the hon. Member for Somerton and Frome (Mr. Heath) an example of confidentiality and bipartisanship from 1990, when a leak from the Energy Select Committee occurred before the Committee had even received copies of its report. The leak involved a situation in which one Secretary of State wanted to have a little dig at another Secretary of State, including in the Chairman's draft report the word "dilettante" to describe the latter Secretary of State. The description was leaked to the weekend press, which was up in arms about the leak. The Committee therefore met for the first time to deliberate on the report against a background of press derision about a Select Committee describing a Secretary of State as a "dilettante". However, the Select Committee had not even seen the report.

The upshot was that the Committee decided to delete any reference to the word "dilettante". To this day, I have not been able to trace the origins of that word in the report. However, the fact is that Select Committees leak like sieves and very rarely act in a bipartisan manner.

**Mr. David Heath:** I am not as green as the hon. Gentleman is perhaps portraying me. Of course Select Committees leak, and—dare I say it—it may have happened even within the Foreign Affairs Select Committee. However, I do not believe that there are examples of Select Committees leaking matters that are clearly identified as matters of national security or national interest. I do not believe that the Intelligence and Security Committee, for example, has ever been found guilty of leaking confidential information provided to it. I believe that we should have confidence in the Foreign Affairs Select Committee to take the same responsible attitude on important matters of state.

**Mr. Illsley:** I am sure that both the House and the Foreign Secretary have that confidence in the Committee. In my view, the Foreign Secretary has acted in good faith by offering the Select Committee a summary of the telegrams, which could be verified by Committee members. The offer has been available to the Committee for a considerable time.

The Sierra Leone issue has been pushed and extended by Opposition Front Benchers. The right hon. Member for North-West Hampshire (Sir G. Young), in moving the motion, had to be prompted by the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) to mention the Committee's "inquiry into Sierra Leone". The Committee is not conducting an inquiry into Sierra Leone. It has no terms of reference dealing with Sandline or with Sierra Leone or anything connected with it.

At a previous meeting, Committee members agreed not to call various named individuals and not to undertake an inquiry, on the basis that it would duplicate the Legg inquiry and simply be trying to call the same witnesses, who would say, "I refuse to give evidence to the Committee on the basis that I will incriminate myself"—

*[Mr. Illsley]*

rather as the Maxwell brothers said to the Social Security Select Committee. Although the Maxwell brothers spoke to the Committee, they said absolutely nothing. The House almost decided that they were in contempt.

That is what would have happened had we tried to hold an inquiry, but, for some reason, we decided to call for the telegrams. It has to be pointed out that we are not undertaking an inquiry into Sierra Leone. The whole issue of Sandline and arms to Sierra Leone has prevented the Committee from producing one serious, substantive report.

I am surprised that this debate is taking place on an Opposition day and that, in drafting their motion, the Opposition have taken paragraph 6 of the second special report by the Foreign Affairs Committee. It is there for all to see:

"it is wrong in principle for the Executive to seek unilaterally to impose prior conditions"

and so on. However, the previous paragraph of the same report states:

"The Committee welcomes the Secretary of State's willingness to make available summaries of the telegrams and to allow nominated members . . . to verify them. It also welcomes the Secretary of State's willingness, as set out in his letter to the Chairman . . . to consider specific requests to extend the offer".

I am surprised that the Opposition have decided to use paragraphs from our report as the basis for their motion. I think that it is an abuse of the House's procedures to take a report by the Foreign Affairs Select Committee, or a report by any Select Committee, and debate it—

**Sir Patrick Cormack** *rose—*

**Mr. Illsley:** I withdraw the phrase "abuse of the House's procedures"; I shall simply say that it is unusual for the Opposition to take as the subject of an Opposition day debate a report by a Select Committee. As my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon), the former Chairman of the Public Accounts Committee, pointed out, perhaps there should have been other ways for the report to be debated—through the Liaison Committee, and so on.

I want to talk about confidentiality and the supposed powers of Select Committees to call for documents. If we look into the powers of a Select Committee to call for papers and documents, we find that there are none. The Standing Orders state that a Select Committee can send for papers and documents, but the power to call for papers rests with the House. The reason is that the House cannot delegate to a Committee more powers than it has itself, and the House is restricted in the powers that it has to call for documents. I shall deal with that in a moment.

There are members of the Committee, which is now split down the middle, who are quite happy with what the Secretary of State has offered. We have never accepted his offer to look at the summaries of the telegrams. We have been involved in this for weeks, but not one of us has said that we should get the Committee to agree to do that so that we can find out whether there is anything to warrant our prolonged consideration of the Sandline issue in parallel with the Legg inquiry.

As we now know, the Foreign Secretary has agreed to come to the Foreign Affairs Select Committee on two occasions—16 and 28 July. He has agreed to give evidence, because we decided at the last Committee meeting to invite him—perhaps if we had decided to hold an inquiry into Sierra Leone, or if we had decided that it was now appropriate to examine the telegrams, we would not be in this situation. I believe that a great deal of the time of the House and the Select Committee has been wasted.

I said that Select Committees have no power to call for documents. The reason for that is that when Select Committees were established in 1979, the then Government did not give them any power to call for documents. The present Select Committee structure is based on the 1978 report of the Select Committee on Procedure. It is one of the better reports that the House has received because it dealt not only with Select Committees, but with many other issues which the Select Committee on Modernisation of the House of Commons is even now only just getting around to considering.

As I said, the power to call for a document rests with the House of Commons, and it rests in an address by a Member. As, since 1902 and the Balfour reforms, the agenda is now in the power of the Government, there is no opportunity for a Member to move an address for the return of a document, so, basically, that power does not exist. As long ago as 1859, "Erskine May" set out some of the conditions relating to what could and could not be called for. One condition was that a paper or document was not confidential, and another was that calling for it would not be against public policy. Even then, there were restrictions on what information the Government could make available.

When the Clerk of the Committee gave evidence to the Select Committee on Procedure in 1978, he spoke about the limitations on the House's power to send for a paper from a public Department. Before the Committee reported, he said:

"when sought from government departments",

the document should not be

"of a public and official character, and should not be private or confidential."

He went on to say:

"It is ministerial refusals to produce documents which have provided the greatest problems for Select Committees in the conduct of their inquiries . . . There have been other occasions on which committees may have wished to have more information in the form of papers and records from Ministers, but in such cases a compromise has been reached."

They are the words of the Clerk of the Committee in 1978 before the Select Committee got around to dealing with the issue.

The Select Committee then set out its views on the release of papers. Its idea was that a refusal by the Government to release papers should be followed by a special report to the House. When the House had had the report for six days, public business should be interrupted and the matter debated. That was the Select Committee's recommendation, although it was eventually thrown out. When the Committee made that recommendation, it clearly stated:

"We envisage that the procedure set out above would be invoked rarely, if at all. It would stand as an ultimate weapon . . . We would expect that Committees would continue in certain circumstances to accept the arguments of departments and their Ministers that the provision of some information requested was undesirable and to respect the requests of some departments for some evidence to be given on a confidential basis."

The Select Committee thereby admitted in 1978 that there was an argument for confidentiality.

In 1979, the Conservative Government acted on that report and brought into being the present Select Committee structure. I think that it was my right hon. Friend the Member for Ashton-under-Lyne who said earlier this evening that the powers of Select Committees should be strengthened when the Government have a sizeable majority in the House, and he referred to the present Government's majority. However, the present Select Committee structure, perfect or imperfect, was set up when the Government of the day had a majority of around 150. That argument pertained in 1979, but was perhaps not taken on board.

**Mr. Michael Colvin** (Romsey): That is not quite right. Select Committees were set up when the Government's majority was 44. As the hon. Gentleman will recall, at a later election it went up to 143, with 1 million fewer votes being cast for the Conservatives.

**Mr. Illsley:** I am grateful to the hon. Gentleman for that correction, but the Government nevertheless had a substantial majority in the Parliament in which Select Committees were established. In the debate on Select Committees at the time, the then Chancellor of the Duchy of Lancaster, now Lord St. John of Fawsley, said:

"The Government will make available to Select Committees as much information as possible, including confidential information for which, of course, protection may have to be sought by means of the sidelining procedure."—[*Official Report*, 25 June 1979; Vol. 969, c. 45.]

So even then there was some measure of confidentiality in respect of calls or requests for papers by Select Committees, and the Standing Orders were drawn up on that basis.

The Leader of the House referred to the code of practice that is mentioned in the Government amendment. Paragraph 4 of that code refers to the disclosure of documents in relation to inquiries or proceedings. However, paragraph 1, under the heading "Reasons for Confidentiality" sets out the exemptions to the disclosure of information, including:

"Information whose disclosure would harm the conduct of international relations or affairs."

and

"Information received in confidence from foreign governments"

and so on. Some of the information that the Foreign Affairs Committee has asked for has to be considered on that basis.

Initially, the Foreign Secretary said that the telegrams that we had requested contained confidential information, some of which might have referred to issues other than the one in which we were interested. It might have related to other Governments or individuals involved in Sierra Leone at the time.

**Mr. Ernie Ross:** I am sure that my hon. Friend would wish to remind the House that the concern expressed by the Foreign Secretary related not just to what was contained in those telegrams, but to the fact that it would be the first time ever that any Foreign Secretary had allowed anyone to look at telegrams and that when it became common knowledge outside the House that such telegrams were being viewed by Select Committees, the content of those telegrams would suffer and they would become less helpful.

**Dr. Godman:** More bland.

**Mr. Ross:** Not only would they become more bland, but they would probably lose their usefulness.

**Mr. Illsley:** My hon. Friend makes a very good point that was also made by the Foreign Secretary and considered by the Committee—that the content of future telegrams might suffer if the senders thought that they would be made public and brought before Committees on a regular basis.

I pay tribute to the Clerk of the Foreign Affairs Committee as he has advised us very well on procedure. He has given us excellent briefing on the procedures available to the Select Committee. His advice on the issue has been very good. Let me quote from two documents prepared by the Clerk, where he states:

"The Foreign Secretary describes this proposal"—

to make a summary of the telegrams available to the Select Committee—

"as following the Pergau precedent, but in one sense it goes further. In the Pergau case, it was certain agreements between the United Kingdom and Malaysia that were subject to verification by Members. In the present case, it is telegrams between Posts and London, a rather broader category of document. If the Committee accepts the Foreign Secretary's offer, this could represent a useful extension of the Pergau precedent."

Not only did we refuse to look at the telegrams, but we turned down the chance of producing a precedent for future Select Committees and we missed a trick.

**Ms Abbott:** My hon. Friend the Member for Dundee, West (Mr. Ross), said a few moments ago that had we been allowed sight of the telegrams in any formal fashion it would have been the first time that an outsider had sight of Foreign Office telegrams. However, in the Select Committee, he told us that he himself, in his capacity as chairman of the Labour party Back-Bench committee on foreign affairs had had sight of such telegrams in particular circumstances. I remember thinking at the time that it was odd that there should be circumstances in which he should have sight of telegrams, but it could not possibly be appropriate for members of the Foreign Affairs Select Committee to see telegrams in any formal fashion.

**Mr. Illsley:** I listened with interest to what my hon. Friend said.

I was referring to the advice received from the Clerk. Further advice stated:

"The practical difficulties in exercising the formal powers to require Secretaries of State to produce documents have led Committees instead to seek to negotiate a compromise with Ministers."

So throughout the history of Select Committees, the issue of confidentiality has arisen and has usually led to compromise.

I agree that perhaps Select Committees do not have sufficient powers to call for documentation. Perhaps the Opposition would have done better framing today's debate around the powers of Select Committees and

*[Mr. Illsley]*

whether or not they should be increased. I know that the Procedure Committee is considering Select Committees in the face of devolution; most Select Committee Chairmen will have received letters from the Procedure Committee on that issue. By turning down the precedent that we were offered, perhaps we missed the chance to extend the powers of Select Committees.

I agree with my hon. Friend the Member for Dundee, West (Mr. Ross) that the Opposition have used the Foreign Affairs Committee as a way of prolonging interest in the Legg inquiry and keeping the issue on the agenda in view of the fact that the Legg inquiry is now proceeding. It is interesting that on the day when we were to take evidence from Sir John Kerr, the right hon. and learned Member for Folkestone and Hythe released his evidence to the Legg inquiry. I recall hearing him on the radio that morning talking about the 464 questions and the 63 pages of evidence that he had produced for the Legg inquiry. It is also interesting that members of the Foreign Affairs Committee and the right hon. and learned Member for Folkestone and Hythe are now using the same language in their press releases. They both referred to the Secretary of State's actions as putting a blowtorch under the Select Committee structure.

The Foreign Affairs Committee has no inquiry on Sierra Leone, no terms of reference in respect of such an inquiry and no formal proceedings on Sierra Leone, so many of the issues that we are debating today are outside the remit of the Select Committee. We are not undertaking an inquiry and perhaps we should have addressed that some time ago. The Government set up the Legg inquiry to deal with the matter and, as far as I am concerned, we have been made offers that go further than those made by the previous Government in similar circumstances and we have not taken up those offers. I remain of the view that the Select Committee is being led politically. It is being used as a way of airing the issue, outside the Legg inquiry. The sooner the Legg inquiry reports and the Foreign Affairs Committee makes a decision on the matter, the better off we will all be.

7.56 pm

**Mr. Michael Colvin** (Romsey): It is a pleasure to follow the hon. Member for Barnsley, Central (Mr. Illsley). I have been a member of a Select Committee ever since I came to the House—first the Employment Committee and then the Energy Committee, when I served with the hon. Gentleman. I, too, remember the incident of leaks and the so-called dilettante Minister. The hon. Gentleman will also recall that on that Select Committee there was what I can describe only as a Government stooge whose job was to ensure that the views of the Secretary of State of the day were forcefully presented. That did not improve the debate within the Select Committee, but none the less consensus eventually prevailed and the results of our deliberations were all the better for it.

The work conducted by right hon. and hon. Members on Select Committees is some of the most constructive and satisfying that we can do in this place. All Select Committees have difficulty in getting information out of Government Departments. There is nothing new in that. To some extent, all Select Committees leak the information that they receive. That is one of the problems of getting information out of Departments in the first place. If Select Committees did not leak, they would find it much easier to get the information that they required in order to do their job properly.

I well understand the current concern about the failure of the Foreign and Commonwealth Office to release to the Select Committee information relating to the Sierra Leone arms investigation, so I support the motion tabled by my right hon. and hon. Friends, which is about the principle that we are debating today—the role of Select Committees and how they can get information from the Government. I congratulate the Foreign Affairs Committee on the wording in its report, which has been used in the motion tabled by the official Opposition, notwithstanding the remarks of the Chairman of the Committee about those words being taken somewhat out of context.

Rather than dealing with the specifics of the Sierra Leone affair, I shall limit my remarks to the way in which our Select Committees are working or, in some cases, are not working satisfactorily.

Ministers can run their Departments only if they have money. The only way in which they can get money is by coming to Parliament and asking us to vote for it. Once we have voted them that money, it is our job, as the elected representatives of the people who pay the taxes to produce the money, to hold Ministers accountable for the way in which they have spent that money.

It amazes me that it was not until 1979 that Parliament had the sense to establish the broader departmental Select Committee system that we now have. I endorse what hon. Members have said about the importance of being able to cross-question Ministers and civil servants. The mandarins in Whitehall are powerful. They do not like appearing before Select Committees. Some Ministers are good at it and some are not so good, but I have found that, on the whole, civil servants are reluctant to appear, and when they do, they sometimes do not perform as well as Ministers. It is also an important part of a Select Committee's work to be able to cross-question not only civil servants, but those outside Whitehall who have an interest in the matters that the Select Committee is investigating and for which the Department of State is responsible.

A number of hon. Members have referred to the importance of unanimity. Some responsibility for assisting Select Committees eventually to reach unanimity lies with the Committee of Selection, which no one has yet mentioned. The Committee of Selection has the task of deciding who serves on Select Committees. I deplore the efforts of the Whips of any party to twist the arms of members of the Committee to try to get people on a Select Committee who effectively become placemen for the party concerned.

It is the job of the Committee of Selection to find men and women of judgment. Part of the difficulty about their being given access to classified and confidential information is the way in which members of a Select Committee will use that information. Having been privy to it, it is up to members to use their judgment in the national interest and to decide whether they should disclose the information. If the members of the Select Committee display such judgment, the system will work well. However, it is up to the Committee of Selection in the first place to try to ensure that the right sort of people go on the Select Committees.

If the Committees are to do their job properly, they need information. Often they already have the knowledge. It is one of the features of the Select Committees on which I have served that, because of the continuity of membership of the Committee from one Parliament to another, members of a Select Committee often know more about the subject than the Ministers who come before them in the dock. That can have unfortunate consequences.

I well remember the occasion on which I was pinned up against the bookshelves of the Aye Lobby during a Division by a Minister of State who was very much larger than I was, when I was Chairman of the Defence Committee—[HON. MEMBERS: "Name him."]—I would not dream of doing such a thing; I am far too courteous—in order to persuade me that there was a certain matter that the Defence Committee should not investigate. That merely reinforced my impression that the Defence Committee certainly should investigate the matter. I may say that when the Minister came to give evidence before the Committee, he performed extremely well.

I pay tribute to the staff of Select Committees. It amazes me how much our staff manage to achieve when compared with congressional committees on Capitol Hill. On the Defence Committee we have only four Clerks, but we employ the valuable services of someone seconded from the National Audit Office, which was mentioned earlier. Every Select Committee could benefit from having a member of the NAO on its staff.

**Mrs. Dunwoody:** Does the hon. Gentleman consider that the House would benefit from having the equivalent of the general accounting office in Washington, where a unit is available to give detailed information of the kind to which he referred, and which, for us, would normally come from the National Audit Office? The general accounting office provides information on the problems of the day and advice to members as they are considering particular aspects of policy.

**Mr. Colvin:** That is a valuable contribution, which right hon. and hon. Members on the Front Benches will take on board. Select Committees tend to be reactive. The more proactive they become, the better. The hon. Lady's suggestion would be one way of assisting Select Committees to be proactive, provided of course that the rules of the House permitted it.

It is difficult to get information out of Ministers and Departments. Much of the information that the Defence and the Foreign Affairs Committees require to do their job properly impinges on national security and is therefore highly sensitive.

Our Defence Committee sees some extremely highly classified material. In fact, information on the level of classification that we are allowed to see is itself classified information, so I cannot tell the House what it is. All I can say is that when we are privy to it, we usually sit in a room in the Ministry of Defence and our notes are put through the shredding machine when we leave. In our office, less highly classified material is locked in the safe, and we frequently go into private session when we are considering the sort of information that may well have come before the Foreign Affairs Committee in relation to Sierra Leone.

That reinforces my point about hon. Members' judgment. The House of Commons Defence Committee has never leaked. There was an occasion on which part of a report got out a little early, but that was purely accidental. On the whole, we are an extremely secure Committee and we have invariably succeeded in reaching a consensus on our reports. With many new members on the Committee, all the evidence is that we shall continue to reach a consensus, which is to the benefit of the work that we do and the defence of the realm.

To put the matter of classified material into context, I should say that the Committee receives details of about 50 highly classified documents in a parliamentary Session, so we see a great deal of important information.

Two problems that Select Committees face have been briefly touched on in the debate. The first involves commercially sensitive information, and the second is the matter of advice to Ministers, as it is called. Both issues concern alternatives put forward to Ministers. On Select Committees, it is our job to react to decisions that Ministers have made. Civil servants put forward alternatives to Ministers. I have seen advice to Ministers, and sometimes it is amazing how many different alternatives are put—"Well, Minister, on the one hand you can say this, but on the other hand you have to say something else"—memories of "Yes, Minister" come to mind. Many alternatives are always put forward, both as general advice and on procurement decisions, when Ministers have to decide whether to accept this or that bid for a contract.

A good case can be made for Select Committees becoming more involved in the proactive work of giving their advice to Ministers when alternatives are being considered. In the United States of America, the Appropriation Committee often does that, and it has real power. I know that the Americans' constitutional set-up is completely different from ours, but many Select Committees are now beginning to think that some of the financial decisions made by Ministers would be better if the Select Committee had some knowledge of what the alternatives were—perhaps in the form of the final shortlist before the ministerial decision is made.

Forty per cent. of this country's defence budget relates to procurement decisions, and, with our knowledge, better decisions might be made if the Defence Committee were given, in private, the sort of information on which its members could make a judgment before the Minister had to make his. The Liaison Committee was discussing that at the end of the previous Parliament—it is on the record of our Committee's proceedings—and as has already been said, the Procedure Committee is doing the same thing at the moment.

The most recent example of advice to Ministers being misused rather than used arose during the inquiries that the Defence Committee was conducting into the Defence Evaluation and Research Agency. As part of the strategic defence review, about which we shall all know much more tomorrow, the Ministry of Defence examined options for the future of DERA to meet requirements for defence industrial diversification.

The options were contained in DERA's 1998 corporate plan, and the Defence Committee asked for a copy to assist us with our inquiry, which was published only last week. Ministers refused to provide a copy, and instead sent us a memorandum, arguing that the corporate plan was classified as advice to Ministers, and should not therefore be disclosed to Parliament.

*[Mr. Colvin]*

I hope that when the Minister responds, he will clarify how advice to Ministers ought to be construed. Access to such key documents is essential if Select Committees are to have a meaningful and well-informed scrutiny role. Restrictions on such access undermine proper accountability to Parliament.

The continuing business of getting information out of Departments of State is a bit of a dogfight. In the Defence Committee, we feel that the system that we have adopted is working tolerably well—but that system relies entirely on mutual trust between the Committee and Ministers. In the case of the arms to Sierra Leone affair, that trust has broken down, which has put the whole business and process of parliamentary accountability in jeopardy.

8.12 pm

**Ms Diane Abbott** (Hackney, North and Stoke Newington): Contrary to what some hon. Members have said, this is a very important debate—a debate, ultimately, about the rights and powers of Select Committees. There are several reasons why it is important.

First, it is vital that the debate—both on the Floor of the House and in the media and elsewhere outside the House—about the role of the legislature versus the Executive has taken place early in this Parliament. This may be quite a long Administration, and it is important to shed some light on such matters at the outset.

The debate is also important for the fact that my hon. Friend the Member for Swansea, East (Mr. Anderson), the Chairman of the Select Committee, has set a gold standard for Select Committee Chairmen. From now on, no Chairman can afford to be less bold and resolute than he has been, in what everyone agrees were difficult circumstances. Another reason why the debate is important is that, for reasons on which I shall expound later, in this Administration we are faced with certain difficulties concerning proper parliamentary scrutiny on the Floor of the House.

Finally, the debate is important because, thanks to the offer that the Foreign Secretary has made today, never again can any Minister use an internal inquiry as a means of stopping legitimate parliamentary inquiry. The Foreign Affairs Select Committee has drawn an important line in the sand.

There has been a lot of misinformation in the debate, so, for the avoidance of doubt, let me explain that the offer by the Foreign Secretary that we are hearing about today—an offer of unconditional access to a summary of the telegrams—is the first such offer that has been made. It is not an offer which has been available for weeks and weeks.

**Mr. David Heath** *indicated assent.*

**Sir John Stanley** *indicated assent.*

**Ms Abbott:** Other members of the Foreign Affairs Select Committee are nodding. Only today have we had sight of a letter from the Foreign Secretary conceding unconditional access to the summary. It is important to have that fact on the record, because some colleagues may inadvertently have misled the House on the subject.

Again for the avoidance of doubt, let me remind the House of the sequence of events. On 12 May, nearly two months ago, the Chairman of the Foreign Affairs Select Committee wrote to the Foreign Secretary asking for the telegrams. On the same day, I raised the matter on the Floor of the House. At that time, the Foreign Secretary rejected our proposal. Indeed, he went further and wrote back to my hon. Friend the Chairman of the Committee confirming his rejection.

On 21 May, the Foreign Affairs Select Committee published its first special report. If, as some Members have suggested this evening, the Foreign Secretary was so anxious to meet us half way and offer a deal, I wonder why he did not take the opportunity of our first special report on 21 May to come forward with unconditional access to the telegrams. He did not. On publication of our first special report, the Foreign Secretary was still saying that there would be no access to the telegrams.

On 1 June, the Foreign Secretary wrote again to the Select Committee. He had moved incrementally, but he still said that he would offer only a summary, and even that was not on offer until after the Legg inquiry had concluded. Let me say a word about that inquiry: again, today is the first time that we have heard about the possibility that it might report before the House rises for the summer recess.

All along, we have pursued the negotiations with the Foreign Secretary with the fear in some of our minds that the Legg inquiry would, as is sometimes the way with such civil service inquiries, report, conveniently, right at the end of the Session. That would give no time for any further inquiries by the Foreign Affairs Select Committee. In effect, all parliamentary scrutiny of the matter would have been closed down until October when the House returned, by which time Ministers presumably imagined that everyone would have forgotten about it, and its subject matter would have been overtaken by events.

People should be clear that the point at issue was whether the Government would allow proper parliamentary scrutiny of the Sierra Leone affair now, or—as would have been the effect of the deals that the Foreign Secretary was offering a month ago—parliamentary scrutiny would be closed down until October.

On 1 June, the Foreign Secretary was saying that we could have a summary—an offer which was prised out of him—but not until after Legg had reported. On 15 June, he wrote again offering the same summary after the Legg inquiry had reported. We could get no sign whatever from him about whether we could hope to see the Legg report before the end of the Session.

On 23 June, the Foreign Affairs Select Committee published its second report. If the Foreign Secretary, as some Members have suggested, was so keen to meet the concerns of the Select Committee, he could have offered a deal at that point. Yet he waited until the day of this debate to write to the Select Committee offering unconditional access to the summary of the telegrams, which is what we have been asking for all along.

I put it to the House—and to any fair-minded person listening to the debate, or reading it subsequently—that I cannot accept that, if we had not reported to the House not once, but twice, the Foreign Secretary, would have come forward with the compromise he has offered today. That is one of the reasons why this is an important debate. The Foreign Secretary has only conceded the principle of

unconditional access under duress. That is why it was right and proper for the Select Committee to report to the House.

As I said, this is an important debate because it concerns the rights and responsibilities of Select Committees. As we approach the millennium, the role of Select Committees has never been more important. In practice, and for all types of reasons—most of which originated long before the Government took office on 1 May—the possibility of serious scrutiny on the Floor of the House has diminished and is diminishing.

Many decisions in relation to legislation have passed from this House to Brussels. I do not criticise that—I am pro-European. I am not arguing against it in principle—I am saying that that is the reality. Even in the short time that I have been in this House—only 10 years—I have seen more and more decisions ebbing away from the House of Commons to supranational organisations such as the legislature in Brussels.

**Mr. Colvin:** The hon. Lady has missed two other forms of devolution of the powers of this House—one to the assemblies of Scotland, Northern Ireland and Wales and to the regional agencies in England, and the other to a reformed upper House, which will require powers over fiscal and financial matters that it does not enjoy at the moment. More and more powers will be drained from this place, yet we continue to increase our numbers. Perhaps the time has come to consider whether we need fewer Members of Parliament, rather than more.

**Mr. Deputy Speaker:** Order. I am sure that the hon. Lady will not follow that red herring.

**Ms Abbott:** The hon. Member for Romsey (Mr. Colvin) makes a fascinating point, but I am well advised by you, Mr. Deputy Speaker, and I shall not follow him down that interesting path.

My central point is that this is an important debate because of the increasing difficulty of having proper scrutiny on the Floor of the House. I have talked about powers draining away to Brussels. There is also a process—for which I, as a Member, have had a ringside seat—whereby decisions which were once taken by Parliament are now, in effect, taken in the Cabinet, and decisions that were once taken in the Cabinet are now, in effect, taken by an inner circle around the Prime Minister of the day. We saw that under Margaret Thatcher when she was Prime Minister, and none of my hon. Friends would argue that that tendency has lessened under this Administration.

The size of the majority has been referred to. The honest truth is that, if the Government were to propose the massacre of the first born, they would still have no difficulty in getting it through the House of Commons, such is the size of the majority. There is also a possible tendency in some parts of the Government to pay more attention to focus groups and marketing men than to Parliament, or even to the Labour party itself.

**Mr. Ernie Ross:** I have listened to my hon. Friend and I am trying to make sense of what she is saying. On the one hand, she is saying that the Select Committee has forced the Foreign Secretary to do what he has done. On the other hand, she is trying to say that the Government's majority is such that they can just ignore the wishes of the House. Both cannot be right. With that majority, the Foreign Secretary could simply keep on ignoring the House.

**Ms Abbott:** The Foreign Secretary has had to make us an offer because the beauty of the Select Committee system is that it is the only area of activity in this House at this time where the writ of the Whips Office does not run. Once one is on a Select Committee, one is on it for the Parliament—and no doubt, even as I speak, some members of the Whips Office are gnashing their teeth at that evident truth.

The rights and powers of Select Committees have never been more important because of the problems of parliamentary scrutiny on the Floor of the House. The choreography on the Floor of the House that we saw under the previous Government and under Mrs. Thatcher is increasing; I am not suggesting that it all started on 1 May. Increasing numbers of hon. Members are standing up to ask questions that, clearly, they have not drafted. I often feel sorry for those people. They are often reading questions that are not merely sycophantic, but poorly drafted and not in order. I often ask my colleagues, "Why do you draft those questions for those people?" That choreography has increased, and is increasing.

There is an increasing emphasis on those on the Government Benches "being helpful"—that, we are constantly told, is the prize virtue of a Government Back Bencher. That—not representing one's constituents or holding the Government to account—is what we are increasingly judged by. On that criterion, I self-evidently fail.

When we have a debate among Government Back Benchers about the role of Parliament in scrutinising the Government, colleagues often say that questions and the business of the House of Commons do not matter. What matters is a having a quiet word with Ministers—we could call it "the doctrine of the quiet word". I am happy to have quiet words with Ministers; I often do so in relation to my constituency. However, the "quiet word" on its own does not work, and it has proven to be ineffective. Literally hundreds of colleagues had quiet words with the Labour party leadership on the cuts in lone-parent benefit. All were completely ignored.

If we set to one side the procedures of the House and rely, as Back Benchers, solely on the "quiet word", what happens to transparency and accountability? We can have transparency and accountability only if Members are prepared to use the formal processes of the House of Commons. That is what they are for.

Another reason why it is becoming increasingly hard to have proper scrutiny in the House is the tendency—which we saw under Margaret Thatcher, and which we still see under this Government—to launch policy not on the Floor of the House, but at press conferences. One of the most striking examples of that was the announcement of the handover to the Bank of England of the power to set interest rates. The single most important announcement relating to economic policy made in this Parliament—whatever we think of it—was made at a press conference. That was done, I believe, because the Minister did not want to be scrutinised not only by the Opposition, but by Labour Back Benchers. Without diverting to that issue, handing over interest rates to the Bank of England has never been Labour party policy. It was never debated at conference or by the national executive.

*[Ms Abbott]*

I have detained the House a little on the argument, which is important. For all types of reasons—most of which had their genesis long before we came to power on 1 May—proper, considered and sustained scrutiny of the activities of the Government is no longer possible on the Floor of the House. That is why the powers and the rights of Select Committees are so important.

No one on the Select Committee ever assumed that we had unqualified access to persons and papers, but there has always been a presumption that Select Committees should have reasonable access to persons and papers. After all, that was the only way in which they could carry out their duties. Those powers, as the Foreign Affairs Select Committee has found to its cost in the past two months, have never been put on a statutory basis. The reason for that was that it was always assumed that the Government would respect those rights of Select Committees.

The problem that we have had in the past two months is that it was not clear to us, certainly at the beginning of the tussle, that the Foreign Secretary accepted that we had a right in principle—while acknowledging practical concerns—to have access to those papers. That is why I am glad to see the concession today, whereby he is giving us—at long last—unconditional access to a summary of the telegrams.

Some misinformation has been flying around today. No member of the Foreign Affairs Select Committee has sought at any point to duplicate the Legg inquiry. As I said in the House when it was announced, the Legg inquiry has quite narrow terms of reference. As the Select Committee charged with oversight of the Foreign Office, we felt that we were quite entitled to inquire into wide areas concerning the internal workings of the Foreign Office and good government that could run parallel to Legg. I agree with some of my colleagues that it might have been better to announce an inquiry into Sierra Leone early in the process. However, I am surprised to see some of my colleagues proposing that idea. I am sure that some of those who are saying, "If only we had announced the inquiry" would never have voted for it at the time.

The Select Committee is not seeking to duplicate the Legg inquiry, which I stress is not a judicial inquiry. Even until today, hon. Members and Ministers have referred to that inquiry as though it made some matters sub judice. It is an internal inquiry. Until we received the Foreign Secretary's communication today, there was no clarity whatever as to when the Legg inquiry would report. The suspicion had to be that the inquiry was being used, possibly inadvertently, to kick the issue into the long grass.

In the Foreign Secretary's penultimate letter to us, in which he said that we could not see the telegrams until the Legg inquiry had concluded, he stated:

> "The Select Committee is not entitled to persist in pursuing a parallel inquiry by summoning officials who are bound by the collective policy of the Government."

We are entitled to pursue a parallel inquiry—the Foreign Secretary is quite wrong on that point. One of the avenues of exploration for the Foreign Affairs Select Committee in relation to Sierra Leone is whether there were two policies regarding that country: one policy that was expressed by Ministers and pursued in good faith, and another that was pursued possibly by some officials in Whitehall and some in Sierra Leone. The only way of unravelling the truth is by taking evidence from officials.

As hon. Members have said, officials are very powerful. The limited amount of questioning that we have thus far been allowed to do of the permanent secretary has revealed that some Ministers received briefings about the Customs and Excise inquiry while others did not. We have revealed that a military attaché was sent into exile with President Kabbah—for what reason, we know not. There is a reason for questioning officials separately from Ministers. The Foreign Secretary is ill advised to suggest that the Committee had no purpose in seeking to question officials separately.

In conclusion, I congratulate the staff of the Committee. As hon. Members have said, Select Committees must work with very slender staffing resources. We owe much to the hard work, commitment and dedication of our staff. That was my experience on the Treasury Select Committee, on which I served for eight years, and now on the Foreign Affairs Select Committee. I am glad that the matter was reported twice to the House. I am glad that the majority of Committee members were prepared to stand fast by a principle. If we had not stood fast by that principle, we would not have received today's concession from the Foreign Secretary. Some hon. Members may jeer and ask what it is all about, but I believe that we have established an important principle regarding the functioning of Select Committees for the duration of this Administration.

8.32 pm

**Mr. Peter Brooke** (Cities of London and Westminster): As ever, I shall be brief. It is a pleasure to follow the distinguished and surgical speech of the hon. Member for Hackney, North and Stoke Newington (Ms Abbott), to whom I am almost a constituency neighbour. I shall echo her comments later in my speech. I take personal comfort from her reassurance about the massacre of the first born, not least because I am first born.

I first declare an interest in the debate as a member of the Liaison Committee, although I was absent, for the first time, from its last sitting when it treated on the subject of tonight's debate. On that occasion, I was attending the final day of the Competition Bill in Committee—which was not a competing pleasure, but a competing duty. I salute the hon. Member for Crewe and Nantwich (Mrs. Dunwoody)—she has just left the Chamber—who is a fellow member of the Liaison Committee. She has sat through the whole debate and intervened periodically.

I should also declare an interest as being highly indirectly related to Sir John Kerr. What I am about to say will sound like an extract from the table of affinity in the "Book of Common Prayer". Lady Kerr's sister is my brother's wife. From the opposite end of the telescope, Sir John would say that I am his sister-in-law's brother-in-law.

As the debate is obviously ranging fairly widely on the subject of Select Committees, I shall—with your indulgence, Mr. Deputy Speaker—take brief preliminary advantage and add an immediately topical footnote regarding an appearance that I once made before a Select Committee, since every Select Committee Chairman worth his or her salt always gives an examinee the

opportunity to do so. It relates to being characteristically roasted by the right hon. Member for Manchester, Gorton (Mr. Kaufman) in a sitting of the then Select Committee on National Heritage on the subject of the delays in the building of the British Library.

I did not know then—but have discovered since—the paragraph devoted to the initiation of that project in the memoirs of Joel Barnett, now Lord Barnett, Chief Secretary to the Treasury in the last Labour Government. I quote from memory, but he said, in effect, that the Treasury rules on which his Government set up the project were such that, if any economic difficulties occurred subsequently, it would be a miracle if the British Library were finished before the end of the century. When I found that paragraph, I felt a little better about the rather long gestation period of the Library—a building and a facility which, upon completion, I greatly admire.

The hon. Member for Somerton and Frome (Mr. Heath) said that he regretted that this debate was being held in Opposition time. We all regret that. I say, in a kindly way, to the Liberal Democrats that they often wish that circumstances were other than they are, but they ignore the fact that the best is often the enemy of the good. In our party, we must sometimes settle for the good because the Government deny us the best.

Moments in the debate reminded me of the narrative of that great historian the Rev. Sir Owen Chadwick entitled, "Mackenzie's Grave", which described a 19th century expedition to central Africa. I should make it clear that I realise that Sierra Leone is not in central Africa. I once asked Owen Chadwick whether he had had any need to travel to central Africa to research his book. He replied that he had not as he had had available to him in Cambridge the concurrent expedition diaries of the eight strong, and often colourful, personalities who had constituted the main dramatis personae of the expedition. Each diary recounted each day and the interactions between those personalities.

I caught some of the flavour of those interactions in the multiple exchanges in this debate between the different hon. Members who serve on the Foreign Affairs Select Committee. As, unlike Owen Chadwick, I did not have access to the diaries, there were moments today when I was also reminded of the riddles of one's youth where one is told that Mr. White, Mr. Brown, Mr. Green and Mr. Black live in houses that are, but not necessarily respectively, white, brown, green and black and then, on the basis of further information, one must work out who lives in which.

Like the diaries of "Mackenzie's Grave", today is also the stuff of history. Someone referred in the debate to the Foreign Relations Committee of the United States Senate. When NATO was forged in the post-war years, the Chairman of that Committee was the Republican Senator Vandenberg, who obviously belonged to the opposite party from Dean Acheson, the then Secretary of State. Senator Vandenberg made his first visit to Europe in that capacity. He came down the companion way of the aircraft at Le Bourget—which is where planes landed in Paris at that time—and the assembled French press asked him to say something in French. It was a language of which he was imperfectly the master, but there came into his head a single sentence from his school days—in deference to you, Mr. Deputy Speaker, and to the House I shall render it in English—"There have been no great men since Mirabeau". The entire French press spent the next three days trying to work out the significance of that remark as uttered by the Chairman of the Senate Foreign Relations Committee.

Mirabeau has a significance for tonight's debate as he was the first man in the history of Europe to use the word "civilisation"—although, unlike Senator Vandenberg, he said it in French. The great struggle of Parliament with the king and then with the Executive obviously goes back much further than Mirabeau's creation of the word "civilisation". However, within 10 years of his using it, we saw the Wilkes affair, which convulsed my constituency in more ways than one. Tonight is just another moment in our remarkable parliamentary evolution. It is not remotely on the same scale as Wilkes, but is still significant as a thread in the tapestry.

Even during my time in the House, we saw the heroic figure of Miss Mary Frampton, then secretary to the Serjeant at Arms, crossing my constituency to summon the late Sir Charles Villiers to the House to give evidence to one of the few Select Committees that then existed, when he had earlier declined to come—an episode about which Sir Richard Barlas may have been writing in the quotation given earlier in the debate. This debate itself will be a quarry for future historians.

My right hon. Friend the Member for Tonbridge and Malling (Sir J. Stanley)—I hope that I have pronounced his constituency correctly; fortunately, it will end up by being spelt properly—described the three separate stands that the Foreign Secretary has taken towards the Select Committee. I shall not rehearse them again, but off two of those stands he has been driven by the Select Committee and by the force of events.

Some years back, I stood on the field of the battle of the Imjin river in Korea on its 40th anniversary, in the presence of Sir Anthony Farrar Hockley, at that stage the adjutant of the Gloucesters, now the gallant Gloucesters, who described most vividly how the battle had gone. What was very clear that day was just how much the three days that the Gloucesters, the Royal Ulster Rifles and the Royal Northumberland Fusiliers, and a fourth Belgian battalion had held the ridge against 30,000 Chinese had mattered to the future course of the war. However, it is a little less clear to me why the Foreign Secretary has spent the best part of not three days but three months defending the Government's position on Sierra Leone, with such intended unyielding tenacity, though he has been obliged to retreat. It may be because of the old jest that the Foreign Office understands every legislature in the world except this one.

The Leader of the House said that the Opposition had initiated the debate because we found opposition difficult. I am one of the fewer than one in five on the Official Opposition Benches who has been in opposition before. I personally have found one slips back into opposition mode as if into a glove. Today's debate has belied the observation of the Leader of the House.

The hon. Member for Walsall, North (Mr. Winnick), who has returned to the Chamber, said at 4.30 pm, more than four hours ago, that it was not clear why we were having the debate at all, given the incipient and imminent agreement between the Foreign and Commonwealth Office and the Select Committee. The implication was that the rest of the debate would be nugatory. However, when the hon. Gentleman intervened, the game was not yet over. As I see most things in life through a filter of

*[Mr. Peter Brooke]*

cricket, it was rather like the final day of the Old Trafford test yesterday, when patently the game swung backwards and forwards and it was not over until the last ball was bowled. It is since the hon. Gentleman's intervention that the scale of the Foreign Secretary's retreat has become apparent. On the Select Committee of which I am a member we have noticed how those we are investigating set up internal inquiries to take a look at the issues that we are pursuing, although not, obviously, on the same scale as the Legg inquiry.

In the same way, the flurry of correspondence which has potentially led to a happy detente between the Foreign Secretary and the Select Committee may have been in part prompted, as the hon. Member for Hackney, North and Stoke Newington implied, by the subject of the debate, given that eight approaches had previously been made to the Government to conduct such a debate in Government time. As to why it had to be an Opposition day and not one offered by the Government, I am reminded, not least by the Foreign Secretary, in his letter of 6 July offering 28 July as a date for his rendezvous with the Select Committee, of the lines by the late Sir John Betjeman in his poem about Miss Joan Hunter Dunn:

"Her father's euonymous beckons us in

To the six o'clock news and the lime juice and gin."

Six o'clock is when many cricket matches end. I am left wondering whether, like yesterday evening in Manchester, the Foreign Office has not been batting out time, though for the six o'clock news in Betjeman's poem one read the summer recess, as the hon. Member for Hackney, North and Stoke Newington said. In that respect, the Foreign Secretary would be holding his ground. He has never in the past been a man for Tuscany in August. In opposition, he was always happiest in August facing a television camera on the green sward further down Millbank, and it is certainly a pleasanter refuge for questions than the House.

The importance of today has been what the Chairman of the Select Committee on Foreign Affairs, the hon. Member for Swansea, East (Mr. Anderson), said at the end of his speech, when he commented that today's debate has been an important precedent. It will find a tiny place in parliamentary history, and it has been conducted in terms and tones, and occasional flurries, wholly worthy of that history. One of the tests that it passes today is that at a quarter to 9 it is still going strong, and the Whips on either side of the House have not had to scour and trawl the Corridors of the House to provide speakers.

8.44 pm

**Mr. Jimmy Hood** (Clydesdale): As we await the final of the world cup competition, it would appear tonight that the Opposition have scored an own goal. If I might borrow a phrase from the hon. Member for Hertford and Stortford (Mr. Wells), the fox has been shot. The debate must be somewhat embarrassing for the Opposition. If the Opposition are not embarrassed, they should be. I am sure that they are embarrassed.

As Chairman of the Select Committee on European Legislation, I welcome the opportunity to have a discussion on Select Committees. I have no problems in supporting the Government amendment. I say to right hon. and hon. Members who serve on the Select Committee on Foreign Affairs that I congratulate them on getting a debate on the Floor of the House. In my function as a Committee Chairman in this place, I know how difficult it is for a Select Committee to get such a debate.

Transparency and scrutiny must be the watchwords of the House. We know that. We saw the abuse of power by the centralised control freaks in the previous Government. It is not my intention to score party political points, but it is difficult to sit in the Chamber for the hours that we have this evening listening to Her Majesty's Opposition and to forget that for at least the 11 years of my term in the House, 10 were in opposition when the Conservatives were in government. It is a bit rich to hear some of the protestations that come from Conservative Members.

I return to the need for transparency and scrutiny. The truth is that the Government are improving the procedures. The report of the Modernisation Committee, which has recently been published, will give more powers and influence to my Select Committee, which we welcome. Having said that, I will always advise Governments that Select Committees should not be seen as threats to Ministers or to political careers, as can sometimes happen. My Select Committee, the Select Committee on European Legislation, is well known to Government Departments. Sadly, scrutinising 1,200 documents a year is not a sexy pastime. It is not even sexy enough for the Lobby journalists, who keep telling us how to do our job. I am sure that *The Guardian* scribbler, who wrote such an article that appeared today, will have been sitting in the Press Gallery for hours listening to this very good debate.

In the Select Committee on European Legislation, we have a difficult, complex but rewarding task to scrutinise European legislation. I mention in passing the excellent speech made by the Chairman of the Liaison Committee, my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon). He addressed not the issue of Sierra Leone but the need to have transparency and scrutiny and what Select Committees are all about, how they have power, and how they should use that power for the benefit of the House.

I have been Chairman of a Select Committee during a Conservative Government and since the new Labour Government took over. That is more than six years. I can count on the fingers of one hand the number of Divisions that we have had in the Select Committee in coming to decisions on the many hundreds of recommendations that we make. We take our strength from our unanimity. We take our power and it is to be hoped that we use it for the benefit of the House. It is a power that we use for the House, and in so doing we do not play the partisan games that politicians sometimes indulge in.

We should always remember that Select Committees perform the duties that charge them with the responsibility of defending democracy. In defending that democracy, we defend the democratic process. Public service is an honourable profession. But because of the misconduct and, yes, dishonesty and lack of probity of a small number in public life our honourable profession is, on occasions, made a laughing stock.

In addressing this important subject, I want to put down a marker. Mention has already been made about devolution in the United Kingdom. It is important that where that devolution is taking place—in Northern Ireland, Scotland, Wales and London—people learn from our mistakes and do

not fall into the same traps that we have fallen into on many occasions here. It is vital that we consider all areas of public service in defending our democracy.

My years in local government prepared me for this place. In the late 1970s and 1980s, the centralised powers in the hands of a few cliques in local government did great damage to our democratic process. After 18 years of Conservative Government, the centralisation of power resulted in central and local government being taken away from the people whom it is meant to serve.

We hear many ideas about better management, more democracy, constitutional reform and the giving of power to communities and people. Without transparency, democratic accountability and real debate, our claim to be the mother of Parliaments is shallow and transparently so. Local government has its problems. Mayors and proportional representation will not solve those problems. If the management of the political and administrative process is not addressed, democracy is seriously threatened.

When we speak about reforming our democracy and devolving power, why not look at local government and talk about having not inspectors who call in without notice, but a scrutiny process whereby back-bench councillors in scrutiny committees scrutinise their executive and management systems? I hope that we shall address that when we consider the reform of our democratic processes.

I conclude by calling for a higher priority to be given to the need for a right of information Bill. Do not let the enemies of democracy hide behind the curtains of secrecy, deceit and self-interest. We are here to protect the democratic process that we are here to use to serve our people. We need to do that, and our watchwords must be scrutiny and transparency.

8.53 pm

**Mr. Peter Luff** (Mid-Worcestershire): I begin by apologising to you, Mr. Deputy Speaker, to the House and, in particular, to the hon. Member for Greenock and Inverclyde (Dr. Godman), who is looking particularly agitated, for not being here at the beginning of the debate. As I explained in a letter to Madam Speaker yesterday, my absence was due to a long-standing speaking engagement at the royal show, explaining the role of Select Committees to the Tenant Farmers Association. I hope that I was carrying at least some of the interesting messages of this debate to a wider audience served by my Select Committee, the Agriculture Committee.

The point has already been made by many hon. Members, and I am sure that it will be made by many more before the end of the debate, that Select Committees are becoming increasingly important in the scrutiny of the Executive. That is why today's debate is so important. I listened with great care to what the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) said about that.

I am glad that the Government and the House are determined to give increased powers to Select Committees. My Select Committee will shortly play a part in scrutinising the draft Bill to establish a Food Standards Agency. I am glad about that. I am glad that the Procedure Committee, to which I recently gave evidence, is considering Select Committees' increased ability to look at Departments' estimates. That is a good thing, too. I am also glad that the Modernisation Committee has been considering the role of Select Committees in European legislation. I have reservations about resources, but that is clearly another example of the way in which Select Committees can contribute to the good working of this place. However, I have a continuing concern that those various issues are putting an increased demand on Select Committees.

Select Committees must respond to the demands properly and with responsibility. I am not always clear that Select Committees have discharged their functions responsibly. They can sometimes forget that their prime purpose is to scrutinise the Executive, not miscreants from a wider world. That is our job, and that is what the Foreign Affairs Committee is seeking to do so well at present.

I recognise that the Government are right to draw attention to the problems sometimes caused by parallel inquiries. I was a special adviser at the Department of Trade and Industry when the Trade and Industry Committee decided to consider the sale of Rover at precisely the moment when the Government were trying to sell it. It is difficult to have a commercial negotiation when a Select Committee is seeking to expose one's negotiating tactics in televised evidence sessions.

I particularly agree with what the hon. Member for Clydesdale (Mr. Hood) said about Select Committees working best when they work on the basis of consensus. That is clearly the case. As a man who wears the party hat with pride, I have sometimes failed the test of impartiality in the Chair. I shall strive to do better in future because what the hon. Gentleman says is right.

The point has also been made that it is important to co-operate with the Department that is being shadowed. Wherever possible, a relationship of trust should exist between the Committee and the Department. It is right that I should put it on the record that just such a relationship of trust exists between the Agriculture Committee and the Ministry of Agriculture, Fisheries and Food, for which I am grateful.

I do not want to explore the rights and wrongs of the particular case that has resulted in today's debate. The hon. Member for Hackney, North and Stoke Newington did that with great skill and her usual charm. Instead, I want briefly to consider the three issues of principle that the episode raises—the examination of officials bound by policy, a prejudice to the existing inquiry and the establishment of Government inquiries that Select Committees may wish to shadow.

I shall deal first with the question of officials. In a letter to the Chairman of the Foreign Affairs Committee, the Foreign Secretary says Select Committees

"are not entitled to . . . persist in pursuing a parallel enquiry by summoning officials who are bound by the collective policy of the Government."

I have some sympathy with the second half of that statement. Select Committees must be careful to make the distinction between policy and procedure and when they have an official before them not to push him on policy issues. However, the first part of the statement is wrong: Select Committees do have the power to pursue parallel inquiries, a matter to which I shall return.

The second issue of principle is parallel inquiries and the damage that might be done to a Government-established inquiry by a Select Committee inquiry.

*[Mr. Peter Luff]*

The Foreign Secretary and the Foreign Affairs Committee simply disagree about that, and the House would be right to back the views of the Committee, not those of the Foreign Secretary and the Government. In his letter of 30 June to the Chairman of the Foreign Affairs Committee, the Foreign Secretary asserts:

"It is the collective view of the Government that a parallel enquiry drawing on the same papers that are currently before the Legg investigation would be prejudicial to the rapid production of a balanced and considered report."

I have to ask why. I cannot understand the logic in that statement and think that there is no such threat of prejudice. If two organisations want to conduct an inquiry, so be it—the House should always have a right to conduct an inquiry.

That leads to the most important point in my deliberately brief speech—the establishment of inquiries by Governments.

**Mr. Ernie Ross:** I know that the hon. Gentleman is trying to be brief and I shall not delay him for long, but, because he was not present when the debate started, he may not understand that the problem is that we are not pursuing an inquiry.

**Mr. Luff:** I understand that point, but I want to raise the point of principle—these issues could have serious implications. In his letter to the Foreign Secretary dated 11 June, the Chairman of the Foreign Affairs Committee stated:

"The Committee rejects the principle, implicit in your current position, that the establishment of a Government enquiry in a particular area precludes the supply to a Select Committee of factual material which may also fall within the scope of that enquiry. No area of Government expenditure, administration or policy can be 'ring-fenced' from parliamentary scrutiny by the establishment of a Government enquiry, however eminent are those conducting it."

That is the most important question that hon. Members face this evening.

The House must remain sovereign and its Select Committees must remain sovereign to determine their own agenda—no matter what may be happening in the Executive or in the wider world—and subject only to the rules of sub judice.

**Mr. Winnick:** The hon. Gentleman was unable to be present earlier and he has given his apology, but he may be unaware that many examples were given, especially by my hon. Friend the Member for Dundee, West (Mr. Ross), of a number of Select Committees being involved in constant disputes with Departments during the previous Parliament, when the hon. Gentleman's party was in power. Departments would not supply information that Select Committees wanted and, although some of those disputes occurred when the hon. Gentleman was a Member of Parliament, I cannot remember his protesting about them in the House.

**Mr. Luff:** No party has a monopoly of virtue on this issue and I do not want to trade party points on it. I understand what the hon. Gentleman says—I have some sympathy for it—but we have to establish the point of principle that the Legg inquiry must not be used as a precedent to prevent Select Committee from looking into certain subjects. There is a risk that that will happen.

Select Committees must be free to determine their own agenda and should not be told by the Government that they are not free to pursue inquiries because the Government have conducted or are conducting inquiries. That could be the implication of the issues that we are discussing and my Committee has been faced with that dilemma.

The Government have established an inquiry into bovine spongiform encephalopathy, which has won a freedom of information award, of which Sir Nicholas Phillips is rightly very proud, for use of the internet. I regularly follow the BSE inquiry on the internet: it is a fine inquiry, but it should be with £10 million or so to spend. My Committee has a budget for staff and other ancillary costs of about a third of a million pounds a year—to do all our work. We could not possibly match the BSE inquiry, so we did not even have a decision to take: such a well-resourced inquiry would always outshine anything that we could produce.

That brings me back to the resourcing of Select Committees, which is important. If the Government had put the BSE inquiry out to competitive tender, my Select Committee might have bid for it and perhaps carried it out at lower cost than the Phillips inquiry. Like every other Select Committee member who has spoken in the debate, I am intensely proud of the staff who serve us. That unites hon. Members: we are well served by the Clerks and their assistants and we should thank them publicly for the work they do.

The debate has highlighted three important matters. First, we agree as a House that Select Committees should have increased powers. That would be a good thing which would build on the reform established by the previous Government. I am glad that this Government are taking that process forward. Secondly, we also agree that we need to increase resources if we are to do our job well and effectively, although that is a problem. Thirdly, the simple message that the House must send out in the vote this evening is that Select Committees should be free to set their own agendas; they should not have them determined by the Executive.

9.2 pm

**Dr. Norman A. Godman** (Greenock and Inverclyde): I am grateful to the hon. Member for Mid-Worcestershire (Mr. Luff) for the handsome apology that he offered for his unavoidable absence at the beginning of the debate. He mentioned me during his apology. I have no complaint whatever about being the last Back Bencher to be called to speak; you, Mr. Deputy Speaker, will be able to confirm that I have spoken frequently in the House this year, mainly about Northern Ireland.

My hon. Friend the Member for Dundee, West (Mr. Ross) was, to a large extent, correct when he intervened on the hon. Member for Mid-Worcestershire to say that we are not conducting an inquiry. I differ slightly from my hon. Friend on this issue. The Committee, which is deeply divided not only on votes on the Chairman's draft report but on other matters, has drifted into an ad hoc examination of what I have described as a deeply disquieting affair.

Not long ago, Sir John Kerr appeared before the Select Committee to discuss expenditure. I asked him about the cost of the new embassy in Moscow and said that, at £81.35 million, it was costing more than our new

Scottish Parliament. He replied that, as a Glaswegian, he knew that security risks in Edinburgh are not as high as they are in Moscow. I wanted to ask why some of that money was not spent on employing more representatives down by way of the Caspian sea, but we drifted into another examination into Sierra Leone.

The Committee is deeply divided. The hon. Member for Romsey (Mr. Colvin), who is no longer in the Chamber, talked about consensus and unanimity, both of which are utterly absent from the Select Committee. I speak as a member of the Committee. I have demanded formal votes on a number of issues during the Committee's proceedings. I make no complaint about that.

In case anyone thinks that I am a stooge of the Whips Office, perhaps I may explain. My hon. Friend the Member for Clydesdale (Mr. Hood) is not in the Chamber at the moment, but I nominated him to chair the Committee, much to the anger of the then Deputy Chief Whip, Don Dixon, who, like me, is a former shipwright. He gave me a shipwright's interview after that particular Committee meeting. Thus my hon. Friend the Member for Clydesdale owes his position to me and others who supported me when I nominated him.

My colleagues on the Committee know where I stand on the Legg report: we drifted into that absurd inquiry. I have always demanded that a comprehensive, thorough inquiry should start when the Legg report is published. The Foreign Secretary should appear before the Committee to be cross-examined on its findings and recommendations. When that happens—hopefully in about three weeks' time—we may find that we can reveal inadequacies in the Legg inquiry. My hon. Friends and others on the Committee may then be willing to listen to my advocacy of a comprehensive investigation once the Legg committee has reported.

I am pleased that there has been some support for my view that it is much better—for hon. Members and the public—for a Minister to be cross-examined by intelligent members of a Select Committee than for a debate to be initiated in the Chamber. I heard a Committee Chairman—a former Minister—say that it is the easiest thing in the world to brush people off when one is at the Dispatch Box. It is impossible for a Back Bencher to cross-examine a Minister in a debate because if it is a popular debate the Speaker will impose a 10-minute limit on speeches. In a Select Committee hearing, however, there is no way a Minister or an official can dodge the column. He or she is there to be cross-examined, and that is what I want to happen later this month. I want the Foreign Secretary, perhaps accompanied by Sir John Kerr, to give evidence once we have copies of the Legg report before us.

I established some time ago that the Legg inquiry is utterly different from a judicial inquiry. In a question that I put to Sir John Kerr on 9 June, which appears on page 9 of the minutes of evidence, I said that he would surely agree with me that

> "With regard to the status of the Legg enquiry I take on board what you have said and the seriousness with which you made those observations but the Legg enquiry, is it not, is utterly different . . . from, say, the enquiry into Bloody Sunday which is being conducted by Lord Saville".

That inquiry begins its public proceedings in Derry on 20 July if the families do not walk away from it because of the sparseness of legal representation that Saville has proposed for them—but that is another story. Lord Saville is accompanied by two international jurists from New Zealand and Canada. That inquiry is utterly different from Legg, as I said on 9 June.

I told Sir John Kerr that, in the interests of natural justice, I did not want to be a party to an ad hoc inquiry that damaged the interests of officials who faced a judicial tribunal or some form of disciplinary action.

I agree with what has been said about the need to maintain the independence of Select Committees. The comment made by the hon. Member for Romsey—that Select Committees should offer advice to Ministers on alternatives—was strange. Select Committees must remain independent of the Executive. I cannot see how the role of critic and adviser can be mixed.

In general terms, I agree with much of what has been said about the role of Select Committees vis-a-vis the Executive. I shall not be a Member of the Scottish Parliament—the wife may be and perhaps someone's son will be—but I want Back-Bench Committees in that Parliament to have the power to cross-examine the First Minister. I want the same to happen in the Northern Ireland Assembly.

**Ms Abbott:** Will my hon. Friend give way?

**Dr. Godman:** My hon. Friend will have to be patient for a moment, because I am in full spate—speaking as a trout fisherman.

We have heard some Holy Willie speeches about the goodness and rightness of some members of the Committee. We also heard a remarkably fine speech—hon. Members will forgive me for focusing on one speech—by my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon). He warned us about the danger facing Committees—particularly the Foreign Affairs Committee—of falling into disrepute. I am glad that he has regained his place. I listened to him carefully. He is right about sustained leaking—not that that is happening in the Foreign Affairs Committee. The divisions in that Committee could bring it into disrepute. The classic example of that was the Scottish Affairs Committee between 1982 and 1987. Despite the remarkable efforts of Mr. David Lambie, the then Chairman, there were leaks from that Committee all the time.

My hon. Friend the Member for Dundee, West will remember the Scott Lithgow inquiry, which examined a shipyard in my constituency that faced collapse with the loss of 5,500 jobs. There were 99 Divisions on the Chairman's draft report, which was not very long. My right hon. Friend the Member for Ashton-under-Lyne laughs. I said, "Let's go for the century and get into the Guinness book of parliamentary records." That report, which could have been substantial, was ridiculed when it was published.

As a member of the Committee—not that I was a leaker, you understand, Mr. Deputy Speaker—I moved a motion for a minority report because I was so disgusted by the way in which members of the Government were behaving. I seem to recall that one was the late Nicholas Fairbairn—I should now be murmuring, "De mortuis nil nisi bonum". He and others, including Mr. Forsyth, set out to wreck what could have been a good report.

**Ms Abbott:** I have listened carefully to my hon. Friend's speech. I think that he may be in danger of giving

*[Ms Abbott]*

the House a mistaken impression. Earlier, he suggested that there was some opposition on the Foreign Affairs Committee to the notion that it should take evidence from the Foreign Secretary after the publication of the Legg report.

I do not think that anyone ever opposed the taking of evidence from the Foreign Secretary after publication of the report; in fact, it goes without saying that the Committee would take evidence on a major report of that kind. The point at issue was whether we should close down the inquiry until Legg had reported—given that, at that point, we did not know whether the inquiry would finish in the summer or the autumn.

**Dr. Godman:** My hon. Friend clearly was not listening diligently enough. I referred earlier to my questions to Sir John Kerr. I said that the Committee could be trusted with the telegrams. In fact, I was complimented by the Chairman of the Committee on getting to the heart of the matter.

I think that the famous, or infamous, telegrams should be scrutinised by members of the Committee. I disagree with the Chairman, who suggested that two Committee members should go to the Foreign Office so that the accuracy of the summary of the telegrams could be assessed; I believe that three should go there. I suggested that to the Chairman when I sought to amend his memorandum. I think that two Labour members and one Opposition member should go to the Foreign Office to check the accuracy of the summary. Perhaps my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) was not present when I said that.

Let me tell the hon. Member for Somerton and Frome (Mr. Heath) that no one has attempted to bully me. Let us get that straight: no one in the House could bully me. Like my hon. Friend the Member for Linlithgow (Mr. Dalyell)—an old friend—on the rare occasions when I vote against the Government, I always inform the Chief Whip first. We are two courteous fellows, my hon. Friend and me.

I think that the most important speech was made by my right hon. Friend the Member for Ashton-under-Lyne. What I want to avoid is the possibility of the Committee's falling into disrepute. I do not want what happened to the Scottish Affairs Committee to happen to us. After the publication of the Scott Lithgow report, that Select Committee took on some of the appurtenances of a Standing Committee: it was Labour versus Conservatives. Occasionally a few Liberals attended, but we know what certain parties—the Scottish National party and others—are like in terms of poor attendance. In any event, the discussion became very adversarial.

The Gartcosh report is another example. Mr. Forsyth—later Sir Michael—said at one meeting at which we were debating a draft report, "I will go for 24 hours on this." Journalists said to us, "This is mad: this is not what a Select Committee should be doing." We should at all costs avoid such a fate.

I must finish my speech before I upset the Front Benchers, but let me say one more thing. I reminded Sir John Kerr and the Foreign Secretary that, as can be seen in subsection (j) of paragraph 28 of the ministerial code,

"Every effort should be made to avoid leaving significant announcements to the last day before a Recess."

I said that I wanted the Legg report to be published long before the recess so that we could have the Foreign Secretary in front of us to be cross-examined on the report's findings. My view is that we should have a statement from the Dispatch Box—presumably on the day the report is published—followed by a meeting of the Select Committee at which the Foreign Secretary is cross-examined, followed by a full day's debate. Members could then have, in preparation for that debate, the Legg report and the Foreign Affairs Committee's special report on the evidence session with the Foreign Secretary. That is the way I should like things to proceed. I suspect that they will not proceed in that way.

I deeply regret the divisions in the Select Committee. My right hon. Friend the Member for Ashton-under-Lyne is right: a majority and a minority report were not worth much. It is much better to aim for unanimity and consensus and I hope that, in future, the Select Committee can aim for unanimity and even a modicum of harmony among its members. That is a long shot at the moment, but this is an important Select Committee. It is no more important than others perhaps, but it is in danger of being ignored by the House and the outside world, and that would be a matter for profound regret.

By all means let us examine the telegrams. I should like to be one of those who go along to the Foreign Office to assess the accuracy of what has been given to all members of the Select Committee. I suspect that other good and honourable members will be chosen, but that offer is there. I voted against that paragraph in the report when it was put forward as an amendment; it became paragraph 6. I will vote against the motion because we have now obtained concessions from the Foreign Secretary.

It might have been better if we had decided as a Select Committee to carry out a thorough investigation of this deeply disquieting affair, but I believe the opportunity is still with us. The Foreign Secretary—I am delighted to see him coming in for my final words—has, I believe, offered to come in front of us; I think that one date is 28 July. I hope that, before that date, Sir Thomas Legg will publish his report so that we can cross-examine the Foreign Secretary on its findings. From there, the Committee—who knows?—might reach a unanimous decision to go ahead with a comprehensive investigation into this affair.

9.22 pm

**Sir Patrick Cormack** (South Staffordshire): I think that we all agree with the closing words of the hon. Member for Greenock and Inverclyde (Dr. Godman) expressing the hope that the Select Committee will be able to come to some unanimous conclusions, but we must begin by considering why this debate has been held. It has been a very good debate. It has been extremely useful and it has achieved something, but it has been held because of two sentences in two reports by the Foreign Affairs Select Committee.

In their first special report, the Select Committee's members had as their final comment the simple words:

"The views of the House are sought."

In their second special report, they ended their sixth paragraph with these clear, emphatic words:

"The views of the House are sought at an early date."

The Leader of the House well knows that, for some weeks now, we have been requesting a debate, so that the House's views could indeed be ascertained. I regret that she did not feel able to find the time. It was only because she did not feel able to do so that we, for the House as a whole, decided to devote this Opposition day to this subject. Although there are some hon. Members who have regretted that, I do not think that there are many because, coming through all the speeches, although there have been differences of emphasis and degree, have been two strong points. First, there is a desire on both sides of the House to see the Select Committee system work. Secondly, there is a recognition that the debate has achieved something.

We can feel justified in choosing this subject by the exchange of letters we have seen today—I am glad to see the Foreign Secretary on the Front Bench. We are all grateful to the Foreign Secretary for what he said in the letter of 6 July and everyone in the House is grateful to the Chairman of the Select Committee for agreeing that the documents should be made available to every Member of the House.

Since the Foreign Secretary is present, I can tell him that there is one point in the 6 July letter which causes me some concern. The letter states:

> "I will not be able, before the completion of the report, to disclose information on matters that may fall within Sir Thomas Legg's remit."

I hope that that does not negate the rest of the letter. I take the letter to be a genuine attempt by the Foreign Secretary to move towards the Select Committee. I hope that that is the case and I trust that there will be smoother progress henceforth.

We have heard some remarkable speeches in the debate, but none so remarkable as that made by the hon. Member for Hackney, North and Stoke Newington (Ms Abbott). It was an absolutely masterly and courageous speech. She spoke without fear or favour and she spoke as a Member of the House of Commons. As I listened to her I could not help but remember some of my experiences some years ago when I found myself frozen out on certain Select Committees. I was not nominated to chair a Committee that I had hoped to chair, and so on. I hope that that fate will not befall her. She is an outstanding parliamentarian and she reminded us that we are all, first and foremost, Members of Parliament.

The trouble today is that so many come here with the ambition to serve in government and they tend to forget that the prime role of Parliament is to hold the Executive to account and to scrutinise, not only their legislation, but their actions. That is the reason behind the creation of the departmental Select Committees. From the start, they have laboured under severe limitations. They have never had the power to ensure that their reports are debated on the Floor of the House. As my hon. Friend the Member for Romsey (Mr. Colvin) reminded us in his excellent speech, the power of the Committee of Selection has occasionally militated against the expressed desire of the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) that Committees should be unanimous. Obviously, it is only by selecting men and women of proven judgment and independence of mind that one can have a Select Committee that will really perform its function.

In spite of all the imperfections, the Select Committee system, as established in 1979, has a remarkable record. However, it cannot work if blocks are placed upon discussions or investigations by the withholding of material that is vital to a Committee's inquiries. That has come through in every speech that we have heard.

We are not, and have not been, discussing when or even whether or by whom arms were supplied to a small west African country. I do not suppose there is a single hon. Member who does not believe that the collapse of the military regime was, in the words of "1066 and all that", A Good Thing. What is most emphatically a bad thing is the refusal of Ministers to allow Select Committees proper access to information that they need to conduct their investigations and to prepare proper reports for the House. We have to remind ourselves that they are Select Committees of the House and that they are answerable, not to the Executive, but to the House. If I can paraphrase the words of Burke in his famous address to the electors of Bristol, Select Committees owe the House their industry and their judgment. They should never be cowed by any Executive.

The survival of our parliamentary democracy depends on a certain amount of tension. The hon. Member for Swansea, East (Mr. Anderson), the Chairman of the Foreign Affairs Select Committee, was extremely honest about that. Those of us who have served on Select Committees while our parties have been in government know that there is some tension between one's loyalty to the House and the Select Committee and one's natural loyalty to party. That came out particularly well in the speech of the hon. Member for Thurrock (Mr. Mackinlay). No one could say that he is anything other than a very notable parliamentarian. He made his support—indeed, his affection—for the Foreign Secretary very plain; he is a great supporter of the Foreign Secretary. Therefore, he had a certain amount of mental turmoil to overcome in voting as he did, and we honour him the more for that.

The other thing about Select Committees is that although they have an underlying tension, they also depend on an underlying trust. Without that, there can be no accepted ground rules and no properly functioning official channels. If the Executive of the day decides to use its majority in a steamroller fashion, it is not just the Opposition who will be crushed, but the whole mechanism by which Parliament functions.

The hon. Member for Hackney, North and Stoke Newington made that point explicitly when she talked about the vast majority that the Government currently enjoy. I think back to 1983 when the Conservative Government had not quite as large a majority, but nevertheless a large majority. An arrogance crept in—there is no doubt about that—and we made some very real mistakes. I frequently found myself in the opposite Lobby from my party and it was not a pleasant experience. I say to Labour Members—but not those on the Treasury Bench because they have a particular function—that they must hold this Executive to account, just as they sought to hold us to account when we were in government.

It is for all those reasons that we felt it necessary to table the motion. It is why I hope that, even at this late stage, the Government will feel able to accept it. The Leader of the House said in her opening speech that she had been minded—I must not distort her words, she said "tempted"—to accept the motion. I would like her, for once, to yield to temptation. She is not a yielding sort—she has great strength of character and she is not easily persuaded to adopt a course different from that upon which she has set herself. However, it would be a

*[Sir Patrick Cormack]*

good thing—and the Parliamentary Secretary may be able to enlighten us on this when he replies—if the Government said, "Let us all, in the interests of Parliament as a whole, accept the motion and not divide the House."

There were 17 speeches from the Back Benches. My right hon. Friend the Member for Tonbridge and Malling (Sir J. Stanley) performed a signal service in the way that he conducted himself on the Select Committee. I am glad to see Labour Members nodding in agreement. My right hon. Friend has behaved as a true House of Commons man. He was right to quote "Erskine May" and say that it is a key right of Select Committees to require witnesses to answer questions.

I have already thanked the hon. Member for Swansea, East for making the letters available. Although he made it plain that if there were a vote he would go into the opposite Lobby from us, he also made it plain that he believed that the Foreign Secretary had moved some considerable distance as a result of the report and the calling of this debate. Perhaps the whole sorry business that has brought us here tonight was best summed up in two words used by the hon. Member for Somerton and Frome (Mr. Heath), who called it an "inglorious episode".

There was a very thoughtful speech, as we have come to expect, from the right hon. Member for Ashton-under-Lyne. No hon. Member has served Parliament better than he. He has been a distinguished Chairman of the Public Accounts Select Committee. He is now Chairman of the Liaison Committee, and speaks with great wisdom and long experience. I agree with him emphatically that it is most persuasive and always desirable if a Select Committee can speak with a united voice. However, on this occasion, for very honourable reasons, two—in some Divisions, three—Labour Members on the Committee did not feel that they could go along with a certain proposed line and therefore did not.

**Mr. Ernie Ross:** Sometimes four.

**Sir Patrick Cormack:** Yes; I accept that correction from the hon. Member for Dundee, West (Mr. Ross), who made a very entertaining speech, in which he said that he felt that some of his colleagues were trapped in an "obsessional loop". I am not quite sure what that means, although he will undoubtedly be able to explain what he meant by that to his colleagues in the Lobby—if they go into the same one. He also defended himself for using a certain procedural device—which was an entirely legitimate thing to do. However, I thought that it was a rather weak defence to say, "Please, your honour, it wasn't the first time in 60 years that it had been used—it was the second time." That did not seem to be a terribly strong defence.

My right hon. Friend the Member for South-West Surrey (Mrs. Bottomley)—the most elegant of gamekeepers turned poacher—spoke with quiet passion on the importance of Select Committees. I am sure that, in her new role on the Foreign Affairs Select Committee, she will prove to be an increasingly valuable member of it.

**Mr. Winnick:** Will the hon. Gentleman give way?

**Sir Patrick Cormack:** I have only a few minutes. I nearly always do give way, but—if the hon. Gentleman will forgive me—I want to give the Minister proper time to reply to the debate.

My hon. Friend the Member for Hertford and Stortford (Mr. Wells) gave a very balanced assessment of Select Committees. He said that we had probably shot the fox—I think he is right—and we are glad about that. The hon. Member for Barnsley, Central (Mr. Illsley) did not agree with that, and said that we should not have chosen this debate. Yet almost every word he uttered proved that we had been exceptionally wise so to do.

My right hon. Friend the Member for Cities of London and Westminster (Mr. Brooke) delivered, as he always does, an inimitably witty speech, full of literary allusions and cricketing analogies that had the House hugely entertained. He, too, is a great House of Commons man.

At the risk of embarrassing the hon. Member for Clydesdale (Mr. Hood)—he is not in the Chamber at the moment—I should say that the House owes him a great debt for the way in which he has presided over the European Legislation Select Committee, to which he referred.

We heard speeches also from my hon. Friend the Member for Mid-Worcestershire (Mr. Luff)—straight back from the royal show, and now Chairman of the Agriculture Select Committee—and from the hon. Member for Greenock and Inverclyde (Dr. Godman), who always speaks feelingly on these matters.

As our system of parliamentary democracy has evolved, battles have occasionally been fought with an overmighty Executive. In the 16th and 17th centuries, absolute monarchs came to realise the need of working with and then through the House. In the 18th century, the battle continued. Perhaps the most remarkable episode in that century came about in 1780, when a Colonel Dunning tabled a motion, which was passed, stating that the power of the Crown has increased, is increasing and ought to be diminished—*[Interruption.]*

The Leader of the House should contain herself and listen. We are debating, not the power of the Crown, but the power of an overmighty Executive. It is all very well for the Government to luxuriate in a majority of 179, but the fact is that an Executive that becomes overweening and overmighty not only sows the seeds of its own destruction but does great damage in the process.

**Dr. Godman:** Like the poll tax?

**Sir Patrick Cormack:** Yes, as we did with the poll tax. The hon. Gentleman knows what I did on the poll tax on every occasion.

Today, we do not have at our command the elegance of the 18th century wits. We no longer cite in evidence Drapier's letters; we are reduced to Mr. Draper's mobile telephone. What we—most of us, I hope—do have in common with our forebears is a passionate desire to preserve this institution. On the future of this institution the freedoms of our country still rest, and there is no more valuable part of Parliament now than our Select Committee system. We damage it at our peril and to the detriment of those who send us here and whom we seek to serve.

The Leader of the House said that she was tempted to accept the motion. We were tempted to say that we would not press it to a vote, but there is still a gap between us. We believe it is important that we should send a warning and that certain hon. Members should be given the opportunity to stand up and be counted in support of

the Select Committee system. It is therefore with great reluctance but total determination that we shall go into the Lobbies at the end of this debate and, in so doing, feel that we are not dividing the House, but voting for Parliament.

9.40 pm

**The Parliamentary Secretary, Office of Public Service (Mr. Peter Kilfoyle):** It is with some pleasure that I ask the House to vote against the Opposition motion and support the amendment in the name of my right hon. Friend the Prime Minister. We have had a wide-ranging but not especially enlightening debate. However, it has left me in good humour, as the speeches of Conservative Members were so soporific.

I have to make at least some reference to the way in which the debate came about. I have asked myself what was the purpose of this debate. Increasingly, as the long hours have worn on, it struck me that it is something akin to a family squabble. It is as if the members of the Select Committee cannot agree among themselves and have transferred the arguments to the Floor of the House. Indeed, I often felt like an intruder in that family squabble. Hon. Members from all quarters have made the same point.

I must respond immediately to various remarks that have been made. The right hon. Member for Tonbridge and Malling (Sir J. Stanley) made a number of valuable points, which assisted my understanding of what has being going on in the Select Committee. He said that there was

"confusion between the two compromises"

I would argue that the confusion is certainly not with my right hon. Friend the Foreign Secretary or with his Ministers at the Foreign and Commonwealth Office. The confusion has been among the members of the Foreign Affairs Committee.

The right hon. Member for Tonbridge and Malling waxed lyrical about accountability to the House. I cannot think of anyone who has striven more gallantly and valiantly to be accountable, not only to the House as a whole but to the Select Committee, than my right hon. Friend the Foreign Secretary.

The right hon. Member for Tonbridge and Malling said that the Foreign Secretary had been perfectly within his rights to take up successive positions, and nothing that I have heard today has persuaded me otherwise. The right hon. Gentleman also said that the Foreign Secretary had gone much further than the Pergau precedent.

The subject matter of the speech made by my hon. Friend the Member for Swansea, East (Mr. Anderson), the Chairman of the Foreign Affairs Committee, seemed rather arcane to many of us. Nevertheless, it seems that the most appropriate place to deal with the differences of opinion that obtained in the Select Committee ought surely to be the Select Committee on Modernisation of the House of Commons. It could resolve the correct way forward, not just for the Foreign Affairs Committee but for other Select Committees. He also raised the issue of accountability and said that my right hon. Friend the Foreign Secretary had gone much further than the Select Committee in effecting a compromise. I have to agree with him and repeat the message that the disagreement is among hon. Members. We shall deal later with the analogy used by the right hon. Member for Cities of London and Westminster (Mr. Brooke) when we talk about the game that is being played. My hon. Friend the Member for Dundee, West (Mr. Ross) made a similar point.

The hon. Member for Somerton and Frome (Mr. Heath) described Sir Thomas Legg rather disparagingly, if I may say so, as a mandarin, as if that in itself were a pejorative term. Sir Thomas Legg is an outstanding public servant, and any imputation against either his impartiality or his ability to deal with a complex situation is to be deplored. He is attended by another equally eminent and impartial figure in Sir Robin Ibbs. The hon. Gentleman's entire speech was ruined by what I considered to be an attack on civil servants, whom he strangely accused of being guilty only of following the instructions of Ministers. Civil servants do follow the instructions of Ministers and they have their own code of conduct. Anyone who has experience of working with civil servants will know that their sense of probity and the way in which they conduct themselves and their careers are mainly beyond reproach, although there may be exceptions.

I agree with my right hon. and hon. Friends who said that, for us at least, the high point of today's debate was the speech by my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon), who is well regarded as an expert on Select Committees. As he said, he has been a member of Select Committees ever since they were set up and he was certainly an eminent Chairman of the Public Accounts Committee. He said that it was a shame—and he used that word—to see a Select Committee divided. He effectively made the point that this was not the place for such divisions to be resolved.

The right hon. Member for East Devon (Sir P. Emery) is not in his place. I wish he were, because some people say that he is a little arrogant, but I disagree. I find him very arrogant. His comments about the arrogance of my right hon. Friend the Foreign Secretary are absolute nonsense. The right hon. Gentleman and many other Opposition Members need to divest themselves of the notion that they have some kind of political droit du seigneur in respect of who Select Committees can and cannot summon. They have not yet been able to demonstrate that Select Committees have that right. They do not. As has been said, it may be desirable. Indeed, it may be a future development, but to express the opinion that because my right hon. Friend acted in a responsible manner, he was somehow being arrogant beggars belief.

My hon. Friend the Member for Dundee, West gave an honest and in my view impartial account of the problems experienced in the Select Committee when he referred to the games that some people were playing.

I am afraid that I cannot take seriously some of the comments by the right hon. Member for South-West Surrey (Mrs. Bottomley), who sanctimoniously sang the praises of the rights of Select Committees. If memory serves me correctly – and I stand to be corrected—when the right hon. Lady was Secretary of State for Health, a member of the then Select Committee, Mr. Jerry Hayes, the former Member for Harlow, leaked a report to the right hon. Lady and had to resign from the Select Committee as a result–

**Mrs. Virginia Bottomley:** Will the Minister give way?

**Mr. Kilfoyle:** No.

**Mrs. Bottomley** *rose—*

**Mr. Kilfoyle:** No. I will not give way.

**Mrs. Bottomley** *rose—*

**Mr. Deputy Speaker (Mr. Michael J. Martin):** Order. The right hon. Lady cannot remain standing—the Minister is obviously not giving way. The right hon. Lady must sit down.

**Mrs. Bottomley** *rose—*

**Mr. Deputy Speaker:** Order. The right hon. Lady must sit down. I am ordering her to be seated, please.

**Mrs. Bottomley:** In that case, I shall leave.

**Mr. Deputy Speaker:** That is up to the right hon. Lady.

**Sir Peter Tapsell** (Louth and Horncastle): On a point of order, Mr. Deputy Speaker. Is it not an invariable convention in the House that when one hon. Member not only names another, but positively launches an attack on her, he always gives way?

**Mr. Deputy Speaker:** Order. That is not a matter for the Chair. What is a matter for the Chair is that when I give an order for an hon. Member to be seated, that hon. Member must be seated.

**Mr. Kilfoyle:** I had not even finished what I was saying, but it seems academic now.

The hon. Member for Stone (Mr. Cash) commented, on a point of order, that the Select Committee on European Legislation had been refused the opportunity to refer certain matters to a Standing Committee. I rebut that. It was the Select Committee that changed its mind about referring matters to the Standing Committee. It is important that that should go on the record.

My hon. Friend the Member for Thurrock (Mr. Mackinlay) is a singular individual. I am sorry that I was unable to persuade him on another occasion to vote in a certain way. I am sure that tonight he will see the sense of the Government's amendment to the Opposition motion, and I know that he will support us.

My hon. Friend the Member for Barnsley, Central (Mr. Illsley) made the point, which seems to have escaped the notice of several hon. Members, that there is at times a problem of secrecy with Select Committees. Some right hon. and hon. Members acknowledge that, but others act as if Ministers did not sometimes have to face the problem of how to deal with Select Committees. That must be recognised by all concerned.

The hon. Member for Romsey (Mr. Colvin) made a constructive contribution on the possible development of the role of Select Committees. He asked how advice to Ministers should be construed. I would construe it with great circumspection.

My hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) rightly pointed out the importance of the debate, but I should tell her to beware of Tories bearing gifts of support. It is a poisoned chalice, make no mistake about it. She referred to the Foreign Secretary being forced to change his mind about his response to the Select Committee. I can only say to my hon. Friend that if a Secretary of State does not wish to give information, that information will not be forthcoming.

If my hon. Friend needs confirmation of that, I refer her to the Trade and Industry Committee's third report of Session 1995–96, paragraph 168, which refers to the former President of the Board of Trade. The Committee remarked:

"We regret that the Government was not willing to allow the Committee, or even a single member of the Committee—a Privy Councillor and former Foreign Office Minister—to inspect the original intelligence reports."

That is obduracy from a Secretary of State.

**Mr. Mackinlay:** That does not make it right.

**Mr. Kilfoyle:** It certainly does not make it right, as my hon. Friend says from a sedentary position. That is why my right hon. Friend the Foreign Secretary has offered time and again to compromise with the Select Committee.

I agree with the hon. Member for South Staffordshire (Sir P. Cormack) that the right hon. Member for Cities of London and Westminster made a witty contribution based on an analogy with the game of cricket. However, my hon. Friend the Member for Clydesdale (Mr. Hood) pointed out that the Opposition had scored an own goal in the debate. What came to mind was the own goal scored by Colombia in 1994, and we know what happened to the player who put that own goal into his net. I hope that the same does not happen to any Opposition Member.

The hon. Member for Mid-Worcestershire (Mr. Luff) made a general contribution on the role of Select Committees and raised again the Tory myth about resources for the Select Committees. There may indeed be a huge problem of resources, but it is not a problem for the Government. That is a matter for the House. I hope that the hon. Gentleman does not blame this Government for the situation.

My hon. Friend the Member for Greenock and Inverclyde (Dr. Godman) presented a reasoned, sensible approach to a mutually acceptable resolution of the difficulties faced by the Foreign Affairs Committee.

The hon. Member for South Staffordshire told us lots and lots about what we are not discussing. I am always amazed by his comments. Hon. Members are depicted as good Members of the House as long as they agree with the Conservative Opposition. He said that we should begin by asking why the debate had been held. I prefer the views of those of my hon. Friends who have said that some people are playing a game. The Tories are not interested in the way in which Select Committees are constituted, or in the powers of the Secretary of State or Ministers vis-à-vis particular Select Committees, but in scoring cheap political points.

For example, the hon. Gentleman referred to the alleged inability of the Leader of the House to find time for today's debate. We have had today's debate now, and I did not see many Opposition Members enjoying any stage of it. The Opposition could have chosen a half-day debate, but instead they chose a full day's debate on something that has turned out to be a damp squib.

The right hon. Member for North-West Hampshire (Sir G. Young) started off with a whimper and ended up with a sigh—at least, there was certainly a sigh of relief on Government Benches. The right hon. Gentleman made no impact and added nothing to our understanding of the issues before us.

What we are saying to the Foreign Affairs Committee is simple; it is "Not yet," rather than "No." There is nothing unusual about a Select Committee awaiting the outcome of a specific formal inquiry. There is nothing unusual about the Government deferring answers until such an inquiry has reported. The previous Government declined to answer parliamentary questions about arms to Iraq while the Scott inquiry was being held.

The present Government are committed to being open with Parliament. We are not trying to frustrate the Foreign Affairs Committee's inquiry in any way. The Committee could look at the relevant telegrams in private now, and Ministers will answer outstanding questions when Legg has reported. The only issue is whether there should be public disclosure, before Legg reports, of part of the evidence that Legg is considering.

The Legg report will be published. We want that inquiry to do a proper job and to report soon, and it cannot do so if those involved also have to answer questions in a parallel inquiry by the Select Committee. We fully respect Select Committees' right to ask for information. That is at the very heart of the way in which Parliament works, with individual Members, Select Committees and the House collectively seeking information.

Select Committees have the powers that the House gives them. They cannot be more powerful than the House itself. The House debated Sierra Leone on 18 May and agreed a resolution that included approval of the Government's commitment to an urgent outside investigation and publication of a full report. The Chairman of the Select Committee said that

"it would be unwise to attempt to duplicate or parallel the inquiry"

Those are his words, not mine. He also said that if the Legg inquiry were conducted in public,

"such an inquiry would take a long time" [*Official Report*, 18 May 1998, Vol. 312, c. 621.]

Those, too, are his words, not mine.

I hope that the Committee will now accept the opportunity, generously offered, to see the summary of the telegrams for which it has asked, on a well-precedented, confidential basis—named, ironically enough, the Pergau process, after an inquiry during the previous Administration that many in the House will remember well.

The Foreign Secretary has offered to appear before the Select Committee, and that may prove a way for the Committee to find its own way out of its difficulties—difficulties, I have to say, that the Committee itself has created.

*Question put*, That the original words stand part of the Question:—

*The House divided*: Ayes 173, Noes 339.

**Division No. 329]** **[9.57 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Ballard, Jackie
Beggs, Roy
Beith, Rt Hon A J
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(W'wich W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brand, Dr Peter
Brazier, Julian
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burnett, John
Burns, Simon
Burstow, Paul
Campbell, Menzies *(NE Fife)*
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Cunningham, Ms Roseanna *(Perth)*
Dafis, Cynog
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Ewing, Mrs Margaret
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Flight, Howarth
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harris, Dr Evan
Hawkins, Nick
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Oaten, Mark
Ottaway, Richard
Page, Richard
Paice, James
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Simpson, Keith *(Mid-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swinney, John
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Trend, Michael
Tyler, Paul

Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Webb, Steve
Wells, Bowen
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Willis, Phil
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Young, Rt Hon Sir George

**Tellers for the Ayes:**
**Mr. Peter Brooke and**
**Mr. Peter Luff.**

**NOES**

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Austin, John
Banks, Tony
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Cohen, Harry
Coleman, Iain
Colman, Tony
Cook, Rt Hon Robin *(Livingston)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Rt Hon Dr John *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Galbraith, Sam
Gapes, Mike
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McLeish, Henry
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Alan
Mitchell, Austin
Moffatt, Laura
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mudie, George
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin

Savidge, Malcolm
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Short, Rt Hon Clare
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverhampton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Ward, Ms Claire
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

**Tellers for the Noes:**
**Mr. John McFall and**
**Mr. David Jamieson.**

*Question accordingly negatived.*

*Question,* That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

*Resolved,*

That this House reaffirms that, in accordance with the House's Resolution of 19th March 1997 and the Code of Practice on Access to Government Information (Second Edition, January 1997), Ministers should be as open as possible with Parliament; recalls that the House approved on 18th May 1998 the Government's commitment to an urgent outside investigation and publication of a full report of the Sierra Leone arms investigation; believes that nothing should be done to prejudice the conduct of that inquiry by premature public disclosure of parts of the evidence; and notes that the Foreign Secretary remains ready to make available to the Foreign Affairs Committee, on a confidential basis, the telegrams it has requested.

**Mrs. Virginia Bottomley:** On a point of order, Mr. Deputy Speaker. When a Minister makes an allegation about a fellow Member, particularly when it is entirely without substance, is it not a convention to allow the Member concerned to have some redress or to make some comment, especially if the Minister is responsible for open government?

**Mr. Deputy Speaker:** I can inform the right hon. Lady that regardless of whether there is an allegation, if an hon. Member is mentioned by any hon. Member, whether it be a Minister or a Back Bencher, it is the convention that the hon. Member who made the allegation gives way. However, it is not an enforceable convention. The Chair cannot enforce it. I know that the incident to which the right hon. Lady is referring happened shortly before the vote. Perhaps it would have been helpful, when I suggested that the right hon. Lady be seated while I was standing, if she had resumed her place. We might then have been able to sort out the matter.

**Mr. Kilfoyle:** Further to that point of order, Mr. Deputy Speaker. If the right hon. Member for South-West Surrey (Mrs. Bottomley) looks at the record tomorrow, she will see that when she was having an altercation with the Chair, I had not finished the point that I was trying to make. It became academic once she had left the Chamber.

**Mr. Deputy Speaker:** Perhaps we can move on to the next business.

**Sir Patrick Cormack:** Further to that point of order, Mr. Deputy Speaker. Would it not be in conformity with the courtesies that most of us like to expect if the Minister gave an apology?

**Mr. Deputy Speaker:** That is not a point of order and it is not a matter for me. *[Interruption.]* Order. The House must settle down. We have further Opposition business.

## Social Security Regulations (Lone Parents)

10.15 pm

**Mr. Simon Burns** (West Chelmsford): I beg to move,

That the Social Security Amendment (Lone Parents) Regulations 1998 (S.I., 1998, No. 766), dated 16th March 1998, a copy of which was laid before this House on 18th March, be revoked.

I am pleased that we are having this debate tonight on the regulations—*[Interruption.]*

**Mr. Deputy Speaker (Mr. Michael J. Martin):** Order. I appeal to hon. Members to leave the Chamber quietly.

**Mr. Burns:** I am pleased that we are having this debate on the regulations because they are a direct consequence of the rebellion last December when 47 Labour Members came off-message and voted against their Government on the decision to equalise the benefit system with regard to lone parents and married couples. If that rebellion had not taken place, I can assure the House that we should not be having this debate tonight.

It is worth looking further behind the wider issue before questioning some of the details of the regulations. Perhaps the area of our greatest domestic failure is in the system of welfare. There is a deep sense of dissatisfaction among recipients and Government alike about what welfare has become during the past 30 years and where it seems to be going. The rebellion on the lone parents policy last December typifies the tensions and conflicts that arise in any attempt to reform the system.

Welfare is many things to many people. To the recipient, it may be the difference between living and surviving. To the taxpayer, facing rising inflation and mortgage payments, it may be an unwarranted imposition on an already overburdened tax bill. The unchallengeable fact is that the bill is rising further every day. With this enormous public expenditure, it might be expected that the recipients would be satisfied, but they are not hence the problems last autumn when the Government proposed those changes to lone-parents payments.

Lone parents and other recipients of social security are as dissatisfied with the social security system as everyone else in Britain. To some, that may be considered gross ingratitude, or is it more a sign of how the welfare system has failed? What are we to make of a system that seems to satisfy neither the giver—in this case the taxpayer—nor the recipient, and which embitters all those who come in contact with it? More basically, welfare has done much to divide our people; to alienate us from one another. That is why, however tortuous their journey, I welcome the Government's conversion on the road to Damascus on the question of lone parents.

The root problem is in the fact of dependency and the feeling of uselessness and the despair of unemployment. No one would argue that the answer to the problem, and what would help lone parents, is work, jobs and self-sufficiency rather than—

**Audrey Wise** (Preston): Will the hon. Gentleman tell the House what his Government were doing for 18 years if the welfare system is the shambles and disgrace that he describes?

**Mr. Burns:** The problem with the welfare system—over those 18 years and before that—is that its cost has risen inexorably. Although more people are being given help, some of whom had previously been unable to get assistance, the system is still inefficient, riddled with fraud and not targeted properly. That causes the tensions between taxpayers and the recipients of welfare, who all too often think that they should get a better deal from the system. *[Interruption.]* I shall return to discussing the system; the Minister for Welfare Reform, who is good at intervening from a sedentary position, should listen for a moment.

**The Minister for Welfare Reform (Mr. Frank Field):** Will the hon. Gentleman answer the question asked by my hon. Friend the Member for Preston (Audrey Wise)?

**Mr. Burns:** I do not think that the right hon. Gentleman was listening. I said to the hon. Member for Preston (Audrey Wise) that the problem with the welfare system is that its cost has risen inexorably—year after year, and during those 18 years and before that. Recipients of welfare, many of whom have been brought into the system by the Government expanding the basis—*[Interruption.]* The right hon. Gentleman should listen; he may not want to intervene again. Many recipients are not happy with what they are receiving, because it is not properly targeted, and the taxpayer is similarly unhappy, as are the Government, because of the ever-increasing bills.

**Mr. Field:** Will the hon. Gentleman give way?

**Mr. Burns:** No, I will not; I have answered the point.

It is a myth that all the problems of poverty and lone parents can be solved simply by an ultimate extension of the welfare system to guarantee everyone a certain income paid for by the Government. That cannot provide lone parents with a sense of self-sufficiency, self-respect and a job. To many people, work is a mundane and unglamourous word, but it is, in a real sense, the meaning of what we are all about. We need work as individuals, as a society and as a community, so we must ask whether the regulations will help to achieve that for lone parents.

Whatever the regulations achieve, it will not be as a result of a coherent and consistent approach to welfare reform by the Government. The regulations prescribe the circumstances in which lone parents will benefit from the family premium in council tax benefit, housing benefit, income support and jobseeker's allowance. Additionally, they introduce the concept of a 12-week eligibility criterion for maintaining the higher-rate premium in income support and JSA if a lone parent works for less than that period and then returns to the benefits system.

The Government are simply and cynically attempting to buy back some of the support that they lost among their Back Benchers and among the special interest groups that were misled and supported the Government at the previous general election. That led to the fiasco in December when, for the first time in this Parliament, some Labour Members had the guts to stick up for what they believe in, come off-message and go into the Lobby to vote against their Government.

Labour Members have been to-ing and fro-ing on this whole issue since my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) announced the policy

of equalisation of benefits back in November 1996. The Government's flip-flop has been justified by various members of the Government, including the Prime Minister, as simply implementing a policy that they inherited, or as a policy to save money because of the constraints on public spending. If they really believe the latter, how much will the U-turn in the regulations cost, and what is the net gain to the Treasury from this exercise? I say it every time we have a debate, but perhaps in the run-up to a reshuffle, the Minister will change the habit of a lifetime and answer the questions tonight.

Similarly, do the Government appreciate the irony that, given their cost implications, the regulations completely undermine the initial savings that would have been made from the policy that was voted through the House in December, and totally destroy the argument that the Government made to their Back Benchers to try to justify their policy and stop them voting against the Government?

The Government justify their actions by claiming that the regulations will create an incentive to work. Do they not understand that, far from being an incentive to work, the regulations will be a disincentive for some lone parents? They encourage those with entitlement to the lone parent premium benefit to keep that benefit if they get a job, but work for less than 12 weeks. I suspect that a number of them will simply not bother to go down that route because of the hassle and bureaucracy that they will have to put up with. When they come out of the job after such a relatively short period, they will have to return to the Benefits Agency to reapply for their original benefit. I should be grateful to the Minister if he would explain what plans the Government have to minimise that bureaucracy and to counter the view that will be abroad with some lone parents that it will simply not be worth the candle.

**Dr. Lynne Jones** (Birmingham, Selly Oak): Will the hon. Gentleman give way?

**Mr. Burns:** No. Time is limited in this debate.

Furthermore, the regulations fail to prevent abuse of the system. What will stop some people arranging contracts with unscrupulous employers to work for less than 12 weeks to protect their benefit status? It is unclear how the Government intend to prevent such potential abuse.

**Mr. Field:** You cannot have it both ways.

**Mr. Burns:** The Minister may say that, but some lone parents may believe that the 12-week rule is a disincentive to get a job, whereas other lone parents and employers will abuse the system. It will not be the same people. After all, some 962 lone parents are currently on income support so there will be wide variations in behavioural patterns.

**Mr. Field:** There are more than 962.

**Mr. Burns:** There are 962,000. Once again, the Minister is displaying to the House the breadth of his knowledge of the welfare state. We are grateful to him for ensuring that we get the right number of noughts on the figure. We have now established, without making a big meal of it, that there are 962,000 lone parents.

**Mr. Gordon Prentice** (Pendle): You should have got it right the first time.

**Mr. Deputy Speaker:** Order. The hon. Gentleman may wish to get into the debate, but he cannot do so now.

**Mr. Burns:** On the minutiae of the rules and regulations on the 12-week period, why have the Government chosen 12 weeks? Why did they not make it a longer period—perhaps 12 months—to encourage more lone parents to seek full-time employment? Why was 12 weeks considered to be a magical, relevant or applicable period? Why could not the Government consider making the period longer to create a greater incentive for lone parents who may think that 12 weeks is too short a period and cannot be bothered with it? It would not be that costly to take such a measure and I wonder whether the Government have given any consideration to it.

The regulations neither create enough incentive to encourage some lone parents to take up permanent employment nor produce the savings for which the original cuts were passed in December, and about which the Government made such a big deal at that time, not least to their own Back Benchers.

As the Minister will know, 75 per cent. of lone parents totally disregard the invitations that they receive to attend a new deal interview. Only 2,017 lone parents have got jobs under the new deal, and 309—which is 15 per cent.—have since gone back on benefits because they have lost their jobs after a relatively short time. As the Department of Social Security's figures show, 1.4 per cent. of lone parents get jobs, over and above those outside the pilot areas. However, the figure can be reduced by 0.8 per cent., because 0.6 per cent. are leaving income support but are not going into work.

The new deal achieves only a 0.8 per cent. success rate, which is 201 lone parents at a total cost of £6.1 million. The taxpayer is spending about £24,000 per job. If the present trend continues, the £200 million that the Government plan to spend on the new deal for lone parents will help just 6,566 out of a possible 9,600—sorry, 9,600.

**Mr. Field:** The figure is 962,000.

**Mr. Burns:** I am grateful to the right hon. Gentleman. It will help 9,000—62,000.

**Mr. Field:** It is 962,000.

**Mr. Burns:** Thank you—962,000 lone parents. The regulations do virtually nothing to alleviate the problem. If the Government are not careful, the new deal and the regulations will become a policy paved with good intentions but, sadly, remembered for its failure to meet the expectations that it has aroused. It will be consigned to history as little more than an expensive experiment in soundbite politics.

10.31 pm

**Mr. David Rendel** (Newbury): I am delighted to have the chance to speak to the House briefly on this subject. I must confess that I was slightly surprised that the Conservative party had found this matter important enough to table a prayer. We had no intention of praying against the regulations, because we believe that they are an improvement on what has gone before. If the Conservative party chooses to call a vote on this issue, we shall vote with the Government. Although we believe that what the Government have done to lone parents generally is appalling—we have made that point on several occasions—at least the regulations amend the previous ones in the right direction.

It surprises me that the Conservative party chose to call for the debate and to force the issue on to the Floor of the House. Many other regulations that, to my mind, were much more important and controversial have been taken in Committee. Having heard the speech of the hon. Member for West Chelmsford (Mr. Burns), I am now even less sure about why this item has been brought to the Floor of the House.

The hon. Gentleman did not seem to be clear in his own mind about whether there would be a greater incentive to work as a result of the regulations, and they should therefore be further improved. He did not explain whether there should be a linking mechanism of 12 months or the shorter period being allowed. If he thinks that the regulations would not give any greater incentive, because the bureaucracy will be too great, does he believe that they should be scrapped? That is what the Conservative ex-Secretary of State suggested in his response to the report of the Social Security Advisory Committee, which discussed the proposed lone-parent regulations. At that time, the ex-Secretary of State made it clear that he did not think that there should be a linking mechanism. That question is still open, so perhaps when the Opposition spokesman winds up, he will say whether they agree with their ex-Secretary of State that a linking mechanism should not be introduced, or whether they think that it should be introduced and increased to 12 months. I think that there is much to be said for increasing the linking mechanism to 12 months. I agree that, as has been said, the cost must be comparatively small, and that an even greater incentive must be given to lone parents to take up work when it is available to them.

The arguments advanced by the hon. Member for West Chelmsford struck me as remarkably muddled. As he has accused the Labour Government of performing something of a U-turn, it will be interesting to see whether he now accepts the points made by the ex-Secretary of State in his response to the SSAC, or whether he himself, and his party, have performed a U-turn. If he and his party do not in the end choose to call for a positive vote against the regulations, in that sense they will have performed a U-turn. If they act in that way, it seems to me that they will have lost the opportunity to increase work incentives. I should have thought that the Conservative party would favour that.

As they stand, the regulations take up one of the two main recommendations made by the SSAC. That recommendation is divided into three parts, but I understand that all three are covered by the regulations, and I welcome that. However, the Labour party has not chosen to implement the second recommendation, which I consider a major fault in the regulations.

The other SSAC recommendation was there should be

"a systematic study of relative costs, incomes and expenditures of lone parent and two parent families on benefit and in work. This should be carried out before the regulations"—

the changes in lone-parent benefit—

"are proceeded with."

That is the recommendation of the SSAC, which neither the Labour party nor the Conservative party accepted when the regulations were first laid before the House. They should have accepted that recommendation.

I know that many Labour Members would have wanted the Government to do so, and it is a great pity that they did not take that on board. They would have saved themselves a lot of time and trouble if they had, and they would have won a lot of support in the community. It is a failure on the part of the Labour Government that they did not take up the recommendation then, and that they failed to take it up again this year when they made the change. I wish that they had, but at least the regulations go part of the way in the direction that the committee would have liked, and we shall support them tonight.

10.37 pm

**Audrey Wise** (Preston): I think that I can offer an explanation of why the Conservative Opposition tabled the motion. I think that they are playing an elaborate and rather silly game—dancing some sort of minuet. I must tell the Opposition that, if they think that that will have any effect on Labour Members, they are entirely mistaken. *[Interruption.]* If the hon. Member for West Chelmsford (Mr. Burns) wishes to intervene, by all means let him do so—but it appears that he has changed his mind.

If the Conservatives press the matter to a vote, they will again be voting on the wrong side. They voted on the wrong side in December, unfortunately, and they will have the honour and distinction of repeating their error if they call a Division tonight. It is clear that the regulations are an improvement on the status quo ante. It is a pity that they are necessary; it is a pity that the lone parent benefit was tampered with in the first place; but the fact that the Government are now introducing a 12-week linking period constitutes a considerable improvement.

I note that one of the hon. Member for West Chelmsford's main arguments against the 12-week linking period is that unscrupulous lone parents will abuse it.

**Mr. Burns:** And employers.

**Audrey Wise:** And employers. There are rather more unscrupulous employers, but the hon. Gentleman is attacking lone parents. Throwing in a sop—acknowledging that there are unscrupulous employers—will not do. If we follow him down his road, those who will suffer will be not employers, but lone parents, who will not have the opportunity to take work, to give it a try and to see if it works out, without suffering a penalty if it does not.

All sorts of things can happen when a lone parent seeks and takes a job. The child may find that it is not happy with the mother going to work. The mother may find that the child-care arrangements break down. The child may become ill. There may be more stress on the family than

the parent had anticipated, so having an opportunity of a 12-week period in which the premium is not risked is a wholly good thing, compared with the previous arrangement, where there was to be no linking period.

Having complained about 12 weeks, the hon. Member for West Chelmsford expects us to believe that he is seriously proposing a year's linking period. I am interested that he did not say anything about that last December. He has never said anything about that until this evening. I am sure that, if the Government had brought forward that proposal, which I would have accepted and supported, he would have said, "Oh dear me. It is going to cost the taxpayer a great deal of money." All he and Conservative Opposition are doing tonight is proving their complete hypocrisy and lack of understanding of what the controversy about lone-parent benefits on the Labour Benches was all about.

Therefore, if the Conservatives call a vote, we win and they expose themselves as wanting to depress the standards of lone parents and take away this opportunity. If they do not call a vote, they expose themselves as being silly and hypocritical.

**Mr. Rendel:** Does the hon. Lady accept that one thing that the Conservatives have managed to do is unite the Labour rebels with their party?

**Audrey Wise:** I think that perhaps the Government Front-Bench team might owe the Conservatives some little debt of gratitude for that, but that is not the mainspring; that is not what motivates us. Their silly games have nothing to do with what we on the Labour Benches do. We consider the issues and the Government have given—well, I was going to say, "A crumb." Perhaps I will say, "Half a loaf."

**Ann Clwyd** (Cynon Valley): A crust.

**Audrey Wise:** Yes, a crust. A compromise. I am not one to throw away a crust. Being of a very thrifty turn of mind, I accept all the crusts and crumbs that are going.

Any lone parents who get some glimmering of what the Conservative Opposition are playing at tonight will be thoroughly disgusted because those parents will want a linking period and the opportunity to take a job without being penalised, and they are certainly not scroungers and unscrupulous people, in the main.

**Mr. Burns:** Who said that they were?

**Audrey Wise:** I thought that one of the hon. Member's major objections to the regulations was that unscrupulous people would take advantage of them, take a job for 11 weeks, go back on full benefit for a little while and take another job for 11 weeks. That is the picture that the hon. Gentleman was painting. *[Interruption.]* Oh yes it was. "Unscrupulous," he called them. I say that lone parents are burdened with the difficult job of child rearing on their own. They have far too much and far too many serious things on their mind to go in for the sort of shenanigans and twisting that is more commonly found in the realm of tax evasion. Perhaps the hon. Gentleman is judging lone parents and people on low incomes by the standards of those whose main characteristic is greed and who milk the tax system at every available opportunity.

I am happy to be able to assure my right hon. and hon. Friends that we will all be in the Lobby with the Government if the Opposition are silly enough to call a vote.

10.45 pm

**Mr. John Swinney** (North Tayside): There are often occasions when it strikes me that the House spends too long debating certain items of business. I do not want to detain the House any longer than is necessary to discuss this business.

The hon. Member for Preston (Audrey Wise) made an effective speech in the debate about lone parent benefit cuts in December and has made another effective and important contribution to today's debate. She used an analogy about the Conservative party playing games and I shall continue with that for a little longer.

I do not believe that the lone parents I see in my constituency surgeries are playing games with their lives. They are not trying to find some devious dodge here and there to find something in the system that will advance their position and allow them to dodge here, there and everywhere. Most of the lone parents who come to see me are in very difficult circumstances and have come to their Member of Parliament for assistance as a place of last resort. They are usually looking for a way through a labyrinth of difficulties through which they cannot find a way themselves. The idea that lone parents will be rushing off to the public information sources in my constituency to look through the regulations to find a dodge that will enable them to prosper is an insult to people who live in difficult circumstances.

**Mr. John Hayes** (South Holland and The Deepings): Surely the hon. Gentleman realises that we are not talking about dodges. In many constituencies, including mine, seasonal and part-time work are a way of life for many people. How will the regulations deal with that? What explanation have we had for that? My hon. Friend the Member for West Chelmsford (Mr. Burns) talked about having a longer period which would, effectively, stop that being an issue. The regulations do not take account of those factors.

**Mr. Swinney:** With great respect, I do not think that we heard anything from the Conservative Front-Bench spokesman that provided a better solution than the proposal before us. I was in the Lobby with the hon. Member for Preston and others in December. We have to recognise that this is a step forward from the material that we were faced with then, and we should consider the regulations in good faith.

A great deal was said by the Conservative Front-Bench spokesman about work incentives. We can look at these issues as work incentives or some form of work compulsion, but we heard nothing from the Conservative spokesman that would make it easier, more advantageous or appealing for lone parents to find their way into employment.

Much of what we have heard tonight has been about the systematic fraud of the benefit system that we are told is always going on. We heard much of that rhetoric in the origins of the benefit integrity project. Not surprisingly, in that analysis fraud has been found to have been much

*[Mr. Swinney]*

less of a factor than was thought. Obviously, if fraud exists in the system, it must be tackled and rooted out. It deprives those who are genuinely entitled to benefit.

However, I cannot accept the idea that somewhere out there are people in desperate circumstances, calculating their way through the system and that those individuals are in a majority. The regulations mitigate some of the harsher effects of the legislation that we were faced with at the tail end of last year and it is important that we do not take any steps tonight that would undermine the step forward that the regulations deliver.

10.48 pm

**Mr. Steve Webb** (Northavon): I want to make a few brief remarks about the linking period of 12 weeks. I agree with my hon. Friend the Member for Newbury (Mr. Rendel) that it is a step in the right direction. Perhaps the one serious question raised by the hon. Member for West Chelmsford (Mr. Burns) is why it is 12 weeks. The hon. Member for Preston (Audrey Wise) made the important point that a lone parent might try a job only to find that the child care falls through. Perhaps 12 weeks is a reasonable time for such things to be determined one way or another.

The longer-term issue is the job market in short-term contracts. I hope that, in responding to the debate, the Minister will say what analysis his Department has made of the job market for entrants from unemployment or income support. What sort of jobs are available to them, and what sort of jobs do they take? Are they fixed-term contract jobs? Are they three months or six months contracts?

There are people in my constituency who are afraid to move off income support in case they lose help with their mortgage because the linking period is too short. They are offered a three-month contract job, but they cannot take it or they will lose help with their mortgage. It is exactly the same principle with the lone parent premium. I hope that the Minister will tell us what assessment he has made of the job market for lone parents who move into low-paid work and how long the contracts are for.

I put a paradox to the Minister. He may say that we have to draw the line somewhere, and that 12 months might cost too much money. I have to tell him that if there are no lone parents going into short-term contracts, it will not cost the Government anything; if there are lots of lone parents going into short-term contracts, 12 weeks is too short a period. I ask him to tell us what evidence he has used to decide on a period of 12 weeks and to consider making the period longer.

10.50 pm

**Dr. Lynne Jones** (Birmingham, Selly Oak): The fact that no Conservative Back-Bench Members have risen to speak in the debate, together with the fact that so few of them are here, shows that the analysis by my hon. Friend the Member for Preston (Audrey Wise) of the Opposition's motivation in bringing the debate to the Floor of the House is, in the words of my right hon. Friend the Prime Minister, absolutely right.

I will not detain the House for many moments more on what is a wholly unnecessary debate. However, in welcoming the Government's proposals and the reversal of the cuts in benefits for vulnerable families, I want to ask one question of my hon. Friend the Minister.

Last July, my right hon. Friend the Secretary of State for Social Security published her response to the Social Security Advisory Committee's report. Although that report was in response to the proposals by the former Secretary of State, it was published in July under the name of this Government. At the time, the Government refused to accept both of the committee's recommendations. I regret their failure to act on that advice. Today, the Government are accepting one part of that advice. What made them change their mind?

10.52 pm

**Mr. Shaun Woodward** (Witney): It was interesting to listen to the hon. Member for Birmingham, Selly Oak (Dr. Jones). As she rightly said, this is a reversal by the Government. The hon. Member for Preston (Audrey Wise) must feel rather pleased that she has managed to move the Government quite so far along the rails. We want to know why it has happened and why they did not have the courage of their convictions to say so last December. Why have they decided on a period of 12 weeks? Hon. Members have already asked what evidence was used to decide that 12 weeks is the right period. The fundamental question is: where is the coherence that pulls together Government policy?

There is no doubt that the problems of lone parenthood are a serious and proper matter for the House to consider. It ill behoves the hon. Member for Selly Oak to try to undermine the Opposition for wanting to discuss it this evening. I was the deputy chairman of Childline, an agency involved in child protection. I tell the hon. Lady that this is a subject that I care a great deal about and in which I have been involved for a great deal of my professional career. It is inappropriate for her to criticise Opposition Members for allowing her to speak before they have had a chance to do so.

We should consider why the Government are today offering a proposal that was completely unavailable last December—when the Secretary of State repeatedly turned her face against Labour Back Benchers by refusing to hear their criticisms. I have no quarrel with the idea that all children should be treated equally—which is why I think that the previous Government's policy was right, and why I think that the new Government were right completely to change their policy in government from their policy in opposition. The Government completed their U-turn in December, by supporting the Conservative party's policy on the issue.

I say with no qualms that I fully admire the Secretary of State for very bravely standing at the Dispatch Box, with the hon. Member for Preston and other Labour Members behind her, and arguing the case that Conservative Members intelligently and coherently made when in government and which we continue to support today.

There is no question but that it is necessary to back lone parents. However, how do we most effectively back them? There is no question but that lone parenthood co-exists with all kinds of poverty in the United Kingdom. Almost 2.5 million children are raised in the United Kingdom in very difficult financial circumstances. How will we deal with that situation and change it? The question is not how we accept or alleviate the situation but how we make the situation better.

Conservative Members support the idea of getting people out of welfare and into work. However, I think that the Government's regulations will turn that policy on

its head. Far from encouraging people from welfare into work, the regulations may—because of their ludicrous, arbitrary time limit—encourage people from work back into welfare. The Minister must today explain to the House why 12 weeks is the right time period.

Lone parenthood is a serious problem which very badly affects children. Security in a home is crucial. Although I am not saying that lone parents cannot provide security, I think that all hon. Members will accept that single parents very often have a tougher job—simply because he or she must face all sorts of problems that are more easily faced by families fortunate enough to have two parents.

I do not take a moral view on the subject. A modern, civilised society should not apply moral judgments to such families, for the very simple reason that such judgments have a very nasty habit of hurting the children. As I have argued, as a director of Childline, I am fundamentally concerned with protecting children.

I must ask whether the regulations are the right way of protecting children and of making their lives better. I again ask the Minister what has happened in the seven months since December to change Ministers' minds—so that they have gone from brazenly saying no to the 50 or 100 Back Benchers who wanted the policy changed in December, to holding a completely different policy today.

As the Secretary of State said in a previous debate on the issue,

"We are trying to ensure equality of opportunity for lone parents".

Equality in December; now, in July, it is inequality.

The Secretary of State boasted in that debate:

"Clause 70 of the Bill provides power to equalise rates of child benefit for lone parents and couple families."

Today, we are debating inequality for lone parents and couple families.

The Secretary of State also said:

"The lone mothers in my constituency say to me, 'We want to work—we do not want to be dependent on benefit'".—[*Official Report*, 10 December 1997; Vol. 302, c. 1086–89.]

Yet, in July, we are debating in the House measures that are applauded by the hon. Member for Preston—who has a very serious position on the issue, with which I do not agree but fully respect. As I said, I find myself at a loss to understand what has happened to change the Government's position.

It is a shame that the Secretary of State is not in the Chamber today to explain her position. It is interesting that she was prepared to be here last December, but that she is absent for this debate—in which we are considering a partial U-turn in the Government's policy. Where is the encourage of her convictions today? The answer is "somewhere else".

**Mr. Rendel:** I am getting just as confused about the hon. Gentleman's policy and what he wants as I was about what the hon. Member for West Chelmsford (Mr. Burns) said. A moment ago, the hon. Gentleman seemed to be arguing that a presumably infinite period should be allowed; now he is arguing that there should be no linking at all and that the time limit for lone parents should be cut at a stroke. The two arguments seem completely contradictory.

**Mr. Woodward:** I am grateful for that intervention because it gives me the opportunity to make very clear what I believe. The Government should be thinking creatively about more opportunities to get people off welfare and into work, but we are debating proposals which will take people out of work and put them back onto welfare. The time limit will be very bad. As my hon. Friend the Member for West Chelmsford (Mr. Burns) said, it will encourage some, not all, people to think about short-term contracts. It will not encourage them to think about ending their dependency. The danger is that, having sent one signal last December, the regulations will send a confused signal because they will encourage some people to fall back into dependency.

**Dr. Lynne Jones:** Will the hon. Gentleman give way?

**Mr. Deputy Speaker (Sir Alan Haselhurst):** Order. The hon. Gentleman has finished his speech.

11 pm

**Mr. John Hayes** (South Holland and The Deepings): I do not want to continue the eulogy of my hon. Friend the Member for Witney (Mr. Woodward) about the Secretary of State's performance last December. I thought then, and have no reason to change my opinion now, that the frailty of her arguments on that occasion was matched only by the inadequacy of their delivery.

The fundamental point in this debate is the acceptance by Conservative Members that the fortunate have a responsibility for the unfortunate. Let us be open and frank about saying that. We are debating not that principle, but how it is enacted in terms of public policy. The problem for the Government in this debate which seems to have been misunderstood by hon. Members around the Chamber, is the hypocrisy implicit in the proposals.

When the Government introduced this contentious policy last December, they did so on the ground of cost savings. If the proposals before us are put into practice, the cost savings will be substantially reduced, so the force of the argument that was used, which divided the House and the country and which brought so much criticism on the Government in this place and elsewhere, has now dissipated because the money will no longer be saved.

A second question that needs to be amplified is that if one is going to choose a time limit, on what basis does one choose it? Surely, it must be on the basis of a proper analysis of the sorts of jobs that lone parents are likely to get if they take work. The issue of short-term contracts and occasional, seasonal, part-time, informal and flexible work needs to be addressed, and I shall be expecting some concise, pithy and powerful arguments from the Minister.

**Dr. Lynne Jones:** Will the hon. Gentleman give way?

**Mr. Hayes:** I will, so long as the hon. Lady is not going to quote the Prime Minister again.

**Dr. Jones:** I shall make the point that I was going to make to the hon. Member for Witney (Mr. Woodward). Does the hon. Gentleman think—perhaps this is the point that he is making—that, in these times of flexible labour markets, lone parents, and many other workers, do not have a choice about what kind of work they take?

*[Dr. Jones]*

They are often forced to take short-term contracts. Is the hon. Gentleman proposing that we should change that and remove those opportunities?

**Mr. Hayes:** I am grateful to the hon. Lady for that intervention. The nub of this debate is the Government's hypocrisy, but if she wants a straight answer to that question, I shall give it. Because of the nature of the opportunities—or choices, as she calls them—given to them, the sorts of jobs that lone parents take are precisely those that I defined. In my area, for example, where there is relatively full but low-paid employment, lone parents seeking work will be disproportionately attracted to precisely those short-term, seasonal, occasional jobs with which the proposals do not cope. I accept the hon. Lady's point that the choices for lone parents are likely to be more limited, and that lone parents are consequently disproportionately likely to be driven to the sort of jobs that I described.

To give the hon. Lady a straight answer, I would like a longer period, as 12 weeks is inadequate. It is a figure plucked out of the air. It does not deal with the issues. At best, it is a palliative; a crust. It is an insult. It has even been described in this debate as crumbs. Are we being told to pat the Government on the back for throwing crumbs to lone parents? If we are, we ought to examine our consciences.

**Mr. Rendel:** I am grateful to the hon. Gentleman for allowing me to intervene for the third time. I am interested in his argument. We are considering the possibility either of going back to the original regulations, which had no linking time, or passing these, which have a linking time of 12 weeks. The hon. Gentleman seems to want longer than that. Will he vote against 12 weeks because it is worse than none at all?

**Mr. Hayes:** I take no advice about sitting on the fence and having it both ways from a party that has made a profession of doing just that. The question is whether it is better to support a measure that is impractical, unworkable and will not do what it claims to do and to put in place something that will not deliver the goods, or to remain with the status quo. That is an open question. It is a moot point. I suspect that the proposed 12-week period has been plucked from thin air because it costs the minimum that the Government thought they could get away with to pacify their critics in the House and elsewhere. I do not think that it is workable. We have not had answers to some of the key questions that even the hon. Member for Northavon (Mr. Webb) was perceptive enough to pick up. Unless we have those answers tonight, I would be very surprised if hon. Members on either side of the House will support the Government if there is a Division at the conclusion of the debate.

11.6 pm

**The Parliamentary Under-Secretary of State for Social Security (Mr. Keith Bradley):** I should like to respond to the prayer against the regulations by putting the measure in context. I start by thanking all hon. Members who have spoken in tonight's short debate, particularly my hon. Friend the Member for Preston (Audrey Wise) for her important contribution.

The Government believe that the social security system should support families and tackle child poverty. The electorate have given the Government a mandate to reform social security. Supporting families is a key principle guiding that reform.

We are committed to supporting all families with children because we recognise that all families have extra costs as a result of bringing up children. That is why we are committed to retaining child benefit as a universal benefit. It is why we are increasing the standard rate of child benefit for the first child by £2.50 a week—the biggest ever one-off increase in child benefit.

The Government also believe that the tax and benefits system should take account of the specific difficulties and extra costs that some families face on account of their children.

Families who are unable to work, or who have lower disposable incomes because of their parenting responsibilities, need extra help, so we are introducing measures that increase the incomes of those families. We are increasing the standard family premium in the income-related benefits by £2.50 a week, and are increasing the child personal allowance for the under-11s by a further £2.50 a week. The increases together will mean that a family bringing up two young children on income support can be better off by £7.50 a week.

Our working families tax credit will increase support for working families on lower incomes. It will provide around £5 billion of help to around 1.4 million families—that is £1.5 billion more than is spent on family credit, and 400,000 more families will receive help. The working families tax credit will guarantee every working family an income for full-time work of at least £180 a week, and around 2 million children will be better off as a result.

Those measures demonstrate the Government's commitment to ensure that vulnerable families receive an adequate income when out of work and to address the barriers that they face in moving into work. Even when taken together with measures that align family premium and child benefit rates, they will mean that around 1.5 million lone parents will be better off overall. That is why, within that context, we are changing the benefits structure.

Under the previous Government, there were no substantive measures to help more lone parents to work, despite the comments of the hon. Member for Witney (Mr. Woodward). Without the last election, that would continue to be the case.

Our approach is different from that of the previous Government. Work is at the heart of our proposals and the opportunity to work is at the heart of the Government's approach. We want to offer lone parents the opportunity to improve their lives, but lone parents often need practical help with finding a job and sorting out the changes to life that need to fit round a job. They need help with finding accessible, affordable, quality child care. Help with child care makes a job feasible and gives lone parents a genuine chance to work. That is exactly what the Government are delivering through the new deal for lone parents and the national child care strategy.

The new deal offers lone parents a tailor-made, one-to-one service from personal advisers who will offer advice on job search and will help them to sort out their benefits and child maintenance. Child care and training

requirements will also be considered, to ensure that lone parents overcome the barriers to work, wherever they may be.

The interim findings of the independent evaluation of the new deal for lone parents show that it is helping more lone parents leave income support. Those who have been helped into work are, on average, £39 a week better off in work with family credit than they were on income support, and their benefit dependency reduces by an average of £42 a week.

The new deal for lone parents is real welfare reform in action. The figures cited by the hon. Member for West Chelmsford (Mr. Burns) are meaningless, as independent research has made clear.

**Mr. Burns:** The figures were based on figures provided by the Department and examined and verified by the House. If the Minister says that they are so inaccurate, that implies that he has examined them, rather than taking some independent person's view. Will he publish the figures that prove that our figures are wrong, so that we can get to the bottom of the matter and see who is right?

**Mr. Bradley:** I am happy to do that. It is clear from the figures given by the hon. Gentleman that he cannot add up or divide by two. Independent researchers say that his figures are meaningless.

Child care is essential to many lone parents. For too long, Britain has lagged behind other countries in developing good quality, accessible and affordable child care. It is needed to offer equal opportunities to parents to support them in their choices, whether their choice is to enter work or to improve their employability through training, and to promote the well-being and development of children. That is why we pledged to implement a national child care strategy.

We need to ensure that child care is affordable. Affordable child care is crucial if lone parents are to have the same opportunities to work as other families. We recognise that many lone parents face substantial child care costs, so we are providing help specifically to address those costs.

We have already increased help with the costs of child care through the child care disregard in the in-work benefits. The improved help means that a lone parent with two or more children can receive up to £95.50 a week towards the cost of child care—nearly £40 a week more than was previously available.

That is just the first step. There will be more help with the cost of child care through the child care tax credit, which will provide extra help for all working families who need help with child care costs. It will provide help of up to 70 per cent. of eligible child care costs up to a limit of £100 for families with one child and £150 for families with two or more children. Lone parents will be the main beneficiaries of the child care tax credit, and they will receive more help with child care costs than ever before. Moreover, the structure of the credit will ensure that the poorest families benefit in full.

We are addressing the real barriers to work through our new deal for lone parents, our national child care strategy, the working families tax credit, and by introducing a minimum wage. We are also providing more help with paying for child care so that all lone parents can enjoy the opportunity to work.

I remind the House that existing recipients will continue to receive the higher rate of family premium so long as they continue to satisfy the entitlement conditions. So, there will be no cash losers—*[Interruption.]* That is made clear in the regulations, as the hon. Member for Witney would know if he had bothered to read them.

However, that protection was causing some difficulties for some lone parents. Lone parents participating in our new deal pilots told us—*[Interruption.]* If the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) would listen, he might hear some of the answers to the questions that have been raised. Those people told us that the absence of a linking rule in income support was affecting their confidence in taking work. They were worried that if a job did not work out they would have to return to out-of-work benefits on a lower rate than before.

That is why we introduced a 12-week linking rule, so that lone parents receiving either of the benefits with the higher premium will now be able to take work knowing that if it turns out to be short term they will not be worse off if they have to return to benefit.

I shall consider carefully the point made by the hon. Member for Northavon (Mr. Webb), but, at this stage, I can say that most jobs being taken are permanent. We already have statistics showing that 80 per cent. of lone parents in work in 1991 were still in work four years later.

A 12-week linking period is in line with the recommendation of the Social Security Advisory Committee, which recommended a linking period of "at least eight weeks". We believe that that provides lone parents with enough time, once they have started work, to decide whether any problems that arise—with child care, for example—can be resolved. Our new deal for lone parents will also provide in-work support to help them address those problems.

However, if lone parents decide that a problem is insurmountable they will be able to return to benefit at the same rate as before. There is absolutely no evidence to support the contention by the Opposition spokesperson, the hon. Member for West Chelmsford, that lone parents are deliberately trying to manipulate the system by moving backwards and forwards between income support and work.

The linking rules will be further supported by the Government's overall commitment to an active modern service that will ensure that lone parents not only get help through their personal advisers when seeking work, training or child care, but continue to be supported in work by those advisers, so that any new barriers or crises that arise can be dealt with, and they do not have to leave work but can remain in the job.

We have been accused of implementing the previous Government's policy, and of completing some kind of U-turn in order to do so. Neither accusation is true. The previous Government intended to cut lone benefits, in isolation.

The present Government have provided new and innovative support to help lone parents who want to work to do so—a working families tax credit to ensure that work pays, the biggest ever investment in child care provision, substantially improved help with meeting the cost of child care through the child care tax credit, and an investment in excess of £1 billion in improving benefit support for families, including extra help for the most

*[Mr. Bradley]*

vulnerable and the introduction of the linking rule. That is the context against which the regulations should be judged.

The electorate have made clear that they expect more from social policy than the previous Government ever offered. They have told us that they want an active approach to welfare so that everyone can take part in society and can work for their living, if they can. We promised that we would provide help to lone parents in moving into work, and that is what we have delivered. We promised that we would protect vulnerable families who are unable to work, and we have delivered that, too. That is why the House will overwhelmingly dismiss this prayer tonight.

*Question put and negatived.*

## Harlow Playhouse

*Motion made, and Question proposed,* That this House do now adjourn.—*[Mr. Kevin Hughes.]*

11.19 pm

**Mr. Bill Rammell** (Harlow): I am pleased to have this opportunity to have an Adjournment debate on Harlow playhouse. I want, first, to praise the work of the theatre in Harlow; secondly, to highlight the importance of a thriving community theatre to a community such as Harlow; thirdly, to point out the need for theatres such as Harlow's to receive better funding—a cry which, I am sure, will be heard from many theatres across the country; and, fourthly, to express my concern, which is shared across the eastern region, at the inequitable way in which the Eastern arts board is distributing funds to theatres in the eastern region.

Before I do that, however, it is worth providing some background and the history of the theatre in Harlow. Harlow playhouse was incorporated in the master plan that established the new town when it was founded in 1947. Although the design was in the original planning concept, the need for a local theatre was established quickly by the plethora of amateur groups that were set up in the early years of the new town.

The town had its first home-grown opera by 1953, and professional ballet arrived in 1957. In 1963, Harlow became the first town to sponsor a resident chamber music ensemble, the Alberni. Amidst the many amateur drama groups that were established, Harlow also developed a strong tradition of visiting professional companies. At that stage, it provided work for a visiting stage manager by the name of Alan Ayckbourn—something the town is still proud of.

With such activity, the pressure to build a theatre grew. People involved in theatre and drama wanted a theatre established. In 1957, the council—as then was—set up a working party to look at the need for a theatre and how it might be paid for. The working party—which did an enormous amount of good work—concluded that what was needed was a combination of amateur community productions and visiting professional theatre. To this day, that vision is being carried out, with some in-house production by the playhouse.

With that level of activity and with the pressure building, there followed in March 1967 a public inquiry into whether the council should be allowed to borrow money to build the theatre. Even in those days, concern for public expenditure constraints under a Labour Government were very much to the fore. Despite the constraints, the approval was granted and a contribution of £50,000 came from a new fund, set up under the Labour Government by the then Arts Minister, Jennie Lee. That really set the ball rolling for the theatre. I understand that Jennie Lee came to Harlow to lay the foundation stone of the new theatre and called for more touring by the Covent Garden opera company. It is worth stating, some 30 years later, that Harlow is still waiting for such a tour to take place.

The playhouse opened in 1971 for live theatre, films and exhibitions, and has developed and increased its range of activities considerably since then. For the next 23 years of its existence, Harlow playhouse worked effectively. However, in hindsight, I believe that it became overly

reliant on funding from one source: the district council. That funding ceased in 1993 when Harlow council was capped by the previous Conservative Government. I was a member of the authority at that time and I can register the fact that the council received the biggest percentage cap in one year—50 per cent.—of any local authority in the country. The playhouse saw its funding cut from more than £500,000 per annum to about £150,000. Regrettably, that led to the playhouse's closure for one year to regroup and restructure and seek new funding streams.

As a result of that restructuring and reshaping, the new playhouse re-opened in 1996 with a mission to re-establish itself as a community theatre with atmosphere, a busy amateur programme and lots of events for young people by new groups while continuing to host touring professional productions. It has been a success story and the playhouse regularly sells out—it has had 23 sell-outs since January this year. The pantomime, which is a huge event in the local community, played to 93 per cent. capacity houses and received rave reviews in *The Stage*. More important, in 1997–98, 350 performances played to more than 45,000 people—the equivalent of more than half the population of Harlow. That statistic registers the vibrancy of the theatre.

It is worth highlighting the considerable efforts of three people, among many others, who helped to relaunch the theatre. Jon Harris was appointed to re-open the theatre, and his enthusiasm and integrity were a driving force in getting things off the ground. His successor, Laurence Sachs, who is the current manager, is, I hope, successfully guiding the theatre in a new direction. Councillor Jean Clark, who chairs the council committee overseeing the playhouse, has been absolutely tireless in championing its cause.

When the playhouse was relaunched, the council and the playhouse management were absolutely clear that financial support and theatre management structures had to be undertaken on a partnership basis so as to widen the streams of financial support for the theatre and not let it rely on funding from one source—the district council. Furthermore, there was a strong recognition that, in this day and age, different agencies with different backgrounds, perspectives and attitudes can bring more to the table by working collaboratively than by working alone.

While Harlow council continues to provide major financial support to the theatre, support also comes from neighbouring district councils and from parish and town councils. In addition, a very successful public-private partnership operates the playhouse restaurant and catering facilities and there are other private sponsors. In many ways, the playhouse is a model of the way theatres should be funded and managed today, but there is one glaring omission from the funding bodies that might reasonably be expected to support such a theatre: Arts Council of England funding through the Eastern arts board. As I have said before, that area is in need of fundamental reform.

The basic problem, among many others, is that theatre funding in the eastern region is based not on merit but simply on the pattern of historic funding. That is certainly the case with Arts Council funding through the Eastern arts board. The board provides considerable financial support to several theatres: the Wolsey theatre in Ipswich receives more than £322,000 per annum; the Mercury in Colchester receives £230,000 per annum; and the Palace in Watford receives £204,000 per annum. I am sure that all three are very good at providing productions for their local communities. I have nothing against them and do not wish to criticise them, but, because of the weighting of funding from the Eastern arts board towards them—they take about 66 per cent. of the funding—other theatres in the region receive meagre grants or nothing whatsoever, as is the case with Harlow playhouse.

My other concern is that the three top theatres to which I have referred received exactly the same money in 1996–97 as they did in both 1994–94 and 1995–96; there is not even an attempt to iron out the problem over a period. Essentially, my key criticism is that the Eastern arts board is carrying those three substantial theatres, to the detriment of everyone else.

The problem with such an unequal funding system was identified by the new chairman of the Arts Council, Gerry Robinson, in an article in *The Guardian* today. He argues:

"The past approach of equal misery for everyone is cowardly and fails to reward success. If all we are to do is dole out the same share of the pot to the same institutions year after year (and it is close to that) we should be replaced by a computer at the Department for Culture, Media and Sport."

I would not go that far—certainly not at this stage.

I hope that the Arts Council can learn some lessons, although the track record of the Eastern arts board is not particularly encouraging. I say that because when I raised this issue at Question Time a couple of weeks ago, my hon. Friend the Minister for Arts replied:

"the record of the Arts Council and regional arts boards in backing new companies and developments is less than inspiring—their priority has tended to be the defence and preservation of existing companies."—[*Official Report*, 1 June 1998; Vol. 313, c. 2.]

I think that my hon. Friend was right.

The response of the Eastern arts board, however, was not to listen to that view and not to take that criticism on board. Instead, it claimed through its public relations office that I had misrepresented the Minister and that he was not criticising the board. If my hon. Friend had said, "their record is less than inspiring but I specifically exclude the Eastern arts board from those criticisms," I could have understood the justification and the defence that the board tried to make, but he did not say that.

I would be grateful if, this evening, my hon. Friend would reaffirm his view that

"the record of ... regional arts boards in backing new companies and developments is less than inspiring",

that that general criticism applies and that it does not exclude the Eastern arts board.

There are two other criticisms that I would make of Eastern arts board funding. The first concerns the length of time the review it has at long last initiated is taking. It initiated the review in September 1997, but not until 1998 did it agree a timetable. The initial results are not likely to emerge until nearly Christmas. I welcome the fact that a review is taking place, but I feel that there is a need for a greater sense of urgency and that all the theatres in the region should be actively involved in it.

My second criticism concerns Eastern arts board members' apparent direct interest in the decisions they make. Let me be clear that I am not talking about a personal financial interest. I ask the House to reflect on the fact that five Eastern arts board members are members of arts bodies that are in receipt of substantial funding.

*[Mr. Bill Rammell]*

There has been concern about that nationally, certainly in the Arts Council. Gerry Robinson said that the problem with the old structure is that people were looking after their own interests. He said that it was

"nearly impossible for them not to be influenced by that."

That is a criticism which could have been made of the national situation as well as of regional arts boards structures. As we go forward, that factor needs to be taken into account.

Theatre is essential in broadening horizons, increasing educational opportunity, giving entertainment and, in a sense, civilising society. In Harlow, we have a vibrant and successful theatre doing exactly that and in a way that deserves support, but it is being poorly served by the Eastern arts board. I hope and believe that it will take on board the criticism that I am making and restructure its finances over time to give the playhouse in Harlow the support that it and the people whom it serves deserve.

11.34 pm

**The Minister for Arts (Mr. Mark Fisher):** I congratulate my hon. Friend the Member for Harlow (Mr. Rammell) on securing tonight's Adjournment debate and offer him my sincere apologies for missing the beginning of his remarks.

My hon. Friend has expressed his concern about Harlow playhouse with great clarity and passion and, in doing so, he raises important issues about regional theatre that are common to towns and cities throughout Britain. Those issues concern the current state of regional theatres, their funding and their audiences, and how drama is organised in the regions and on what basis. Those are important matters, and I am grateful to my hon. Friend for giving the Government the opportunity to debate them, because they concern anybody who is interested in and a supporter of drama in Britain.

My hon. Friend understandably began by praising Harlow playhouse, which is well regarded and which contributes to the life not just of Harlow but of the surrounding area, which provides a surprisingly high 75 per cent. of its audiences. My hon. Friend will recall that I visited the playhouse during the previous Parliament and was impressed by what I saw.

Although the playhouse is primarily a receiving house, providing a venue for touring productions, it produces every year what is, as my hon. Friend said, the largest community pantomime in the country, involving scores of local amateurs. The playhouse also has an active youth programme and links with schools and colleges locally. Its production this year of Timberlake Wertenbaker's "Our Country's Good", which is a superb play and on A-level English and theatre studies syllabuses, will play not only in Harlow but throughout Essex. Therefore, it is clear that what my hon. Friend said about the playhouse truly contributing not just to the cultural life but to the educational and community life of the area is correct.

In the light of such a record, my hon. Friend is understandably frustrated that the playhouse is not supported financially by the Eastern arts board, although it receives £150,000 a year from the local council, to which it adds more than £200,000 in ticket sales and hirings, with the remainder of its £400,000 turnover coming from catering, advertising and sponsorship.

The question that my hon. Friend raises is whether the Eastern arts board should do more for Harlow playhouse. The board is responsible for providing good-quality drama for the 5.87 million people in its region, spread over some important towns throughout the six counties there. The board spends £1.22 million on drama out of its £4.67 million grant from the Arts Council of England—that is, it spends approximately 25 per cent. of its total grant on drama, almost all of which is spent, as my hon. Friend rightly said, on four producing houses: the Mercury theatre, Colchester; the Palace theatre, Watford; the Palace theatre, Westcliff; and the Wolsey theatre, Ipswich. That leaves excellent receiving houses in Cambridge, Bury St. Edmunds, Norwich and other towns, including Harlow, without substantial support.

However, my hon. Friend will accept that those receiving houses benefit from the £2.84 million that the Eastern arts board receives from the Arts Council of England for touring and other activities, such as festivals, and some of them, such as the Cambridge arts theatre, have benefited substantially from the £8.5 million lottery money that has gone to theatres in the region. This is not only a matter of the core grants from the Eastern arts board.

My hon. Friend will realise that the Eastern arts board, like other regional arts boards, faces difficult choices in trying to provide, with just over £1 million, good-quality theatre to all the communities in the eastern area. That produces choices about how best to respond to the theatre needs and the talents of the region. To take a fresh look at precisely those difficulties, the Eastern arts board is undertaking a detailed review of its funding, and considering its funding patterns and the needs of arts organisations such as the playhouse in its region.

My hon. Friend asked whether the six to eight months that the review has lasted is too long, although he will agree that it is important that detailed consultation with organisations such as the playhouse should be thorough. I understand that new policies arising from the review will be published later this summer, which is somewhat earlier than he expected. I welcome that, and welcome the whole process. I agree with him that, for too long, funding throughout the arts funding system has been allowed to stagnate: historic commitments are silting up available funds, and good-quality projects and new initiatives are not receiving the support that they need and deserve.

That is a matter of urgent concern to the new Arts Council of England and to its chairman, Mr. Gerry Robinson. In respect of the eastern region, I am delighted that Lou Stein, the chief executive of the Eastern arts board, and Professor Stuart Timperley, the chair of the board, have anticipated the radical review that the Arts Council of England will undertake nationally. I am glad that my hon. Friend paid tribute to Mr. Robinson's article and trenchant remarks in *The Guardian*. Mr. Robinson is right, and the Government's confidence in appointing him is justified, because he will take a fresh look at the system. I obviously cannot anticipate the outcome of the review, but, knowing Mr. Robinson, who will work at national level, and knowing Mr. Stein and the Eastern arts board in my hon. Friend's region, I am sure that the local review will be radical, imaginative and thorough.

My hon. Friend raised the important and interesting question whether it is appropriate for people serving on regional arts boards to be associated with organisations or companies that receive grants. Those who appoint the boards—the Government and the Arts Council of England—face a genuine problem: should they put on those boards people who are involved with the arts and have a genuine engagement with and understanding of them, although that would run the risk that some grants may touch on their concerns, or people who are not involved in the system, which would ensure that all grants were seen to be totally objective?

I believe that having on the Arts Council of England and regional arts boards people who really know and care about the performing and visual arts, nationally or in their region, is erring in the right direction. My hon. Friend will have noticed that the Secretary of State has, in creating the new Arts Council of England, deliberately put on it known and respected practising artists such as Mr. Antony Gormley, Mr. Anish Kapoor, Miss Deborah Bull and others, to ensure that it returns to what it was in the 1950s and 1960s—an organisation based on living practice and the respect of fellow practitioners. My hon. Friend will understand that that runs risks, but I think that it is the right way to consider the issue.

My hon. Friend has done a service to all those who care about regional theatre by raising these important issues and putting a regional spotlight on the difficult choices that the system faces now and will face in the future. To address those choices, the Government have reconstructed the Arts Council of England and, with Mr. Robinson, given it a new direction. I believe that that will play out through the regions and produce exciting and interesting results.

I reassure my hon. Friend that the Government are determined that regional theatre should face a better future. As he says, regional theatre is absolutely central to the cultural life of communities such as his. It provides a core of creative energy in the middle of communities, which must be preserved and strengthened. It is to that end that the Government are directing all their energies and imagination.

I hope that my hon. Friend will bear with me, and I wish Harlow playhouse well. Whatever the result of the review, I am sure that the good work that the playhouse does will continue. Let us hope that we get a better future for regional theatre.

*Question put and agreed to.*

*Adjourned accordingly at sixteen minutes to Twelve midnight.*

# House of Commons

*Wednesday 8 July 1998*

*The House met at half-past Nine o'clock*

PRAYERS

[MADAM SPEAKER *in the Chair*]

## Points of Order

9.34 am

**Mr. Menzies Campbell** (North-East Fife): On a point of order, Madam Speaker. I seek your advice on whether Standing Orders allow a Minister to make a statement between now and 3.30 on the apparent leak of the strategic defence review which appears on the front pages of all this morning's broadsheet newspapers. Earlier this week, you once again felt constrained to observe that it seemed that the House was consistently being bypassed on these matters. I understand that the leaking of the document was systematic, in that it was sent to a series of newspapers in brown envelopes. We thought that brown envelopes were a feature of the previous Parliament, not of this one.

I am sure that you will agree, Madam Speaker, that leaking in that way is an insult to the House and to the men and women of the armed services whose jobs and future may depend on the contents of the strategic defence review. Can you advise me whether Standing Orders permit any Minister who seeks to make a statement between now and 3.30 to do so, and whether you would look favourably on any such application?

**Mr. Paul Tyler** (North Cornwall): Further to that point of order, Madam Speaker. The examples that you dealt with previously could have been accidental leakages, but, in the words of my hon. and learned Friend, this leak seems to be quite deliberate. May I draw your attention to the fact that they were not photocopies but actual copies of the defence review? It seems to be a deliberate attempt to drive other matters from the front pages of the newspapers.

**Mr. Gerald Howarth** (Aldershot): Further to that point of order, Madam Speaker. Given your strong feelings on such matters, could you tell Ministers that you would regard it as entirely appropriate if, following their investigations, the most proper and perhaps draconian action were taken against those who are responsible?

**Madam Speaker:** In answer to the first point of order, the Standing Orders of the House do not allow for a statement on that matter before 3.30. The Secretary of State for Defence has already telephoned me this morning. I am fully aware of the situation. He is prepared at 3.30 to make some comment—I put it no higher than that—on this matter, which disturbs him greatly, too. If the House will bear with me until 3.30, I think that he will be very forthcoming at that time.

**Mr. Menzies Campbell:** I am very much obliged, Madam Speaker.

## EU Structural Funds (London)

*Motion made, and Question proposed,* That this House do now adjourn.—*[Mr. Betts.]*

9.37 am

**Mr. Tony Colman** (Putney): I shall first declare an interest. I am a former director of Greater London Enterprise, and I am still the chair of Greater London Enterprise development capital on a pro-bono basis. I am a former leader of Merton borough council and vice-chair of the Association of London Authorities, a member of the leaders' committee of the ALG and a director of the London First centre.

I am pleased to have an opportunity to debate the current and future position of the EU structural funds for London. The United Kingdom's presidency of the European Union has just finished, and I am keen that the House should have an opportunity to hear from my hon. Friend the Minister about her progress in the past five months on achieving a good deal for the UK and particularly for London. She is, of course, a London Member.

Agenda 2000, which set this matter in train, led to the publication of new regulations governing the reform of the funds. They were published by the EU Commission on 18 March and cover the period 2000–2007. I understand that agreement on the overall structural funds budget is due at the Vienna summit in December and that final adoption of the regulations will take place at the German summit in June 1999. Therefore, the timing of the debate is helpful in ensuring that the London case is put in time.

Already, hon. Members in all parts of the House have been putting the case for their constituencies. A recent example of that was on 15 June when my hon. Friend the Member for Clwyd, West (Mr. Thomas) had an Adjournment debate on the subject in the context of Wales. All hon. Members would wish to support Northern Ireland's quest to continue its objective 1 status. The continuing sad news from Northern Ireland underlines the need to ensure that the Commission allows Northern Ireland to retain that.

I pay tribute to the various organisations that have, over recent years, been part of making the case for London. Greater London Enterprise has been foremost in that. It has a specialist team working on that case, but it was important that, some four years ago, London house was made available by Greater London Enterprise to ensure that there was a base for London to be able to lobby the European Commission. Before 1994, other regions had already set up lobbying organisations. Perhaps they were ahead of London in realising the importance of having a visible presence in Brussels.

The next grouping that I commend to the House is the Association of London Authorities, the London Boroughs Association, and the Association of London Government, as it became in 1995. I particularly pay tribute to my hon. Friend the Member for Hayes and Harlington (Mr. McDonnell), who, as secretary of the ALA and ALG, led the drive to ensure that London was not left behind in terms of ensuring that structural funds were available. I pay tribute to the current secretary, Martin Pilgrim, and to the assistant secretary,

*[Mr. Tony Colman]*

Madeleine Williams, the person in charge, for the work that she and her department do to ensure that London is properly represented.

I commend also the work that has been done on the London study, which was presented to my hon. Friend the Minister for London and Construction at a meeting on Monday to demonstrate a way forward. That study was part funded by the EU, by London boroughs and by many organisations in London, and sets the backdrop to a strong claim for objective 2 status for London in the negotiations that are coming up.

I obviously commend the work that has been done within the Committee of the Regions by our representatives on the committee, Councillor Peter Bowness, who has now been translated to another place and who, I think, was the first member of the committee, Councillor Toby Harris, who is shortly to be translated to another place, Councillor David Williams from the Liberal Democrats and Councillor Sally Powell. I know that other councillors have also done excellent work on the committee, but, at a key time, when it was so important to put the case for London in the committee and the European Commission, they were the four people who led the charge.

I mentioned the work of the London First centre. There was a tremendous need, which was clearly identified, for London to have its own development agency. On a basis of shared funding between the Department of Trade and Industry, the borough of Westminster, London Docklands development corporation, the Corporation of London and the business community, over the past three or four years, there has been a lively and successful inward investment agency for London, albeit working on rather limited funds compared with what is available for, say, Scotland, which has a similar population, or Wales, the population of which is significantly smaller.

As I develop my theme, hon. Members will see that London's needs are perhaps as great as those of Wales and Scotland combined, so it is important for the Minister to take back to the DTI the need to ensure that the funding for the London First centre and successor bodies is adequate.

Obviously, I commend the new shadow London development agency. That will help to bring together much more strongly the work of the organisations that I have mentioned. It is important that the Greater London authority—the elected mayor and assembly—has a clear view from the business community, from the social partners in London and from elected representatives in London of the way in which the GLA should support the way forward for EU structural funds and for the future of London.

I pay tribute to Members of the European Parliament who have spearheaded this work, including, obviously, Pauline Green, as chair of the socialist MEPs, and my own MEP, Anita Pollack, the MEP for London South West London, who has done sterling work in looking after that area.

As hon. Members will realise, Putney is not in an objective 1 or 2 area. Wandsworth council, with the local training and enterprise council, AZTEC, of which I was formerly a director, and the local regeneration partnership, the Wandle Valley Partnership, has been extremely successful in obtaining funds through objective 3, the European regional development fund, the European social fund, Adapt, Horizon, Social Exclusion, Youthstart, Life, Pacte, PHARE and Ecos Ouverture.

I have listed those EU programmes in full because I am concerned that virtually all the programmes will be subsumed within the new objective 2 and 3 status. It is important that areas in London that suffer from high unemployment and deprivation, such as Wandsworth and parts of Putney, should still be able to apply for and to receive EU funding.

I commend to the House the work of the Wandsworth economic development office, under Mike Brook and Judith Roscoe, in ensuring that those funds have been won fairly. One hears in the House, correctly, that there has perhaps been a tilting of the playing field, in favour of the standard spending assessment for Wandsworth, but, in this area, I commend Wandsworth council for its work to ensure that funds are available for unemployed people and others who can benefit from those programmes. It has won its case fair and square with Brussels, with the Government office for London and with Whitehall.

The vast majority of current EU London funding goes to the Lea valley and east London. I know that my hon. Friends from some constituencies in those areas wish to take part in the debate to do their own advocacy. Those areas will receive in 1997-99 some £80 million; that is 102 million ecu. That is 4 per cent. of the UK total of objective 2 funds. The London share of the UK unemployed is 18 per cent. and its share of the long-term unemployed is 25 per cent. London has more unemployed than Wales and Scotland put together; their share of the UK's unemployed is 15 per cent. London receives only 4 per cent. of objective 2 resources, compared with Wales and Scotland, whose share is 29 per cent. North-east England receives 15 per cent. of the resources and has only 7 per cent. of the unemployed. The west midlands receives 18 per cent. of the resources, but has only 9 per cent. of the unemployed.

I have no wish to denigrate other regions or countries within the British Isles about their share of those resources. I wish to ensure only that the London case is put. I believe that those comparisons have not been put to the House before. That clearly shows a lack of interest in London by the previous Government when it came to EU resources. I and fellow London Members want to ensure fair treatment for London for the next period—2000-07. I do not criticise the single regeneration budget division of resources, which more accurately reflects the needs of London, but it is remarkable that the EU share-out does not.

I have used comparative unemployment levels, which were the key indicator used for objective 2 for the last round. However, things are changing; the Minister will advise us of that. In terms of Agenda 2000, the amount of money that can be accessed is being reduced—the share of the EU population that benefits is reducing from 50 per cent. to between 35 and 40 per cent. There is a new way forward, which particularly takes account of EU enlargement in coming years.

I understand that, to maximise the UK overall take, the key criterion that should be used is gross domestic product; the UK has the fourth lowest GDP in Europe. However, while I would support that, other indicators should be looked at when considering the split of

EU resources within the United Kingdom. I understand that 50 per cent. of the indicators come from Brussels and the other 50 per cent. from the UK.

The Association of London Government proposes criteria that relate to

"areas with substantial rates of unemployment in excess of the EU average which have recorded substantial industrial job losses since 1985."

Greater London has lost 382,000 industrial jobs, representing 50 per cent. of industrial employment, since 1984. In east London and the Lea valley, 51 per cent. of industrial jobs have been lost—77,000 down to 40,000—with a further loss of 10,000 jobs in the service sector. It is a difficult area and it needs every penny it can get. It is important that the current £80 million funding is sustained, if not increased.

**Ms Oona King** (Bethnal Green and Bow): It is important to stress that 70 per cent. of Britain's most deprived wards are in the capital, which people often do not realise. Although my constituency has been fortunate to receive funding, in some wards unemployment is now rising. In addition, no structural funding money hit the ground until 1996, whereas every other British ERDF area has had funding over a much longer period. It is critical that we do not lose the objective 2 money, and that other areas of London are able to benefit from it.

**Mr. Colman:** I agree with my hon. Friend; I was about to discuss the wider indicators that need to be taken into account.

The partner of my hon. Friend the Member for Hammersmith and Fulham (Mr. Coleman), Councillor Sally Powell, has fought successfully within the Committee of the Regions and the EU generally to ensure that "urban areas in difficulty" qualify under objective 2. The criteria should include the points made by my hon. Friend the Member for Bethnal Green and Bow (Ms King)—first, a high level of poverty, including precarious housing conditions; secondly, poor housing conditions; thirdly, a degraded environment; and fourthly, a low level of education. All those criteria are met in a number of wards in the constituencies of my hon. Friend the Member for Bethnal Green and Bow and other London Members, especially those representing the Lea valley and east London. It is important that my hon. Friend the Minister remembers that.

The London research centre-Peabody Trust document "A Capital Divided", prepared in February last year, gave information at ward level which clearly showed the needs of London.

Under the draft regulations for objective 2 funding, the particular strand covering "urban areas in difficulty" is seen as applicable to only 2 per cent. of the population. I urge my hon. Friend the Minister to convince her colleagues that the urban industrial reconversion strand should be significantly increased, if possible up to 10 per cent., which is the level of the other strands. My hon. Friend the Member for Bethnal Green and Bow made that point well.

I listed a number of new areas that Wandsworth had been able to access and those areas outside objectives 1, 2 and 3 that will not be available. There is particular concern that the urban initiative will be cut. While the funding for that initiative is modest—£12 million for the period 1994 to 1999—the benefits have been real. In evidence to the Select Committee on Trade and Industry, the Local Government Association endorsed the continuation of the initiative.

The proposals for Community initiatives outside objectives 1, 2 and 3 will now have to be extremely limited. I understand that there are just three, of which only one is directly relevant to London—although it is highly relevant: the new initiative on transnational co-operation to fight discrimination and inequality preventing access to employment. I commend that initiative to my hon. Friend the Minister. I know that not just London but many other areas will want to have a strong say in it.

The new proposals around objective 3 are very much needed for London. The divide in London between those who are out of work and those who are in work is widening. Those who do not have the right skills—the new deal provides a way to acquire them, and I applaud the fact that the scheme has now been widened to include the over-25s—can fall further and further behind. It is specifically a London problem.

**Mr. Jimmy Hood** (Clydesdale): Structural funding is meant to help regions and economies through difficult times. It is intended to help economies to pick up and for the regions to benefit from that. The problem is that the more successful the scheme is, the greater is the risk of those regions losing continued support. Regions that already get funding argue to hold on to it, while others argue their need also to benefit from it. That is one of the problems with enlargement of the EU. Our Spanish colleagues are arguing against enlargement because they do not want any institutional reforms that would threaten their structural funding.

**Mr. Colman:** I agree with my hon. Friend. However, one piece of good news that we received last March was that Commissioner Kinnock had proposed a safety net, under which no areas would face a funding reduction of more than one third. That may be cold comfort to the Spanish, but it is important to UK regions in terms of their success compared with London.

In the 1970s and 1980s, London was booming while other regions were undergoing major industrial decline. London's nemesis came in the late 1980s, so we have had to face that problem later than other regions. It is important for those in areas such as Clydesdale, which my hon. Friend represents, to realise that the success that that area has achieved needs to be replicated, in particular, in the Lea valley and east London.

We need objective 3 to deal with retraining. We want London to get its full share, especially for areas that promote social inclusion, lifelong education and training, facilitation of economic change and, in particular, improving the participation of women in the labour market. London should be accessing those areas under objective 3. I know that other hon. Members will explore these issues in their speeches and will be urging the case for London.

*[Mr. Colman]*

For the remainder of my speech, I want to deal with NUTS. I am not insulting the House with that acronym, it stands for the nomenclature of units of territorial statistics—

**Madam Speaker:** Order. It is nice of the hon. Gentleman to spell it out.

**Mr. Colman:** NUTS provides a single uniform breakdown of territorial units for producing regional statistics across the whole of the European Union. Almost all the sub-national statistics collected and disseminated by Eurostat are based on the NUTS structure of regions. The statistics deal with topics such as population, birth rates, employment, unemployment, gross domestic product, transport and energy. I am sure that they also deal with other matters.

Since 1988, NUTS regions have formed the geographical basis for determining distribution of structural fund expenditure. Currently, objective 2 funding is based on NUTS level 3 regions.

On 29 June, the Chancellor of the Exchequer answered a written question from my hon. Friend the Member for East Ham (Mr. Timms) about the new United Kingdom NUTS map. I know that some changes, such as splitting Cornwall and Devon at level 2, have been welcomed on both sides of the House. That change may help to ensure that Cornwall receives its fair share as an objective 1 area. However, it seems strange, at level 2, to divide London into inner and outer London, and the borough groupings at level 3 seem stranger still.

The statisticians seem to have no appreciation of the sub-regional partnerships that have been developed in recent years with the help of the Government office for London. The partnerships include the Lea valley partnership, which stretches up to Enfield; the east London partnership; the Park Royal corridor; and, in my case, the Wandle valley partnership, which covers Wandsworth, Merton, Sutton and Croydon. The partnerships of boroughs, and of the business and social partners in those boroughs, have been recognised in the past four single regeneration budget rounds and are increasingly successful in delivering solutions to areas with considerable industrial decline in those parts of London.

NUTS also do not relate to TEC areas. I therefore ask again whether the classification system will be re-examined. Alternatively, could each borough be designated a NUTS level 3? I remind the House that current objective 2 funding is agreed on the basis of NUTS level 3. Moreover, the population of individual borough often exceeds the population of other NUTS level 2 units. The population of some London boroughs, for example, is greater than that of Cornwall. A re-examination of the system is necessary.

As my hon. Friend the Member for Bethnal Green and Bow said, the current objective 2 map is drawn at ward level. I think that level 4 should be composed of wards within boroughs, rather than—as at present—of boroughs. As hon. Members will know, some wards—of which I have examples in my constituency of Putney—have a very high deprivation level, whereas others do not. It is extremely important that the objective 2 status map should deal with that fact. I believe that the NUTS classification system proposed on 29 June is not helpful to London, and perhaps not to other parts of the United Kingdom that share the same problem. I look forward to the Minister confirming that the matter will be re-examined.

In Putney and at Wandsworth council, we are concerned about the need for support in making objective 3 bids. It has been possible in previous years to make them, but it has been a problem this year. We want to ensure, first, that areas such as Wandsworth that have been successful when operating on a level playing field and on a case-by-case basis are not squeezed out.

Secondly, we have to ensure that as much pressure as possible is brought on Brussels to operate a more positive urban policy—which, as I said, would reflect London's priorities.

Thirdly, it is important that we work to decrease bureaucracy and simplify the approval process. Currently, there are many criteria assessment processes. Whereas some bids are approved directly from Brussels—via GOL—others are approved via Departments. We need clarity in the matter. We need quicker decision making and prompter payments, and greater emphasis on outcomes and outputs rather than—as currently—on inputs.

London as a whole has lost out on the Euro-gravy train of the past 18 years, during which the previous Government ignored the pleas of local government leaders and of the community of London. The fact is that 18 per cent. of the United Kingdom's unemployed live in London, but they receive only 4 per cent. of the EU resources provided to deal with the problem here.

Once the Greater London authority is established, we will have a doughty fighter to ensure that London's voice is clearly heard. Meanwhile, I ask the Minister—who is a London Member—to discover how that great economic injustice can be righted, and to ensure that the right thing is done for London, so that we receive a fair share of resources.

10.4 am

**Mr. Edward Davey** (Kingston and Surbiton): I congratulate the hon. Member for Putney (Mr. Colman) on putting the case for London so well, and on pointing out that we have large unemployment problems in the capital and that we will have to ensure that London's case on the reshaping of structural funds is made.

I should like to make a few comments on reform of objective 3 funding—especially as it relates to the European social fund—which is particularly germane to London. As the hon. Member said, regional—even sub-regional—definitions can miss out areas of concentrated poverty, which are, by their very nature, quite wide. As he also said, London is likely to miss out not only on objective 1 funding but on much of objective 2 funding. In the worst case scenario, none of London's areas will be given objective 2 status. Therefore—particularly because of the regional definitions—it is important for areas such as London that overall objective 3 funding is well resourced.

As the hon. Member said, London has concentrated areas of poverty that are not revealed in the nomenclature of units of territorial statistics definitions. Those areas have to be able to share in support from Europe. If that

support will not come from objective 2, we will have to ensure that objective 3 is well resourced so that it can back us up.

Administration of objective 3 funds is another issue which must be addressed. Although the hon. Member touched on the issue, I should like to make a couple of major points. Hon. Members will have read the Trade and Industry Select Committee's recent report on the reform of European structural funds, which makes two telling points on reforming administration of the European social fund. The first deals with the complexity of current administrative arrangements.

At the back of the report, there is a submission from the Leader II network in England, which describes current administrative arrangements for the social fund as "Kafka-esque" and says that the number and complexity of forms render it incredibly difficult for many organisations to apply. As a consequence of the complexity, simply to apply for funds, political lobbyists have to become involved in the process, and special posts have to be created. That is not an efficient way of running such a system.

Administrative complexity creates barriers for, and limits the number of, organisations that would otherwise apply. It is almost as if the funds were being rationed by complexity. We want a much more open, simple and transparent process in which many more people and organisations can apply.

A second aspect of the administrative arrangements that requires reform—which also was highlighted by the Select Committee—is to push down administration of large pots of money from Brussels to the national and regional tiers. Such reform would help to improve the fund's administrative efficiency, would inherently simplify administration and would provide a much more targeted focus in allocating funds.

The Liberal Democrats welcome the Government's proposals for regional government in London. The development of regional government and regional development agencies may well produce tiers of government to administer the pots of money that come from Europe through objective 2 or objective 3 status and ensure that they are more efficiently administered; the byzantine processes of the current system seem to miss many areas of need.

If we do not have better and simpler administrative arrangements that follow the principle of subsidiarity, we will miss out on money being channelled to some of the most severely deprived districts in the country. As the hon. Member for Putney said, some areas of London are severely deprived. The top four areas in the index of deprivation include London boroughs.

My constituency is normally considered to be one of the more prosperous boroughs, but some wards suffer severe deprivation. Norbiton, for example, has a higher Z score than almost any other ward in outer London and is on a par with the poorest areas of central London. The need to ensure that money goes where it is most required is urgent, and one of the best ways to achieve that is to reform the administrative processes.

10.10 am

**Mr. Andrew Love** (Edmonton): I join the hon. Member for Kingston and Surbiton (Mr. Davey) in congratulating my hon. Friend the Member for Putney (Mr. Colman) on securing today's important debate at such an appropriate time and commending him for focusing on London and correcting the mistaken impression of many right hon. and hon. Members and the wider public that London escaped the recessions of the 1980s and 1990s.

Londoners have not magically overcome or avoided the deprivation that affects other cities and regions. Indeed, there is enormous disparity between those who are very wealthy and those who are very poor. Greater London includes some of the poorest areas in the country, and is affected by poverty, deprivation and social exclusion.

This is an apposite time to be discussing structural funds for London. There are 13 objective 2 areas in the United Kingdom, covering 31 per cent. of the population and spending 30 per cent. of the objective 2 structural funds from Europe. However, as was said earlier, London receives only 4 per cent. of the UK allocation. That cannot be a fair distribution. Indeed, London has only one objective 2 area—east London and the Lea valley—which is programmed to spend about £132 million by the millennium.

Many have pressed the case for London over an extended period; several organisations were mentioned earlier. They include Greater London Enterprise and the Local Government Association, but I should like to pay particular tribute to the London Members of the European Parliament who campaigned for a long time, despite the scepticism of their colleagues and the opposition of many bureaucrats in Europe, but finally won through to secure a bridgehead for London and recognition of the multiple deprivation that is suffered here.

East London and the Lea valley objective 2 area combines great need and significant opportunity. The need exists across the entire area, but it is concentrated in the central and eastern parts—in Tower Hamlets and Newham. There are also significant development opportunities in the upper Lea valley where there are more than 200 hectares of underdeveloped and derelict sites waiting to be developed to provide opportunities.

The London TEC Council, recently produced a report entitled "Skills and Sustainable Development", which identified six distinct local economy profiles within London. They range from the global city core, which I do not need to describe, to the regeneration economy. The report states:

"A regeneration economy requires comprehensive long-term economic, social and physical development to compete successfully for investment, jobs and resources."

That is a description of east London and the Lea valley. All the indicators show that the area suffers significant deprivation, poverty and social exclusion. Tower Hamlets, Hackney and Newham would appear at the top of any list from any statistician. Indeed, parts of Haringey, Waltham Forest and, in my constituency, Enfield also appear high on the list of deprived areas.

Of course, the problems in the Lea valley have been exacerbated in recent years. There were 26,000 jobs losses between 1984 and 1991, and the area has failed to benefit from the wider new industries that have been attracted to the regional economy in Greater London. Perhaps most significantly, local people have been unable to maximise the opportunities that are available because they lack the skills to tap into the job market. The objective 2 bid was originally made in order to tackle some of those deep-seated problems.

*[Mr. Andrew Love]*

East London and the Lea valley has a population of just over 500,000. The area has a significant level of need, which is illustrated by one statistic that has been used by European statisticians. Unemployment there is two and a half times the national average. There are many deprived communities, especially black and ethnic minorities, who represent 36 per cent. of the total population, and, according to all the indicators, suffer significantly greater deprivation and unemployment than the norm. A recent survey carried out of the Bangladeshi community showed that only 44 per cent. were engaged in the real economy.

There have been a number of successful projects that will benefit local communities and have a significant impact on the development of the objective 2 area. I shall mention three of them briefly. First, a science park is being developed in northern Enfield on 45 hectares of derelict land. There are three partners: Middlesex university, Thames Water and the London borough of Enfield. The lead agency on the site is building 60 incubator units to foster new and high-technology businesses. It is a very exciting business called the Lea Valley Business Innovation Centre and it does tremendous work. It was set up using regional development funding and is one of 12 such developments across the United Kingdom and one of 150 in the European Community. It promotes innovation by providing support and advice, and early-stage finance, should that be needed for the development of the business. Since it was set up three years ago, it has supported more than 1,000 business ideas. In its first year, it helped to establish 22 new businesses, creating 44 jobs. It is a very exciting development.

I should also like to mention the Tottenham Hale transport interchange, which provides a one-stop service to either Stansted airport or central London. There are excellent connections on the London underground, and the road network is connected directly to the M25 and central London. The interchange will open up an entirely new and, until now, fallow area of the Lea valley objective 2 area for development.

I turn briefly to the impact that Agenda 2000 and the Government's negotiations will have on objective 2 funding for London. First, I accept that enlargement of the European Union will necessarily mean a refocusing of funds on new member countries of eastern Europe, although the Government's acceptance that that will lead to reductions in the overall structural fund does not sit easily with their commitment to regeneration. Indeed, in a recent consultation document in which the Government outlined the features that should underpin their future regeneration policy, they concluded that

"policies must be aimed at addressing social exclusion and need. Our cities will not be competitive unless opportunities are extended to everyone who lives in them. There is nothing more corrosive than the existence of disaffected or disadvantaged groups who feel they have no stake in their city's decisions and prosperity."

Achieving such aims require continued funding of objective 2 areas and the Government to address poverty and deprivation in many parts of London.

Secondly, concern has been expressed at the use of unemployment as the principal criterion for the designation of new objective 2 areas. That would be to the advantage of east London and the Lea valley—and, indeed, as has been said, of Greater London. I accept—and I think that London would accept—that, given that different countries are at different stages of their economic cycles, the use of such a criterion does not make sense and may not be the most appropriate basis on which to divide spoils among member states. Unemployment is only one of many indicators and will not, by itself, give an accurate picture of local need. Below the national criteria, some form of assessment of deprivation or social exclusion based on national and regional criteria would be favourable and a sensible way forward. After all, local people know best what is happening in their area.

Thirdly, there must be flexibility of implementation to allow member states both to decide on the new criteria for objective 2 designation and to draw the boundaries of new areas, taking account of the situation on the ground. For example, many deprived areas may be concealed in a larger and much more prosperous region. Such a problem is far more prevalent in Greater London than in other parts of the country. We need to take on board local experience and local knowledge in evaluating the criteria on which we want to operate.

Fourthly, I should like to address the issue of the safety net, which has been mentioned. According to recent estimates, before the concept of a safety net came forward, only a third of the current eligible population under objective 2 status were likely to be covered under the new criteria. A safety net that allows us to drop only a third of the coverage marks significant progress. The Government—and Commissioner Kinnock, if he was involved—should be congratulated on that.

However, there is still a difficulty. I understand that part of the EU's policy on objective 2 funding states that it will be limited to 18 per cent. of the population of any country. Such a limit could adversely impact on objective 2 funding in London. I ask the Minister to consider that carefully.

Fifthly, we must protect existing investment. East London and the Lea valley achieved objective 2 status only in 1995. Projects and programmes will have been running only for a maximum of four years by 1999. Continuity of funding is therefore necessary to deliver the regeneration that was called for when the objective 2 area was set up. That is important if we are to replace jobs lost through industrial decline, and train the local work force so that they can take jobs that are becoming available not only in the Lea valley but across London. The investment that has already been made in east London and the Lea valley area should not be put at risk by the phasing out of objective 2 status after 1999. Such status has contributed to a reversal of economic decline in the area.

To take up a point made by the hon. Member for Kingston and Surbiton, there is growing awareness among local groups and voluntary organisations—even the private sector—of the benefits that an area can accrue from structural funding. It is important that we maintain that interest and focus. If that is lost through the phasing out of objective 2 status, it will be difficult not only to maintain such interest but to set up the partnerships that will be critical to the future success of the area.

The new arrangements for Agenda 2000 should attempt to achieve several other things. They should reduce the complexity of the system. The EU has already gone some way towards that; it has reduced the number of objectives to three and the number of initiatives from 13 to three.

greatly simplifying the structure. The Trade and Industry Committee suggested that funding arrangements for four or five different funds should be simplified and brought together in one straightforward fund.

We also need to consider how we can simplify the process for people at the other end of it. If we do so, we shall achieve significant benefits. We need to reduce bureaucracy. To how many agencies do people who have received European structural funds have to report? How many do they have to keep in touch with? How many forms do they have to fill out? The situation is ridiculous; we need to simplify it and ease the process for organisations and partnerships that are trying to achieve the objectives that we have set them.

We must simplify form-filling. One needs a degree in the subject simply to understand the complex forms. Indeed, the complexity of EU forms is legendary. Everyone who has attempted to contact the bureaucracy in Brussels has to complete an exceptionally complex form. That has become a major impediment to new groups coming forward, and it has meant the failure of groups that could have delivered on the objective 2 criteria if that hurdle had not been placed in their way.

We need arrangements to increase transparency. No one understands how Europe operates; I am still trying to find out.The reality is that we end up with consultants, political insiders and people who know how the bureaucracy operates earning a living doing that rather than contributing to the objectives. There should be opportunities to simplify matters for those filling in forms and trying to create local partnerships.

We need flexibility, a greater say for local agencies and the involvement of non-statutory organisations to help ensure that we target the funds more efficiently. That will be essential if we are to maintain public support for an effective programme of regeneration into the 21st century.

10.30 am

**Mrs. Teresa Gorman** (Billericay): I congratulate the hon. Member for Putney (Mr. Colman) on securing the opportunity to debate the needs of London in relation to the European Union. I congratulate him also on his stoicism, as he appears to understand the bureaucracy and the nonsense related to accessing those funds.

I was surprised to hear him describe his constituency of Putney—where I was born and raised—as having pockets of severe deprivation. That must be a triumph of rhetoric over reality. I have toured all around Putney all my life, and to compare it with parts of other cities seems a slight exaggeration.

**Mr. Colman:** I was referring to the Roehampton estate. Perhaps since you left Putney—

**Mr. Deputy Speaker (Sir Alan Haselhurst):** Order. The hon. Gentleman should remember to address other hon. Members in the third person. His remark appeared to be directed to the Chair.

**Mr. Colman:** I apologise, Mr. Deputy Speaker. May I, through you, remind the hon. Lady that Putney has several parts to it, including Roehampton, which is seen within the Z scores laid down by the Department of the Environment, Transport and the Regions as being an area of significant deprivation?

**Mrs. Gorman:** The hon. Gentleman has no idea which part of Putney I lived in. The old Roehampton estates were the jewel in the crown of the old GLC and were greatly desired by people moving out from the innermost parts of London, who regarded them as almost a rural retreat. As for the other parts of Roehampton and the appalling tower blocks overlooking Richmond park, they were a triumph for the gerrymandering of Labour Governments after the war. I deplore the blocks, but they are still much more pleasant places to live than many parts of our cities.

I wish to support, and not repeat, the remarks of the hon. Member for Kingston and Surbiton (Mr. Davey) about the rabbit warren of regulations and the regiment of bureaucrats through which one must manoeuvre to get to the pot of gold—gold which has been enormously contributed by the British taxpayer. We are, after all, accessing our own money as we go through the European rabbit warren. It is slightly more difficult than accessing lottery funds—perhaps not much more.

I wish to correct the image of London given by the hon. Member for Putney in his quite understandable pursuit of European money. I have lived almost all of my life in London, and I have represented parts of London on a council. That has given me an intimate view not just of central London, but of many of the parts of London that he described.

I have had a lot of contact with businesses that were driven out of London. The problems that they experienced were largely made by their own councils—most particularly with the rates, which went up and up through the roof until the roof came off and the businesses had to move out of town. People may not realise that local authorities often demanded from £10,000 up to £100,000 in rates from small high street shops, which made it impossible for them to function. All the small furniture factories in the east end and areas such as Hackney and Haringey—which sustained an enormous number of valuable jobs—were driven out by the nature of the local councils.

We cannot lay the blame for the depredation at the door of central Government. If the problem exists, bringing in European money will not necessarily solve it. The costs of running small businesses will still exist.

We hear about the 18 per cent. unemployment in London. That figure beggars belief. It can be difficult to find a Londoner working in some industries—particularly the service industries. The other evening, I had the great pleasure of going to dinner at the Norwegian embassy. We were served by young women from the Philippines, the butler who handed round the drinks was Spanish and I am not sure of the nationality of the person who opened the door for us.

The point is that there are massive opportunities in London to work, particularly in the service industries. We have one of the largest tourism industries in the country, which provides many opportunities for us to solve the problems. If there is unemployment, we should look at legislation that impedes employers from taking on English workers, or we should study the nature of the councils—many of which are under Labour control. It is for a council to decide how to utilise the funds that are available. Whether they wish to give funds to the society for sustaining three-legged dogs or to the useful business of keeping the rates down for shopkeepers is a matter for them.

*[Mrs. Gorman]*

I have lived in London long enough to see parts of Wandsworth that were deprived turned into desirable areas, with lots of new industries, under the stewardship of my hon. Friend the Member for Christchurch (Mr. Chope). It is a question of management and leadership. Battersea is another part of central London which used to be considered run down. I am sure that the hon. Member for Putney would have described it as a deprived area, yet that, too, was resurrected—not by structural funds from Europe, but by the good management of Conservative councils. I urge the Minister to remember that we have in our hands the powers to restore the pockets of deprivation in London.

I read in the newspapers recently that a great many Indian restaurants are crying out for staff because of a staff shortage. Perhaps some of the unemployed Bangladeshis in London could find jobs if they looked for them a little harder.

10.38 am

**Mr. Christopher Chope** (Christchurch): We have had a good debate, ably introduced by the hon. Member for Putney (Mr. Colman). My hon. Friend the Member for Billericay (Mrs. Gorman) shares with me the privilege of having been born in Putney, so this is very much a debate about Wandsworth and London as a whole.

The hon. Member for Putney's conclusion that London had lost out on the Euro-gravy train over the past 18 years rather ignores the facts. The 1998 edition of "Regional Trends" shows that gross domestic product per head in London is over £13,000, compared with £8,700 in Northern Ireland and £8,900 in Wales. By 1996, disposable household income in London was 16.4 per cent. above the average for the rest of the UK, compared with 12.8 per cent. above the average in 1992. Things were getting better in London between 1992 and 1996, yet the hon. Gentleman tried to paint a picture of things in London getting worse.

In Wandsworth, and in Putney in particular, Wandsworth council has been able to deliver improved services, which have received massive endorsement in local elections. The hon. Member for Putney, intervening on my hon. Friend the Member for Billericay, described the Roehampton estate as an area of significant deprivation, but it will not have escaped his notice that, in May, for the first time in many years, the electors chose three Conservative local councillors, whom they believed would more properly represent them. That is a reflection of the success of the Conservative council in Wandsworth.

We should consider the structural funds in context. Figures from the Government office for London show that, last year, this year and next year, £25 million per annum have been and will be allocated to London through all the EU structural funds. The revenue support grant for London, which comes from the taxpayer, is £4.4 billion, which is in addition to Government capital grants. To debate structural funds in London—which are only £25 million a year—for one and a half hours, while ignoring the much larger sums of money that are being spent on London, is to fail to see the wood for the trees.

The hon. Member for Putney argues that small EU-funded programmes in Wandsworth should be preserved, but, this year, the Labour Government substantially reduced the revenue support grant to Wandsworth. Surely Wandsworth council is in a better position than remote officials in Brussels to judge the needs of the local community. If he believes that there are pockets of deprivation in Wandsworth that need assistance, he should be arguing for a larger revenue support grant funded from our national taxes; he should not be trying to use a complicated structural arrangement through which a proportion of the money that we give to Europe returns to us after myriad committees have determined how it should be spent.

The leader of Wandsworth council stated in the foreword to the most recent annual report:

"These are exciting times in Wandsworth. The local economy is more robust than at any time in the last decade while confidence has returned in a spectacular way to the housing market . . . the council's economic development office helped to create more than 600 new jobs for local people . . . The value of construction activity last year topped £200 million—almost double the previous year".

That is the role that a local council can play in developing the local economy. With the greatest respect to the bureaucrats on the continent, I do not think that they are in a position to second guess local judgment.

I hope that the Minister, in winding up, will explain how, in what seems to be a new anomaly, the 14 new electoral areas that the Government want to set up for the Greater London authority will fit in with the five new NUTS regions for London, given that local authority and other electoral boundaries are supposed to be linked to the NUTS system.

There is also a problem with the lag in statistics. The allocation of EU resources between 2000–07, meagre as they are, will be based on average gross domestic product in 1993-95 and will be subject to a safety net to reduce the number of losers in the change from the previous system. Despite the unwieldiness of the system, that will allocate, at most, some £500 million. It would be much better if we left the Brussels bureaucracy out of it and kept the £500 million ourselves, so that Parliament could decide how the money should be allocated to individual regions or even wards.

A number of hon. Members mentioned subsidiarity. I understand that, as a result of a £90,000 European regional development fund grant allocated to the Banglatown area of Tower Hamlets, 10 historic buildings, 2 km of footpaths and one environmental area have been improved and one permanent and 300 temporary jobs have been created. Surely those matters should properly be dealt with by the local council—probably by the local councillor—rather than by highly paid bureaucrats in Brussels. One can only speculate about the amount and cost of the bureaucracy needed to allocate that one grant.

At a meeting of the Select Committee on Trade and Industry, the Minister rather wriggled when she was asked whether she thought that individual member states were in the best position to decide the needs of their communities. I hope that, in responding to the debate, she will be more robust and say that, yes, she thinks that local councillors and Parliament have a better idea of the needs of individual parts of the United Kingdom, and that it would be much better if we kept the money and allocated it according to our wishes.

10.45 am

**The Parliamentary Under-Secretary of State for Trade and Industry (Mrs. Barbara Roche):** I congratulate my hon. Friend the Member for Putney (Mr. Colman) on bringing the needs of London to the attention of the House. As he rightly said, I am a London Member of Parliament, so I share his interests. However, as the Minister in the Department of Trade and Industry with responsibility for the co-ordination of structural funds issues for the United Kingdom as a whole, I have to take a wider view of the process and the factors that have to be taken into account.

Many good points have been made in the debate, especially on the need to tackle bureaucracy—something that the previous Government failed to do. The hon. Member for Christchurch (Mr. Chope) said much in his speech, but little about the reform of structural funds. Perhaps he will give a more considered response when he has had his brief a little longer. It will not surprise the hon. Member for Billericay (Mrs. Gorman) to hear that I did not agree with everything that she said in the speech that the House is used to hearing from her, although she made a good point on the need for simplification, as did my hon. Friends the Members for Putney and for Edmonton (Mr. Love).

Since the publication of the draft regulations on 18 March, we have, under the UK presidency, taken forward the negotiations on structural funds with the Commission and other member states. Throughout the negotiations, the Government continued to emphasise the overarching principles of fairness, affordability and durability. As we head into the discussions in the autumn under the Austrian presidency, those principles will remain as important.

The desire for fairness has dominated the lobbying position of the Government—and of local organisations—in Brussels with the Commission and with other member states since the publication of the Agenda 2000 communication. As I have said on a number of occasions—I have no compunction about repeating it now—fairness means that the costs of reform should be shared fairly between all member states. However, the Government do not believe that the current proposals will achieve that. We believe that, if we are to agree fair and affordable reforms, all member states must be prepared to accept cuts.

We are not prepared to bear disproportionate cuts in United Kingdom coverage. On the strength of our lobbying before publication of the proposals, we secured the last-minute concession of the safety net in the draft regulations, limiting the loss of coverage for objective 2 and 5b areas to no more than a third. That could certainly prove to be an important achievement in several areas in the UK.

In addition, the Government will continue to press for flexibility, both in the objective 1 gross domestic product cut-off and in the new objective 2, in which we are keen to ensure that funds are targeted within member states, using national and local indicators that accurately reflect the areas of greatest need. It has also been said that member states have the ability to know where their areas of deprivation are, and we shall seek the maximum flexibility on objective 2. Those points were well made by my hon. Friends the Members for Putney and for Edmonton, as well as by the hon. Member for Kingston and Surbiton (Mr. Davey).

In the negotiations to date, the UK presidency has been able to secure agreement on some of the general principles that support the universally agreed aim of simplification of the funds, making them more effective and better value for money. That is an important first step, and we are proud to have played our part in it.

Reference has been made to the agreement on changes to the UK NUTS boundaries announced last week by my hon. Friend the Economic Secretary to the Treasury, who has responsibility for the Office for National Statistics. The structural funds reform negotiations are entirely separate from the issue of NUTS boundaries.

The Government supported the Government statistical service's proposals, sent to Eurostat last summer, which were the result of a general consultation early last year. We asked the Commission to encourage Eurostat to produce a rapid and satisfactory result. Ultimately, as the House will be aware, this has been a statistical exercise, subject to Eurostat's decision, and we welcome the fact that agreement has now been reached.

The European Commission has proposed that NUTS II and III areas be used to draw up the new European Union structural funds map. The Government expect that the new UK NUTS boundaries will be used. However, all those issues depend on the content of the final structural funds regulations and on the data for individual areas. We cannot at this stage predict with certainty what might be the implications for individual areas.

One of our goals in our presidency was to leave a solid framework for continuation of the work into the Austrian presidency, which began last week. All member states have very distinctive views on issues affecting finance and eligibility criteria. Most, including the UK, have difficulties with the proposals as they stand. The issues will begin to be tackled in earnest under the Austrian presidency. The discussions are likely to take place from the autumn and will continue into early 1999.

The Cardiff meeting last month set a deadline of March 1999 for the Agenda 2000 discussions. Reform of the structural funds is one of the most important elements in the process. It is certainly one of the most visible benefits of the European Union to local people, and I warmly welcome the emphasis in this debate on the local nature of the funds.

Many local representatives have put their case to me for objective 2 status, and I am sure that they will continue to do so. The eligibility criteria for the various strands within objective 2, and the distribution of funds, will not be clear until the final structural funds package has been decided. Neither will we know how much flexibility we shall have at member state level in determining the eligibility of areas. I am certainly aware that people feel strongly on those points, which is why the Government will press for maximum flexibility.

I think that we all welcome the proposal to target a number of non-industrial urban areas under objective 2. The extent to which we can do so is a matter for consideration and discussion. We would welcome the ability to home in on pockets of deprivation.

From various parliamentary answers, and the recent Adjournment debate through which I was able to bring the House up to date, hon. Members may know that the focus of our presidency has been to a large extent on simplifying the administration of the funds, which means attempting to reduce the bureaucracy wherever possible and to increase the involvement of local people.

*[Mrs. Barbara Roche]*

I am delighted to say that we have achieved a great deal of consensus among member states. At the informal meeting of EU regional policy Ministers in Glasgow last month, chaired by my right hon. Friend the President of the Board of Trade, there was universal agreement on a number of principles: the importance of job creation, employability and regional competitiveness; the value of effective partnership between the Commission, national Governments, and regional and local organisations, with a clear definition of the role for each; and bringing decision making as close as possible to the people affected. All hon. Members will welcome more regional and local control over the funds' delivery.

The UK has a reputation in Europe as a good manager and administrator of European funds. That has been earned through the hard work of those involved in the partnerships and on the monitoring committees throughout the country, including in London. The House has learnt today about some important projects.

I have been able to observe the development of some of the projects: for example, the business innovation centre in the Lee valley, which does excellent work with small businesses, and especially those looking for expertise in new technology. That is why I attach so much importance to ensuring that we engage those involved in the day-to-day administration of the funds and feed their views into the relevant discussions.

I spoke at the national simplification conference in May, where we discussed, among other matters, ways of improving administration and regional partnerships. We have heard about the important issue of community initiatives in London, such as the urban initiative in Park Royal. Some of those initiatives have helped to form useful local and regional partnerships, such as the urban partnership groups, which have involved local residents, community groups and voluntary organisations in the strategy for tackling social exclusion. My hon. Friend the Member for Bethnal Green and Bow (Ms King) spoke about some of those important partnerships.

I am aware that the programmes can be complex to administer, especially given the small amounts of funding involved, and often fragment the strategic approach to the very issues that they are designed to address. It is important that community initiatives should add value to the mainstream programmes. They should certainly not duplicate or cut across other programmes. Since there must be a close relationship between the community initiatives and the main objectives, we can take a view on particular initiatives only once the framework for the main objectives is clear.

We should remember that this is merely the starting point in a long and complex set of negotiations. A great deal more work needs to be done to achieve

"fair criteria and transparent systems"

—a phrase that we used time and again for all the objectives. I am grateful to those hon. Members and their local groups who have lent their support to our efforts in the structural funds discussions so far and also to all hon. Members who have come to see me. We have a long way to go, but, by working in the common interest in the United Kingdom, we can have a fair and just solution.

**Mr. Deputy Speaker:** Order. We must now move on to the debate on disadvantaged areas in Wales and to the right hon. Member for Caernarfon (Mr. Wigley).

## Disadvantaged Areas (Wales)

10.59 am

**Mr. Dafydd Wigley** (Caernarfon): I am very grateful for the opportunity to debate this subject and for Madam Speaker's choice of subject. I also thank the Under-Secretary of State for Wales, the hon. Member for Neath (Mr. Hain), who is here to reply. I had half expected a Treasury Minister to be present. Indeed, the Treasury can be said to have most to answer for with regard to the state of the Welsh economy. Perhaps Treasury Ministers know that all too well and that is why they are not here. Clearly, the problems of the Welsh economy go well beyond the competence of the Welsh Office; likewise, the solution, which is worth remembering in the context of the National Assembly for Wales, which is to be set up next year and which will have no greater remit than that of the present Welsh Office. Its powers may not be adequate to deal with the problems.

I am conscious that this debate follows the publication yesterday of "Pathway to Prosperity". No doubt we will have an opportunity to discuss that document in detail when the Welsh Grand Committee meets in Merthyr Tydfil next Monday, and I look forward to that debate. Suffice it to say now that the document is certainly strong on analysis. Indeed, it is brutally honest about the lamentable state of the Welsh economy—more honest than any previous publication. It recognises the appallingly low gross domestic product per head in Wales. According to the figures in that document, GDP in Ireland is 43 per cent. higher; it also admits to a job shortfall of about 260,000, which presents a massive challenge on any analysis.

Whereas the publication is strong on analysis, it is sketchy on how the problems will be put right and it offers no additional resources, which is its central weakness. It is remarkable for such a document to refer to the need for better education and skills, better road links, fibre-optic networks, strengthening business support services, creating industrial villages and providing basic rural services, when all that is to be achieved without one single penny of extra Government expenditure in Wales. It is appropriate that we are debating the matter this week—the week before the Government's spending review—as the Treasury has a lot of responsibilities to face up to in that context.

There are both disadvantaged people in Wales—people who may be disabled, unemployed, sick, poor or old—and disadvantaged areas, with high unemployment, low activity rates and low incomes. Those are areas of physical decay, with sub-standard housing, dilapidated social provision, old hospitals, schools and village halls and even old toilets—a decaying environment. They are areas of inadequate provision: a lack of new leisure facilities; a lack of doctors and dentists, which is a problem that is becoming more and more apparent in many areas of Wales, both rural and industrial; a lack of a modern transport system; and a lack of opportunity and hope.

The disadvantaged areas come in many forms and in several parts of Wales. Parts of our cities suffer acute deprivation and poverty. Equally, there are areas of acute rural poverty, which is being exacerbated by the present rural crisis. What is more, in the old industrial areas—the coal mining valleys, slate quarrying villages,

iron and steel working towns and sea fishing ports—those old industries have gone, leaving only their relics behind, and new industry has yet to find them.

Between 1986 and 1996, while the M4 and the eastern A55 corridors gained 9,600 new manufacturing jobs, which we welcome, the western part of Wales and the valleys lost 9,200 manufacturing jobs, which is almost an identical loss. That shows how Wales is becoming polarised.

We often hear about Wales's success in attracting inward investment and we certainly welcome what has been achieved, but we are in danger of becoming victims of our own propaganda. There is a gross disparity in the distribution of the jobs created by inward investment within Wales. The six counties with most jobs in overseas-owned manufacturing plants are Flint, Wrexham, Bridgend, Rhondda Cynon Taff, Caerphilly and Cardiff. Between them, they have 52 per cent. of all the jobs that have come to Wales by way of such plants. As that pattern shows, they are mainly in the north-east and the south-east of Wales. The six counties with the least such jobs are Conwy, Gwynedd, Ynys Môn, Ceredigion, Pembroke and Carmarthen, which have between them only 8 per cent. Of course, those areas are all in the west. There is thus a massive east-west divide in inward investment and the creation of new jobs.

Needless to say, the prospects for disadvantaged people who also live in disadvantaged areas are acutely limited. Surely we must put a priority on Government action in those areas. Whereas the Government may not be able to answer the problems of every man, woman and family in every community and every company, they can and must create the conditions in which those problems can be met and overcome—problems of economic, social and environmental infrastructure. Only Government can provide those prerequisites.

Which areas am I describing as being disadvantaged? Some are economically and some socially disadvantaged, and the two overlap. One may be the consequence of the other or may cause a spiral with one leading to the other. Economically disadvantaged areas can be considered in terms of high unemployment. In May 1998—the most recent date for which figures are available—Aberdare and Blaenau Gwent had 10 per cent. unemployment and Ynys Môn and south Pembroke 9 per cent. Those are in the north-west and the south-west and the old coalfield valleys. The lowest unemployment is found near the border with England in the counties of Flintshire, Wrexham, Powys and Monmouthshire.

Clearly, Wales has a problem with low activity rates. Blaenau Gwent has one of the lowest, with 67 per cent., Caerphilly has 68 per cent., and Ynys Môn and Rhondda Cynon Taff, 69 per cent. Again, it is the same pattern. There is a massive gulf between incomes per head in Wales. The lowest incomes per head are due to part-time and seasonal jobs and low wage rates. The areas with the highest wages, on a band of about £340 to £350 per week according to last year's figures, include Cardiff, Wrexham, Neath and Flint. The lowest have wages of about £280 to £290 a week and include Conwy with £284, Gwynedd with £289, and Blaenau Gwent with £309. There is a gap of £60 between weekly incomes in the better and the poorer areas, a fact which reflects pockets of real poverty, both rural and urban, and the Government must do something to close that gap.

Some areas have low wage rates. There are variations within manufacturing industry, of course, and some assembly jobs pay abysmally poor wages—only £3 to £4 an hour. There are also areas with high manufacturing wages, for example in the steel industry, which mean that the Port Talbot and Neath area have a relatively high income per head.

Without doubt, the biggest problem is in the service sector because tourism, for example, pays relatively low wages and is seasonal. The service sector in Wales has a level of remuneration that is about 10 to 16 per cent. below the average for Great Britain because of the difference of the mix within that sector—tourism and other such elements in Wales, compared with financial services in south-east England. The problem of low incomes is acute and is increasing in agricultural areas, where farm incomes have fallen by 43 per cent. Many small family farms in Wales are subsistence farms. With that sort of reduction, if the farmer's wife did not have another job, the farms would not survive.

In the socially disadvantaged dimension, we have areas of high sickness and disability, particularly in the old industrial areas and the valleys—that is particularly true of Merthyr Tydfil. Indeed, eight of the 10 constituencies in the United Kingdom with the highest figures for long-term illness are in Wales, in the old coalfield areas of Dyfed, Glamorgan and Gwent. Many of those areas have poor housing stock, which worsens health. Housing renovation should therefore be a priority.

The four factors of unemployment, activity rates, low wages and widespread sickness mean that some areas have desperately low GDP per head. Of the five counties in Britain with the lowest GDP per head, three are in Wales—Mid Glamorgan, at 62 per cent. of the European Union average, Dyfed at 68 per cent. and Gwynedd at 72 per cent. Yesterday's publication showed that, for 1988-98, Gwynedd got just 3 per cent. of regional selective assistance spending in Wales, and Dyfed-Powys got only 4 per cent. RSA has certainly not started to solve the problem.

In addition to the disparity in GDP per head among areas of Wales, the gap is widening. Between 1982 and 1995, real GDP per head grew by 72 per cent. in Flintshire, 78 per cent. in Torfaen, 62 per cent. in Bridgend and the Vale of Glamorgan, 69 per cent. in Wrexham and 55 per cent. in Cardiff. In the same period, it grew by only 13 per cent. in Pembrokeshire, 16 per cent. in Conwy, 25 per cent. in Anglesey, 23 per cent. in Carmarthenshire, 23 per cent. in Blaenau Gwent and 31 per cent. in Rhondda. Unless action is taken to help the west and the valleys, the gap will worsen.

The western areas and the coalfield valleys are structurally disadvantaged. They are further from markets than other areas. They are at the fringe—sometimes they seem beyond the fringe—of the modern motorway network and of railway links. The population's age puts immense pressure on local government to provide personal services. The skills pattern is often geared to an industrial structure that has long gone. There is inadequate investment in modern educational and training facilities. Housing stock is often old and in need of renovation. Many of the remoter communities have long travel times to work, to hospital and to recreational facilities.

In many disadvantaged areas, money from grants, subsidies and social security immediately flows back out through the centralised structure of retailing and the

*[Mr. Dafydd Wigley]*

banking sector. It is also difficult to retain maximum benefit in those areas from any Keynesian-type investment project. There are three approaches to those problems. First, there is the Thatcherite, free market response: "Let them decline; if they cannot regenerate, let them die." Plaid Cymru emphatically rejects that approach. Communities have rights; people are entitled to reasonable hope of decent jobs and services within reasonable reach of their homes. Young people should have a future within their localities, and should not simply be told to get on their bikes. Elderly people should not be left in limbo in aging communities that their grandchildren have left to search for work.

A second approach is Government intervention to help disadvantaged areas. What can the Government do? They could compensate for disadvantage by subsidising low wages through systems such as family credit. They could provide job creation schemes, although those may not survive in the long term. They could subsidise industrial premises, rents or capital.

However, a third approach, which we favour, is to work to remove disadvantage and to create better communications by air, rail, public transport and fibre optics. I was glad to see a reference to that idea in yesterday's publication, although there was no reference to the money needed. We could create better skills through investment in education. Ireland has used regional colleges of technology to boost the skills of its labour force, and to increase income per head. We need to make curriculums relevant to places of work, a point also referred to in yesterday's paper. We need to invest in infrastructure—hospitals, clinics, schools, energy conservation measures, housing and leisure facilities.

The second two approaches—subsidy to compensate for disadvantages, or action to remove the disadvantages—involve public spending, on social security and on rebuilding the capital stock of our communities. If we reject the Thatcherite approach, we must face the need for higher public spending. That is where the Government's juggernaut of promises crashes into the rocks of reality. It is not possible to implement a meaningful programme to rectify the disadvantages of western Wales and the coalfield valleys without higher public spending, a point ignored by "Pathway to Prosperity".

I can hear the Thatcherite mandarins, whose writ still seems to run in the Treasury, claiming that private capital will sort out the problems of the disadvantaged areas. However, private capital goes only to areas in which it will make a profit. It has not gone to western Wales and the valleys, because no profit can be seen. The private sector could be bribed to go there, but that would mean continuing subsidy, diverting public money into private pockets. It would be better to use public money to remove sources of disadvantage, and to harness public and private activity in competition or co-operation, as appropriate.

We cannot hope to tackle the problems of the disadvantaged areas if we adhere to Tory spending ceilings. We need to improve education with more teachers, schools and better equipment; to improve health care, build hospitals and clinics, and employ more doctors, physiotherapists and community nurses; to improve the housing stock through renovation and insulation, better rooms and replacement of defective doors and windows; to tidy up derelict buildings and the environment, bringing wasteland into proper use; to create a proper public transport system and new railways; and to develop recycling schemes.

If Tory orthodoxy were not in charge at the Treasury, we could choose between two options. First, we could divert expenditure from Trident and aircraft carriers to schools and hospitals, from millennium domes to fibre optic networks, and from nuclear weapons to energy conservation. The second option is to raise total public spending. The United Kingdom spends about 40 per cent. of gross national product in the public sector, less than in all but one EU country—Ireland, which ought to spend more in the public sector, too. Finland spends 52 per cent. of GNP in the public sector, Denmark 57 per cent. and Sweden 62 per cent. Yet those countries have high standards of income and quality of life, and of public services. We could raise taxes to allow ambitious plans to go ahead. We could, of course choose both options, changing spending priorities and raising taxes to meet our agenda.

If the Labour Government are not willing to put more public resources into helping disadvantaged people and communities, what on earth was the point of electing them? Were they elected just so that we could see different smiling faces at the Dispatch Box as they carried out the same old Tory Thatcherite policies? From May, responsibility for health and education, housing, roads, jobs and the environment will pass from the Secretary of State for Wales to the national assembly, to which the Welsh Office will be answerable. Where will the assembly get the extra resources to spend on disadvantaged parts of Wales to help attract private sector investment in new industry?

Are we restricted by the Barnett block, which Lord Barnett himself has acknowledged to have been inadequate to meet the needs of Wales? What new expenditure will there be? The figure seems to have fallen to £6.7 billion for 1998–99. Will that be the figure included in next week's spending review, or will we be allowed the £6.9 billion mentioned in April, or the £7 billion stated in the White Paper on which the referendum was fought? The White Paper provisions are being met in many other areas, so I hope that the spending priorities to be published next week will not take the figure below £7 billion.

What will happen if the Department of Trade and Industry changes industrial development policy by giving Wales higher status? In 1993, the Tories reduced development areas in Wales from covering 35 per cent. of the population to covering 15 per cent. Will resources additional to the Barnett block be available, or will money have to be diverted from education or health? Will the assembly be able to borrow to invest in infrastructure projects in disadvantaged areas? What are the prospects for the European structural funds, especially objective 1 funding? I am glad that the nomenclature of units of territorial statistics, NUTS 2, map has been accepted by Eurostat.

Wales has the lowest gross domestic product per head of any country or region in Great Britain and stands 68th in the league table of European regions. It is ridiculous that, unlike England, Scotland or Northern Ireland, we in Wales have never had any objective 1 funding. It is time that changed, and I hope that it will later this year with the announcement for the period 2000 to 2006.

What will happen if we get objective 1 funding? May we assume that the additionality rule will apply and that such funding will be over and above current expenditure patterns? If so, it would logically be over and above the Barnett formula. Will the Minister confirm that? If we need to find 25 per cent. matching funds to trigger the objective 1 money, will they have to come from within the Barnett formula; and will there be enough to meet that cost without depriving other necessary social projects?

Can the Minister give an idea of the timetable for objective 1 decisions? Can he confirm that Eurostat accepts the east-west NUTS 2 map, as I think he can? Will he confirm that 75 per cent. of GDP per capita will still be the threshold for objective 1 eligibility? Will he clarify the financial implications for the assembly and ensure that a beefed-up Welsh Office team will work on projects to take advantage of objective 1 money for disadvantaged parts of Wales?

Will the Minister clarify the position on the new regional policy map? When can we expect the details? I realise that that is not a Welsh Office decision, but it is no doubt involved in discussions. Does he accept that the UK regional map should reflect the UK NUTS 2 bid, as in all logic it should? We hope that significantly more than 15 per cent. of the population will be in the new development areas.

On direct public spending programmes, will the Minister take note of the great dissatisfaction among local job seekers and local subcontractors about the way in which capital projects are managed? In many disadvantaged parts of Wales, for significant capital projects such as the A5 scheme across Anglesey the companies with the contracts bring in their workers with them. It is not only the key workers; we realise that they must come. They also bring people in to do work when local unemployed people could equally well do it. They give subcontracts to outside companies when local companies could do the work.

I realise that the European Union public contract rules tie the hands of central and local government but there must be some way of maximising local employment from such projects. Unless that is done, we lose half the benefit of the investment programmes. If Wales is to get objective 1 status, the objective is surely to raise the standard of living in these areas, not to let the benefit leach away and so lose the maximum impact in the NUTS 2 and objective 1 areas. I hope that the Minister will consider that.

We hope that the Welsh Office will create a new European project department that has some clue about how to use European funds to the maximum benefit of disadvantaged areas. The main issue is how those resources can create long-term self-regenerative economic activity in such areas to ensure that they develop in a way that makes subsidy and grants unnecessary, as Ireland has succeeded in doing. I acknowledge that Ireland has not yet distributed its new-gained wealth to eliminate its pockets of acute poverty.

These are the basic issues. In our disadvantaged areas, how do we ensure that we maintain and expand employment in existing enterprises in manufacturing, agriculture and services? How do we make them more efficient to give better rewards? How do we create more indigenous enterprises and innovation? How do we attract inward investment to disadvantaged areas and create in them the social infrastructure that enhances the quality of life? What is the role of public expenditure in creating industrial, transport and communications infrastructure? How do we adapt UK and EU regional policy to that end? Can that ever be a priority here in London; and shall we have the vision, drive and resources for it to be an effective priority in the Welsh assembly?

We give the Welsh Office credit for recognising the size of the problem, but we are far from convinced that it is providing the answers. We do not believe that it is possible to create 260,000 new jobs and increase GDP per head by 40 per cent. in an environmentally sustainable manner without higher public spending. We suspect that the Welsh Office ministerial team share that misgiving but are constrained by Treasury rules. "Pathway To Prosperity" ends on a significant note. Paragraph 9.6 states:

> "Our success in achieving the vision will be judged against how well we do in closing the GDP gap, raising employment rates, increasing average earnings, and spreading prosperity."

We shall indeed judge the Government by those criteria. We look forward to working in our national assembly to achieve what Westminster has so far manifestly failed to deliver.

11.25 am

**Mr. Alan Williams** (Swansea, West): I congratulate the right hon. Member for Caernarfon (Mr. Wigley) on raising this subject. It concerns all hon. Members that there is gross imbalance in the Welsh economy.

When I came to the House in 1964, regional policy was based on a uniform system. There were development areas, and the rest of the country. Areas had development area status or nothing. As a Back Bencher, I argued that parts of the development areas were as much worse than their neighbours within those areas as the development areas were worse than, say, south-east England. We therefore needed a differentiated regional policy. I was lucky as a Minister in the Department of Economic Affairs in 1967 to be able to take my proposition through Cabinet Committee. That led to the creation of the special development areas that were so valuable to the valley communities while they were allowed to exist. They were destroyed by the previous Administration, however.

What worries me is that I am more depressed today than I was in 1964 when I was arguing for differentiated policy. I jotted some points down as I listened to the right hon. Member for Caernarfon. I am sorry that my remarks are not as structured as his speech was. He mentioned the 200,000 job shortfall. That conceals a problem in itself. The important thing is that the shortfall is not uniform across Wales. Most of it is in the areas that hon. Members here today represent. That is an internal problem of imbalance within Wales. The Cardiff area is doing relatively well, and I am delighted that it is. I find it incredible that Swansea, which was once a sub-regional hub of industrial development, now has some of the most deprived wards in Wales. Hon. Members present can cite wards in their constituencies in the same situation.

The job shortfall is not evenly spread throughout Wales, but is concentrated in the areas that have the least prospect of being able to make up the shortfall. It is not only that there has been job loss but that there has been a downgrading of jobs. New jobs have in general not matched the quality of the jobs that have gone. Well-paid, skilled and manufacturing jobs have been replaced by

*[Mr. Alan Williams]*

part-time and low-paid jobs. Welcome as such jobs are, it is implicit that the ability of the areas that have experienced this to pull themselves up by their own shoestrings is diminishing. As income levels in those areas go down, their ability to generate redevelopment becomes increasingly dependent on resources from outside.

**Mr. Ted Rowlands** (Merthyr Tydfil and Rhymney): My right hon. Friend provides a telling description of the dilemmas facing communities such as mine. I was astonished that the press and other media did not record more prominently the stark and startling 200,000 jobs gap. So that we can get an impression of how much of a mountain that is, can my right hon. Friend tell us what is the averaged and annual net job creation over the past 10 years?

**Mr. Williams:** I have to confess that I do not have that information immediately to hand, but if my hon. Friend would give me two or three minutes, I am sure that I could produce it. My right hon. and hon. Friends on the Treasury Bench have access to the collective wisdom in the Box in the corner, so perhaps they can come up with those figures by the end of the debate. My hon. Friend is absolutely right to say that it is important that we should have that information, so perhaps the Under-Secretary of State for Wales, my hon. Friend the Member for Neath (Mr. Hain), can produce it when he winds up the debate. If he cannot, I have no doubt that he will provide the answer in a parliamentary answer as soon as possible.

The structural imbalance is sad, because it is a divisive force in Wales. We do not want Cardiff and the rest of Wales to be turned against each other. I rejoice in the prosperity that Cardiff and the south-east have in prospect; but to return to the comments of the right hon. Member for Caernarfon about resources, that prosperity has been achieved by an abnormal distortion in the flow of resources within Wales. We know that massive sums from the public purse have been put into the Cardiff bay development. That has been a success—as the Welsh Office rightly boasts, it has also drawn in £800 million or more in private funds—but when one adds the massive injection of lottery money, one can see how Cardiff has become what I would describe as a black hole: it has developed the capacity to draw in all the significant new developments that come to Wales.

**Mr. Denzil Davies** (Llanelli): My right hon. Friend makes the point that Cardiff is heavily dependent on public expenditure. Does he agree that some of that is old-fashioned public expenditure, in hospitals, universities, the BBC and other fields; and that that is where the danger lies, because restrictions on public expenditure could affect Cardiff's GDP?

**Mr. Williams:** My right hon. Friend is absolutely correct. One does not solve the problems of deprivation in an area as large as Wales without matching needs with resources.

I hope that my hon. Friend the Member for Merthyr Tydfil and Rhymney will forgive me for saying that part of the problem is that the valley communities, for example, were created as artificial economic units, bringing to previously sparsely populated areas people to drag the coal out of the ground. When we stopped mining the coal, economic logic ceased to be in the communities' favour. One needs only to look at an Automobile Association motorway map to see where the economic strength in Wales lies—at the focal point of all the motorways and of the Severn bridge.

**Mr. Rowlands:** All roads lead to Merthyr.

**Mr. Williams:** I desperately hope that Merthyr, too, will enjoy all the benefits that are currently flowing to Cardiff, but the fact is that, in addition to that capital and resource inflow, the south-east benefits from its strength of location, with its distribution network leading via the M5 and the M4 to the north of England, middle England, the east of England and the continent.

That enormous advantage is, as I said, creating a development black hole, which presents the rest of Wales with a double problem: we are in danger of being wedged in, because although we talk about what Ireland has achieved, we tend to forget that Ireland is our competitor. Those of us who represent western areas of Wales, not just the south-west, are competing against the attractions that Cardiff has to offer and against the massive incentives that Ireland has to offer. I remember my hon. Friend the Member for Merthyr Tydfil and Rhymney telling me that the ratio of European Community funds per head flowing into Ireland compared with Wales is about 5:1.

Recently, it looked as though Swansea was going to get a worthwhile electronic development, but we lost it. The Welsh Development Agency has suggested to me that the reason why that happened was not only the incentives that Ireland offered, but the fact that Ireland's tax regime is far more favourable to investment than is ours. It seems to me that that is a matter which we can solve without worrying about the EC. I recognise the constraints on Ministers and I know that, in respect of regional policy and incentives, we are in an EEC straitjacket—but we are free to set tax policy. When I was in charge of regional policy and inward investment in the last three years of a 1970s Labour Administration, we had the best tax regime of anywhere in Europe, with optional one-year 100 per cent. write-off with roll-on facilities, so a firm could choose the form of depreciation and write off that which best suited it. That enabled us to get a disproportionate share of new industry.

Ireland now occupies that position. It has probably the most benign tax regime in Europe, in addition to its regional incentives. The result is that new industry that looks beyond Cardiff has to ask itself whether it wants to go to the relatively low incentives available in west Wales, or whether it might as well go that little bit further and enjoy the tax regime plus high incentives available in Ireland. We are negotiating from a position of weakness, which is why it is essential that we do not lose out in the current negotiations in Brussels on the objective 1 status that Wales so desperately needs to keep. I welcome the announcement made by my right hon. Friend the Secretary of State about what appears to be a marked improvement in our prospects in those negotiations.

Let me conclude on the following point. Recently, my right hon. Friend the Secretary of State devised the term "powerhouse"; but a powerhouse that is created purely by merging three existing quangos, without providing extra

resources, is a form of support that is only a marginal improvement on what was there before. All that can be achieved is a few efficiency gains. If a powerhouse is to work, it has to have power; and in this context, power is resources. I know that my right hon. Friend has been fighting his corner in the Cabinet, but so has every other Minister. We will see the result in the near future. It is important to recognise that the powerhouse is symbolic unless it has the resources to match the needs with which we expect it to deal.

11.39 am

**Mr. Richard Livsey** (Brecon and Radnorshire): I congratulate the right hon. Member for Caernarfon (Mr. Wigley) on introducing this subject to the House. As we well know, there are many disadvantaged areas of Wales, including the valleys, Pembroke dock, Llandudno junction and areas to the west and the north as well as rural areas such as Powys and west Wales.

Rural and urban disadvantaged areas share similar problems in some respects, but there are causes and effects specific to certain areas. The key signs are poor housing, failure in education and training and, in many parts of Wales, low aspiration. That is a sad commentary.

The economy is the key to improving those social problems. The document published yesterday, "Pathway to Prosperity", is to be welcomed as far as it goes, but it does not tackle the issues of rural Wales comprehensively enough. It does not provide information or data specific to the area that I represent, which is Powys. Powys is lumped with Dyfed. I should like to know why no figures are available for Powys. It is a unitary authority. Will the Minister confirm that the Welsh Office does not intend to provide individual figures for the county of Powys? Why is it being ignored? The Office for National Statistics has the figures and I understand that it consulted civil servants in the Welsh Office, only to be told that the figures were not required.

I led a campaign in the early 1990s, when the previous Government were in office, to obtain economic indicators for Powys. I was told then that they were not available. I warn the Minister that I will bombard his Department with questions to get the answers as soon as possible because it is a serious matter. We need those indicators to quantify the problems.

The economies of disadvantaged areas of Wales must be addressed if Wales is to be successful within a United Kingdom and European context. According to 1995 figures, the weekly wage for males in Wales was £331: the figure for Powys was £278. As a result of work done by Bristol university, we know that in some areas of Powys, such as parts of Newtown and Cwmtwrch in my constituency, wages are as low as £159 and that in Ystradgynlais they are £188 per week. The average in Powys is £100 per week less than the UK average and that does not include figures for those who are not earning. These areas are really disadvantaged. According to Welsh Office reckoning, the whole of Wales must surely be disadvantaged, except the south-east and perhaps some corners of the north-east.

The economic disadvantage that exists already is worsened by the migration of educated young people. In mid-Wales, many young people leave at the start of their economically active life, as a result of which we cannot foster enough locally based entrepreneurs. I am glad that the document produced yesterday will address that problem.

In rural areas, there are many people over the age of retirement—20 per cent. is a common figure in many parts of rural Wales. Large sectors of the population are not economically active enough and place a huge strain on local public services.

There is very little mention in the document of the agriculture crisis. We cannot blame that entirely on Welsh Office Ministers because Treasury policy on the strength of the pound has had a great impact on agriculture and on manufacturing industry, of which Wales has a higher percentage than any other part of Britain. It is difficult for anyone to export now. Last week, I visited a factory in Wrexham that produces JCB machines. I was astonished to find that most of the parts that it uses are imported from Turkey. Eighteen months ago, the factory obtained 20 per cent. of its parts from Britain, but it now imports 80 per cent. of its parts for transmissions. That is a big problem and is a result of Treasury rather than Welsh Office policy. It demonstrates how hamstrung we are.

The agriculture crisis is felt throughout the rural economy in support and service industries. We have a low-wage economy with low expectations. Urban areas of Wales face problems of higher unemployment. Many parts of rural Wales do not have such high unemployment, but that is partly because of the migration of many of our young people. There is a lack of job security in urban Wales with low-wage, low-skill jobs. Many social problems stem from that, as the document recognises. Bad housing, low educational achievement and so on must be put right, but it is a mammoth task.

The document, "Pathway to Prosperity", and the economic proposals were announced to the press yesterday, but not to Members of the House. I had to seek out the information from the press. The electronic revolution may be proceeding well in Wales, but nothing came through on my fax machine or e-mail to tell me about the announcement. I looked for it on Monday when it became obvious that there was a planted question, but we did not hear anything until the middle of yesterday afternoon. It was announced by an all-Wales electronic network known as Link-up, of which I heartily approve, but some hon. Members struggled to find the information yesterday.

I want to address specifically the issue of average earnings, which is a problem that is hanging round our necks. Many jobs in rural areas, particularly in Powys, are manual and are agriculture related. What targets does the Welsh Office have for manual workers, or are they not in the equation? The economic powerhouse must regenerate the whole of the Welsh economy, both urban and rural.

Money for home improvements—

**The Parliamentary Under-Secretary of State for Wales (Mr. Peter Hain):** I apologise for intervening, but it is important to record the fact that "Pathway to Prosperity" was available to Members of Parliament at the same time as it was to the press conference. A parliamentary question was also answered at that time.

**Mr. Livsey:** I acknowledge what the Minister says, but we expected the document on Monday—it slipped out yesterday. We were not aware of its existence until well into the day. I have just been told that envelopes were made available during the morning, and, if that is true I apologise. I was not aware of that, and neither was the

*[Mr. Livsey]*

Vote Office because, when I asked for the document, it did not know that it existed. There is something wrong somewhere, as they say in some parts of the press.

I want to move on because many hon. Members want to speak. A Welsh Office Omnibus survey carried out in 1995 showed that almost a third of households in Powys suffered from some social deprivation and that almost one in six households suffered from material deprivation. Those figures were much higher than for Wales as a whole and they were much higher than for Dyfed. As I said, in many economic indicators for Wales, Powys is lumped with Dyfed. For example, the GDP figure is averaged out at 76 per cent. for Dyfed and Powys combined. That is not a satisfactory way to proceed and it must be put right.

The right hon. Member for Caernarfon stressed the needs of the valleys and west Wales. I am well aware of those because I lived in west Wales for many years. However, the needs of Powys are being lumped in with a NUTS 2 area excluded from Powys. We are not in the same income league as north-east or south-east Wales. We have many needs, but have practically no infrastructure—we do not know what an A55 or a motorway is.

**Mr. Chris Ruane** (Vale of Clwyd): What representations has the hon. Gentleman made to the Welsh Office for his county? Is he aware that the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), my hon. Friends the Members for Clwyd, West (Mr. Thomas) and for Clwyd, South (Mr. Jones) and I made strong representations to the Welsh Office at the 11th hour and managed to get Denbighshire and Conwy included in the objective 1 bid? What measures did the hon. Gentleman take to ensure that his county was included?

**Mr. Livsey:** The only official figure was 76 per cent. of average GDP, which, as the hon. Gentleman will realise, does not qualify for objective 1 status. The figures for Powys are lumped in with those for Dyfed. The county council had to commission and pay for a special study by Bristol university to produce many of the statistics that I am quoting in the debate, and that is not good enough. I want the Minister to promise that Powys will be considered for objective 2 funding from European Union structural funds because that is vital.

In future, we want better statistics about Powys. We know that it is very difficult to collect data for Powys because it is the most rural area in Wales. None the less, we need them.

**Mr. Lembit Öpik** (Montgomeryshire): Does my hon. Friend agree that the people of Powys and we, as their representatives, have repeatedly impressed on Ministers, until they have probably become sick of hearing about them, the difficulties of rural poverty in our area and the need for objective 2 status?

**Mr. Livsey:** I certainly agree with my hon. Friend.

I realise that time is short, but I want to address one or two important issues; otherwise, as an agriculturist, I should be doing less than justice to the present crisis in rural areas. We are approaching common agricultural policy reform, which is very important for our family farms. CAP reform, as it affects rural Wales, must take into account the family farm structure, which differs from that in England. We must examine modulation and direct payments to farmers in the context of CAP reform. Direct payments will certainly be allowable within the context, for example, of the World Trade Organisation negotiations. It is vital that our family farm structure is maintained.

In the past two years, farm incomes have reduced by 90 per cent. Many of our farms are no longer viable—in fact, at DM3 to the pound, they are bankrupt. All these issues are causing enormous stress to farming families in rural Wales. I beg Welsh Office Ministers to influence the Chancellor to change his policy of high interest rates and high valuation of the pound to assist agriculture.

We are also having great problems with the domination of the supermarkets in purchasing livestock throughout Wales. I should be grateful if Ministers would take account of the Welsh Affairs Select Committee's report, which called for an investigation by the Office of Fair Trading, particularly into the marketing of meat through supermarket outlets and the possible problem of excess profits being made in that way and rock-bottom prices being received for livestock in markets in Wales.

We need—I am grateful that this is recognised in the "Pathway to Prosperity" document—much more effort in co-operative marketing of Welsh produce from our farms and added value for that produce so that more income can be generated in rural areas. That matter needs urgent action.

The creation of the Welsh Assembly and its start-up next year will undoubtedly assist the economy of rural Wales. The assembly's committees, particularly those that will focus on economic development in conjunction with the strategy for the Welsh Development Agency and the powerhouse, will certainly bring great benefit. However, those plans are long term—perhaps too long term for some parts of Wales that need immediate assistance.

The quangos must be made more democratic and responsive to the needs of many parts of rural Wales. I make a special plea for our local authorities, which need much more assistance and more generous support from the Welsh Office. I hope that Ministers succeed in their negotiations with the Treasury for the block grant so that local authorities can have greater assistance in the coming financial year. The Government will, I hope, propose targets for greater activity by local authorities, which have huge responsibilities throughout Wales and which, on the whole, have an excellent record of doing a good job.

Once again, I make a plea to the Minister on behalf of rural areas. In the past three months, 86 jobs have been lost in Powys from rural businesses. That may not sound like many, but if one examines the statistics, one realises that 100 jobs lost in Powys are the equivalent of 1,000 jobs lost in Merthyr. Those jobs are a huge loss. Some agricultural merchants have closed, as have two machinery firms in Powys. A multinational company has closed its feed mill. Many such closures have occurred. They may not be writ large on the pages of the *Western Mail* or the *Liverpool Daily Post*, but they are severe blows to some of our more remote rural areas.

The assembly has a huge task to improve the lot of people living in disadvantaged areas of Wales. Much poverty in urban and rural Wales must be dealt with. I know that Ministers' hearts are in the right place, but we need action.

11.56 am

**Mr. Chris Ruane** (Vale of Clwyd): I congratulate the right hon. Member for Caernarfon (Mr. Wigley) on securing this important debate. I agreed with about 95 per cent. of what he said.

My county is hit particularly hard in a number of sectors. In the heavy industrial sector, we lost the Point of Ayr pit, which is on the outskirts of my constituency and used to employ 700 people. In the light industrial and service sectors, 1,500 jobs have been lost in my constituency in the past four months. Traditional British seaside tourism is in decline, which some say is terminal. Two of the biggest towns in my constituency—Rhyl and Prestatyn—have experienced that. Denbighshire has a large rural area which has suffered enormously in recent years. It has an abysmal record of attracting inward investment—that has created only 89 jobs in the past four years. I therefore share the opinions of the right hon. Member for Caernarfon.

I shall try to stress the positive aspects. We are very close to achieving objective 1 status for Wales. Last week's announcement by Eurostat that it has accepted the NUTS 2 map for Wales could provide the springboard for the long-term recovery of the Welsh economy. I am informed by Welsh Office civil servants that that would allow Wales to tap into £1.8 billion between 2000 and 2006. We have now jumped the biggest hurdle for achieving objective 1 status, but we are not there yet. Important negotiations must take place and decisions must be made before we have access to that money.

It is time to reflect on our success to date. Before we try to jump the final hurdles, we should assess our success so that we can go into the final straight invigorated and more determined than ever to secure the best possible deal for the people of Wales. There are many unsung heroes in the fight to gain objective 1 status. Many of the main movers have been castigated for their role. I want to take the opportunity to redress the imbalance and to mention a few of those key players.

I pay tribute to the work of the Under-Secretary of State for Wales, my hon. Friend the Member for Neath (Mr. Hain). I extend to him my heartfelt thanks, on behalf of the people of Denbighshire, for his decision to allow, at the 11th hour, Denbighshire and Conwy to be included in the objective 1 bid for Wales. My hon. Friend the Member for Conwy (Mrs. Williams)—who, unfortunately, is in hospital for two months—has asked me to pass on her heartfelt thanks on behalf of her constituents.

The acceptance of Denbighshire and Conwy has extended to two of the most economically crippled counties in Wales the opportunity to share in a huge aid package. I remind hon. Friends of the plight of those two counties. Conwy has had the worst record of foreign inward investment in Europe—no jobs have been created by foreign inward investment in the past five years. The county has the lowest pay rates in the country and the lowest gross domestic product in Wales. Denbighshire, my county, has experienced 1,500 job losses in the past four months—800 jobs at KwikSave Group, whose national headquarters in Prestatyn have relocated to Bristol, 180 jobs at Hotpoint, Bodelwyddan, and 50 jobs at Egatube in St. Asaph in the past eight weeks alone.

Some people urged my hon. Friend the Under-Secretary to forget about Denbighshire and Conwy because, they said, their inclusion so late in the day would threaten the objective 1 bid for the rest of Wales. They said, in ignorance, that the inclusion of Denbighshire and Conwy would raise the GDP level of the Welsh objective 1 bid above the crucial 75 per cent., which would have excluded us—despite the fact that Conwy has the lowest GDP in Wales. Some people said that Denbighshire and Conwy belonged to the prosperous north-east region or sphere of influence in Wales, and that to include the two counties would produce a NUTS 2 region that was not cohesive or coherent—despite the fact that, historically, geographically and linguistically, the two counties share more with west Wales, and therefore should be included in the west Wales and valleys bid.

My hon. Friends the Members for Conwy, for Clwyd, West (Mr. Thomas) and for Clwyd, South (Mr. Jones) and the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) and I put the case for Denbighshire. My hon. Friends the Members for Conwy and for Clwyd, West and I countered the opposing arguments strongly with facts, figures and logical argument. Many of those opposed to the inclusion of Clwyd and Denbighshire would not listen. I am pleased to say that the Under-Secretary did listen. He listened carefully to our case and, after due deliberation, he included the two counties. Many were upset by that decision, but he stuck to his guns and did not waver in his support. He was truly a good shepherd, who looked after his entire flock, maximising the area and population covered by the Welsh objective 1 bid.

I pay tribute to the work of my right hon. Friend the Secretary of State for Wales. He spoke up in Cabinet for the Welsh case for objective 1 status. I commend him for the way in which he acquitted himself in that task. He carried the Welsh case forward, convincing his Cabinet colleagues and the Prime Minister that Wales had a fair and just case for objective 1 status. He had to do so in a Cabinet whose other members represented other areas that wanted objective 1 status.

The Secretary of State's calm and measured approach paid dividends. The Welsh case received the backing of the Cabinet and the Prime Minister. Some people openly criticised the Secretary of State for not being blatant, dogmatic and vociferous. If my right hon. Friend had adopted that approach, he would have jeopardised the Welsh case in Cabinet instead of aiding it. Many of those accusations were not responded to. He took the statesmanlike approach, put his country before political sniping and let the accusations go unchallenged, for to answer them would have distracted his attention from his main goal—that of achieving objective 1 status for Wales.

I congratulate other Ministers on their role in connection with the objective 1 bid, including the Minister for Small Firms, Trade and Industry, the Economic Secretary to the Treasury and the Minister for the Regions, Regeneration and Planning. Their guiding principle was "fairness not favours". They have shown themselves ready to hear the cases put by all Members of Parliament, from all areas and all political parties. Their every word and intonation on objective 1 matters was subjected to detailed examination. They have walked a political tightrope. Some hon. Members challenged those Ministers to declare openly their support for the Welsh objective 1 case. For a Minister to do so would probably have meant the end of that Minister's career, and it would definitely have meant the end of the Welsh objective 1 bid, because favouritism would have been seen to have preceded fairness.

*[Mr. Chris Ruane]*

I thank the individuals, institutions and organisations who provided the hard-headed facts that enabled the debate to progress. I include among them the staff of the Library—I do not know whether I am allowed to name any individual, but I especially want to mention Jane Dyson, now Jane Hough. I also want to mention Cardiff business school and the Wales European Centre. They provided the factual information that was lacking. I share the concern of the hon. Member for Brecon and Radnorshire (Mr. Livsey) at the paucity of factual information available. I believe that that was due to the fact that Wales experienced local government reorganisation, and those facts were not available on a unitary authority basis. However, the Library and others dug out the facts, enabling us to prove our case.

The purpose of my contribution has been to recognise our achievements to date and to pay tribute to those who have worked behind the scenes, out of the glare of publicity, carefully making the case for Wales. I hope that, by recognising and celebrating our achievements to date, we can go forward with high morale, refreshed and united, in the final stages of achieving objective 1 status for Wales.

12.6 pm

**Mr. Ieuan Wyn Jones** (Ynys Môn): I congratulate my right hon. Friend the Member for Caernarfon (Mr. Wigley) on his good fortune in securing this debate, which allows many of us from many parts of Wales to make a contribution, and on the way in which he introduced the subject. The speeches that have been made from both sides of the Chamber have revealed much common ground.

I make common ground with the hon. Member for Vale of Clwyd (Mr. Ruane), who represents an area that I know extremely well. He put his case for objective 1 for his area forcefully and, obviously, successfully. Now that the European Commission and Eurostat have accepted the plan we are on our way, and we hope that an announcement will shortly be made on objective 1 status for west Wales and the valleys.

The comments of the right hon. Member for Swansea, West (Mr. Williams) struck a chord with me, especially when he spoke of jobs in rural Wales being lost and replaced by jobs of lower quality. That is a significant factor in the reduction of gross domestic product in many of the areas that we represent. The response of previous Governments to the loss of jobs in, for example, Trawsfynydd and Trecwn was to appoint task forces. I make a plea to the Minister to forget the idea of using task forces as a response to the loss of jobs in rural Wales. We need a coherent policy that replaces those jobs with jobs of equal quality, although we accept that there are difficulties in ensuring that that always happens.

I should like to respond specifically to a point that the President of the Board of Trade made in the statement on energy policy. My right hon. Friend the Member for Caernarfon alluded to the very high unemployment in Anglesey and to the fact that all parties—including the Labour party—fought the last election in Anglesey on a manifesto of support for a gas-fired power station at Porth yr Ogof on the Wylfa site. As the Under-Secretary knows, there was another application for Rhosgoch. Therefore, the statement gave rise to great disappointment.

In a letter to me, the President of the Board of Trade acknowledged that the people of Anglesey were disappointed by the Government's energy policy proposals, which will prevent that gas-fired power station from being built. That disappointment is tinged with anger because we had a plan, agreed by all parties, that would have created hundreds of construction jobs in the next few years, created 100 permanent jobs and secured the future of Anglesey Aluminium, the other major employer on the island. The announcement by the President of the Board of Trade has jeopardised not only the construction plan and permanent jobs in the energy sector but the long-term contract for Anglesey Aluminium.

I understand that the Minister will see an Anglesey deputation next week to examine those issues. I stress the importance of looking again at plans to build the gas-fired station in Anglesey. It may be difficult for British Nuclear Fuels to do that itself, and it has highlighted the reasons for that. It is hard for a wholly owned Government company to breach the Government's energy plan. However, there is no reason why the plan could not be transferred to the private sector for section 36 consent. I ask the Minister to respond to Anglesey's concerns. If the path to prosperity is to be meaningful, quality jobs must be created in places such as Anglesey.

12.10 pm

**Mr. Nigel Evans** (Ribble Valley): I am grateful for the opportunity to contribute to this important debate. I congratulate the right hon. Member for Caernarfon (Mr. Wigley) on securing the debate. It was wonderful to hear the old orthodoxy in his speech. Labour may have dropped socialism, but it is good to know that Plaid Cymru has picked up the torch and is running strongly with it.

I shall split my speech into several parts, but I do not want to rehash the speech that I may make next week in Merthyr Tydfil when we discuss the economic agenda for Wales. That is especially important because of the publication of "Pathways to Prosperity". It was not one of my most gripping reads and I have condemned it as being next to useless. It is full of apple pie and spin and has more waffle than Bird's Eye. Wales needs action, not rhetoric, which is what that document contains.

Wales came a long way during the 18 years of Conservative government. Before that, in 1970, some 270,000 people were employed in mining, but the figure is now down to 2,000. More than 30,000 jobs have been lost since the 1970s. Many jobs have transferred from heavy industry and mining to the public service, other service industries and tourism. Manufacturing is vital in Wales; I shall speak later about that.

We must consider the economic context in which Wales operates. The Government have inherited the longest period of low inflation for 50 years and faster growth and lower unemployment than in any other major European Union country. Britain was winning the lion's share of inward investment from outside the EU. With 5 per cent. of Britain's population, Wales gained 20 per cent. of that investment, but not enough of it was spread to west, north-west and south-west Wales. Much of it went to the M4 and A55 corridors.

I welcome the fact that the shift in investment emphasis started when my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) was Secretary of State for

Wales. He ensured that it was more evenly spread and that there was greater emphasis on the Welsh Development Agency. One of its great challenges when it is turned into an economic powerhouse will be to compete with regional development agencies in England.

The golden legacy that I have mentioned is being wasted, frittered away. For the first time in many months unemployment is rising, and is doing so even before the introduction of the minimum wage. *The Economist* of 20 June stated:

"Ministers may make the situation worse in a number of ways: imposing a minimum wage will add to labour costs without any guarantee of improved productivity . . . By setting out his spending plans so far in advance Mr. Brown seems to have ruled out using fiscal policy to help bring the economy smoothly down to earth, leaving the bank to do the job alone by means of interest rates".

Interest rates have risen six times in the past 14 months, and it is pointless to blame the Monetary Policy Committee under Eddie George because the Government set that up with the emphasis on controlling inflation, which is now rising. The target has been missed 12 times out of 13, and there is a threat that interest rates will rise again. If that happens, Welsh businesses, especially the smaller businesses of west and north-west Wales, will be hit again. Inflation is bad for their ability to predict, and higher interest rates are bad for those with loans and overdrafts. The minimum wage will have a knock-on effect on differentials, and the high pound, which has been mentioned several times in the debate, is bad for exports.

I spoke about the importance of manufacturing. The publication "Pathways to Prosperity" states that manufacturing accounts for 28 per cent. of the Welsh GDP. The strong pound is hitting exports, and higher interest rates mean a stronger pound. A non-competitive pound makes our exporters less able to compete with those in the rest of the EU. A CBI survey shows that export orders for May and June were the lowest since January 1983. In a document that it sent to me, the Federation of Small Businesses recommends the introduction of an export promotion board.

"Pathways to Prosperity" states that the Government will try to bring together a number of agencies so that there will be a one-stop shop and advice centre for exporters and those who want to export. It is said that that will be introduced at the end of this year, but manufacturers face problems now and cannot wait until then. I urge the Minister to bring that plan forward to ensure that as much support as possible is given to Welsh firms that could benefit from an increase in exports. If they can increase exports, more jobs will be created throughout Wales.

The right hon. Member for Swansea, West (Mr. Williams) spoke about investment in Cardiff. We welcome that tremendous success, but we must ensure that investment spreads to the rest of Wales. One of the local Welsh newspapers reported that about £110 million is to be invested in redeveloping Swansea city centre. I hope that that is a success and that it will attract more jobs to Swansea and, as a result of the ripple effect, to west Wales.

The Federation of Small Businesses also seeks a development bank for Wales to help indigenous firms. It is excellent that 20 per cent. of inward investment comes to Wales, but indigenous firms must be enabled to grow. In a letter to me, the federation states:

"Many small businesses currently find borrowing money over the medium term impossible because either the banks do not offer such facilities or the repayment conditions place an excessively heavy demand on cash flow. A development bank for Wales would ensure a greater degree of certainty that borrowing terms would be affected by cyclical factors such as inflation, recession or a housing market slump."

Farming is another disadvantaged sector in Wales. A press release from Bob Parry of the Farmers Union of Wales refers to the rally in Cardiff at the time of the European summit. It states:

"Farmers must stand together and fight for their rights against the hostility shown to the countryside by some senior members of the Government."

He condemned the Minister of Agriculture, Fisheries and Food and said that farm incomes in some places had fallen by 89 per cent. The press release continued:

"He is responsible for agriculture in the UK, but seems more interested in cutting costs and guarding the purse strings of the Treasury. He is the enemy within. Chancellor Gordon Brown is keeping a miserly grip on spending despite the overwhelming crisis that threatens to engulf our industry. Prime Minister Tony Blair is presiding over this farce as the entire fabric of rural life in Wales is torn to shreds."

On Monday, I was in Welshpool, where I spoke to some farmers from Smithfield. They have no doubt about who is responsible for this crisis—the Government. The Government must take urgent action to assist farmers in Wales before it is too late. It is already predicted that, if this carries on much longer, 8,000 more farming jobs will be lost in Wales. That must not be allowed to happen.

All that the report says about farming is that we should think about putting greater emphasis on organic farming. Farmers want to do the job that they set out to do. Many have done it for generations, yet all the Government can offer them is greater emphasis on organic farming. The Government are simply not listening.

The economic report talks again and again about education. It says that the Government need to invest more in education to ensure that more people in Wales get a better education, yet what do we see? Apart from the fact that we were promised lower class sizes, which are increasing in Wales, yesterday, the House of Lords threw back to this House the amendment that proposed that students in Wales, England and Northern Ireland should pay £1,000 extra if they go to Scottish universities—£1,000 more than students from Scotland, Milan and Catalonia.

That has to be wrong. I hope that the Minister will put great emphasis on that, and will have words with Ministers in the Department for Education and Employment and with the Prime Minister to ensure that we do not throw that amendment back to the House of Lords, but accept it. It is common sense and it will help all the people of Wales and Britain with their further education.

12.20 pm

**The Parliamentary Under-Secretary of State for Wales (Mr. Peter Hain):** I congratulate the right hon. Member for Caernarfon (Mr. Wigley) on securing this debate because it allows the Government to underline our absolute commitment to achieving economic prosperity for the whole of Wales.

May I immediately respond to the predictable tirade of the hon. Member for Ribble Valley (Mr. Evans)? Instead of being cheap and cheerful, he has become cheap and

*[Mr. Peter Hain]*

cheeky in his role in Welsh affairs. He attacked—I know that he is doing his job valiantly as an Opposition Member—"Pathway to Prosperity", saying that it is "next to useless." That is interesting. The document was written in careful partnership with the Confederation of British Industry, the Federation of Small Businesses, the Trades Union Congress, academics from the economic sector and others involved in the serious job of building the Welsh economy. The hon. Gentleman rejects it with a cheap and cheeky slogan.

The hon. Gentleman's Government presided over 20 years of destruction of west Wales and the valleys, from which we are now trying to recover and which the right hon. Member for Caernarfon addressed with great eloquence We never had an economic agenda from the Tory Government; it could have been written on the back of an envelope. At least we have produced 53 pages of closely argued analysis and action proposals, which need to be debated on their merits.

The higher pound is undoubtedly causing severe problems, especially for manufacturing exporters in Wales and elsewhere in Britain, but two thirds of the rise in the pound occurred under the Tory Government. The hon. Member for Ribble Valley cannot simply wish away or ignore that. I remind him that "Pathway to Prosperity" proposes detailed action plans, which we will have an opportunity to discuss next Monday in Merthyr Tydfil; in that sense, the pathway to prosperity leads to Merthyr Tydfil. We will address that when we get the opportunity.

I apologise on behalf of my right hon. Friend the Secretary of State for Wales, who is unable to be here for the whole debate, but he assures me that he will carefully read all the speeches—with the exception perhaps of the previous one—for the detailed points that they make, especially the speeches of my right hon. Friend the Member for Swansea, West (Mr. Williams), which included some valid points, and of the hon. Member for Brecon and Radnorshire (Mr. Livsey). I look forward to being bombarded with questions about statistics, but I tell the hon. Member for Brecon and Radnorshire that Powys will be a separate NUTS 3 area, so the Office for National Statistics has been asked by the Welsh Office to supply detailed figures, including those on gross domestic product, for Powys. I hope that that will therefore absolve him from the obligation to bombard me, and absolve me from the obligation to reply to him.

**Mr. Rowlands:** Anyone who has read "Pathway to Prosperity" will have been struck forcefully by the enormous job gap figure of 200,000. Earlier, I intervened on my right hon. Friend the Member for Swansea, West (Mr. Williams) to ask how we can measure that job gap by net job creation in Wales over the past 10 years. I do not know whether the Minister can reply to that point today, but, if he comes to Merthyr Tydfil, I hope that he will have an answer.

**Mr. Hain:** The broad answer to my hon. Friend's point is that, if we had the Tory strategy on job growth, it would take another 40 years to make up that gap, so it is not a strategy at all.

The hon. Member for Ynys Môn (Mr. Jones) understandably raised important points about Anglesey, particularly the future of Anglesey Aluminium. As the Minister most immediately responsible, and having worked with the Secretary of State, I assure the hon. Gentleman that we have been determined to protect the future of Anglesey Aluminium in particular, which is crucial to the local economy. I am confident that we will be able to do that and to secure its energy supply at a relatively cheap rate, if not at exactly the rate that it has enjoyed, which it was not expecting to maintain. Therefore, I do not think that there is doom and gloom ahead for Anglesey in general, or for Anglesey Aluminium in particular.

I express my gratitude to my hon. Friend the Member for Vale of Clwyd (Mr. Ruane) for his contribution and especially for the expert way in which he identified the plight of Conwy and Denbighshire.

Nearly two decades of woeful neglect have produced a real crisis in west Wales and the valleys. There has been a dramatic change in the economic and social fabric of Wales over the past two decades; rather than the historic north-south divide, there is now an east-west divide. That has been confirmed by an authoritative analysis from the department of city and regional planning at Cardiff university, which I understand is to be published next week.

I was particularly grateful that the European Commission has now designated west Wales and the south Wales valleys as a single NUTS 2 area and, in so doing, has recognised the new realities of the Welsh economy.

I agree with many of the points that the right hon. Member for Caernarfon made, and join him in rejecting the Thatcherite free-market approach that plunged Wales into such difficulty over 20 years. I gently point out that his contribution was strong on analysis, but weak on the action that he called for us to provide. I hope that when he inspects this pamphlet before making his speech in Merthyr—which, as my hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) always reminds me, is the centre of the industrial revolution—he will read some of our detailed proposals and discuss them on their merits.

**Mr. Wigley:** My main criticism was the lack of resources. Will the Minister confirm whether there is any additional money to turn this into reality?

**Mr. Hain:** There is much money; indeed, tens of millions of pounds, if not hundreds of millions, is embedded in this strategy, but I point out that, next week, an announcement is due to be made by my right hon. Friend the Chancellor of the Exchequer on the comprehensive spending review, and the right hon. Gentleman would not expect me to anticipate that—at least not if I wanted to stay in this job.

GDP per head in west Wales and the valleys NUTS 2 area is about 72 per cent. of the European Union average. It is one of poorest areas of Europe, as the right hon. Gentleman rightly pointed out. That compares with the east Wales GDP per head, which is over 90 per cent. of the average.

A third of the working age population are jobless. They may or may not be on the unemployment register, but they are without work. In areas such as Pembrokeshire and Anglesey, the official male unemployment rate is more than twice as high as for the rest of Wales. Even

those in work suffer among the lowest wage rates in Britain. Ill health and disability is rife in the south Wales valleys in particular, where the rate of limiting long-term illness is more than 60 per cent. higher than the Great Britain rate. That is a terrible indictment.

Those problems have been at the forefront of our thinking on the analysis in "Pathway to Prosperity", our new economic agenda for Wales, which the Government published yesterday. We did so for the first time with a video link conference throughout Wales. The Secretary of State was able to take questions, including some from Caernarfon, Wrexham, Newtown and Newcastle Emlyn, not forgetting Swansea. The chief executive of Gwynedd county council welcomed the document, and we are grateful for that.

The document is an important milestone and there will be a full opportunity to debate it next Monday. One of its themes is the need for a pronounced and decisive shift of effort to those areas that are most in need, notably west Wales and the valleys. The area must have the infrastructure that it needs, key industries must be fostered, small businesses must receive the support that they need to grow, and communities and individuals must be given the opportunity and facilities to sustain them. This programme depends on a powerful and productive partnership between the public and private sectors and we are determined to secure one.

Concern has been expressed about tourism. I fully acknowledge that the Welsh tourist industry, which is vital to the economy of west Wales, is under real pressure. Increasing competition—

**Mr. Deputy Speaker (Mr. Michael J. Martin):** Order.

## Illegal Encampments

12.30 pm

**Ms Gisela Stuart** (Birmingham, Edgbaston): Every year, with the onset of spring and summer—although this year the onset of summer has been some time coming—all elected representatives begin to fear one particular telephone call. It usually comes on a Saturday evening, and it is that some 30 caravans have descended on one of the public spaces in our constituency. We are asked, "What are you going to do about it?"

The problem arises every year and we try to deal with it. Once summer has passed and the pressure eases off, the determination to work out a defined plan goes with it. Therefore, I am grateful for the opportunity to raise the matter today, more in anticipation of difficulties in Birmingham—which we have experienced from year to year—rather than because there is an acute problem.

I chose "Illegal Encampments" as the title of the debate quite deliberately. I am not referring to Romanies and other people with an alternative life style, who have the right to be protected. They have the right to expect us to treat them as seriously as we treat our constituents. I am talking about cowboy builders and traders who use mobile phones to do business from public sites. They cause havoc for neighbouring communities. They cannot be traced when anything goes wrong—they move on and leave devastation behind.

I shall never forget the Ley Hill estate last summer, when some 30 caravans and their owners occupied one of the parks. The devastation they caused was more like an invasion of the original tribe of the Vandals than the pursuit of an alternative life style. The village hall's windows were smashed and wooden fences were ripped apart. Several cars were dismantled and torched; one caravan was gutted and dismantled. They even left bits of kitchen units behind. I had some difficulty explaining how they came to be there. They also left behind soiled clothes and general household rubbish. There was fly tipping. My powers of description are inadequate, but I know that hon. Members will be familiar with the scene that I am trying to describe.

I am talking about cowboy builders and tradesmen, unsafe working practices, stray dogs, noise nuisance from generators and fly tipping of commercial as well as domestic waste. Local residents feel threatened, intimidated and helpless. They turn to us and say, "What are you going to do about it?" If a local authority serves notice, the whole process of eviction can take up to 10 days. That may not seem a long time, but try living next to one of these sites and 10 days is a very long time.

The problem appears to be seasonal; during the summer, tarmacing and double glazing businesses are pursued from public spaces. During the winter months, the traders move to more permanent and, I assume, more comfortable surroundings.

I know that some of my hon. Friends feel that it is not especially useful to try to draw a distinction between real travellers and cowboy business men with their anti-social behaviour. I understand that it may be difficult to define that distinction in legislation, but I can assure the House that our constituents do not care a great deal about the finer legalistic difficulties; they are exposed to nuisance and they want us to deal with it.

**Mr. Brian White** (Milton Keynes, North-East): Does my hon. Friend accept that part of the problem is that the

*[Mr. Brian White]*

Criminal Justice and Public Order Act 1994 means that local authorities have to deal with the problem on an individual basis? Could not part of the solution be a return to a designated area, which might solve some of the problems she has described?

**Ms Stuart:** I accept my hon. Friend's point and I am grateful to him for raising it.

How much of a problem are illegal encampments? Birmingham city council suggests that the number of encampments is not rising, but the number of complaints is. There is a little sophistry here—if the number of complaints is rising it is because people are getting very tired of the absence of any co-ordinated action. The council also made the point, which I accept, that, as the city has changed and there are now fewer derelict factory sites—which the travellers used to use—travellers have moved to more publicly visible spaces, which has provoked a more open public response.

The council also suggested that, because of public hostility, travellers feel the need to travel in larger groups for security. I accept that, but the travellers are not an homogenous group. People who want to pursue an alternative life style, such as gipsies, may want to travel in larger groups, but cowboy business men do not need to do that.

No evidence from national figures is available. When I raised the issue with the council, it said that when travellers are moved on they simply go to another area and cause the same problems there, which does not resolve the underlying problem. I am reluctant to accept that. We have no national figures that show the true extent of displacement, but I am convinced that a significant section of the transient business community could be discouraged from continuing with the practice.

When travellers descend on public spaces, where do we ask them to go? Birmingham has two properly supervised sites—one run by the local authority, the other private. One is in Castle Vale, the other in Aston. They can accommodate some 20 vans. However, I am far from convinced that the sites are properly managed. At one, internecine disputes between groups of travellers means that the minute one group moves on, warfare breaks out. I understand that the National Gypsy Council tried to intervene. One of my colleagues has told me that some of the travellers are on the electoral register, with the caravan site as their address. That gives a degree of permanency to the sites, which is not what was intended. The sites in Birmingham are not properly used.

When there is an invasion of a public space and the travellers move on after 10 days, at the most, we are left with the bill for clearing up. Birmingham city council has spent £300,000 over the past two years on clearing up such public spaces. That is unacceptable.

I understand that, in the last week of June, 20 caravans were illegally parked—compared with 70 last year. I have some doubts about the comprehensiveness of the figures. Perhaps one reason for this year's figure being slightly lower is the particularly successful police operation at Woodgate Valley country park a few weeks ago. Some 30 caravans were on the move and local residents tipped off the police. When the travellers reached the park, they began to dismantle a wooden fence. The police arrived and Inspector Pepper told them that they could either face charges of criminal damage—they had been caught red handed—or they might like to move on. They decided that, on balance, they would like to move on.

What would happen if the police brought criminal damage charges against 30 caravan owners? They have the power to impound some of the vehicles, but if the owners are charged and taken to the police station, the administration is time consuming and bureaucratic and probably will not help in the long run.

**Miss Melanie Johnson** (Welwyn Hatfield): I fully support my hon. Friend's argument and should like to add a further point to the one she has been making. In Hertfordshire, we have similar problems with encampments, which impose substantial costs not only on the police and local councils, but on private individuals. A number of private individuals in my constituency have incurred considerable expense either making security arrangements to stop people encamping on their land or remedying the effects of such encampments. Harassment of many members of the local population when dealing with travellers is another problem. Does my hon. Friend think that that is also a problem in her area?

**Ms Stuart:** Yes, I can confirm that it is a problem in my area. Some of the remedies that I should like the Minister to consider would address the problems of both private individuals and local authorities. My hon. Friend's intervention was therefore very timely.

Speed—being on the spot almost immediately—is the essence of resolving the problem, as it is almost too late once an encampment has been established. We have to have good co-ordinated action involving a variety of agencies, which must act simultaneously and with one purpose. We also require good local intelligence—perhaps almost as an extension of neighbourhood watch schemes.

We must also not overlook the availability of properly supervised traveller sites. Such provision is essential. It is perhaps a pity that local authorities are no longer under a statutory duty to provide sites. Nevertheless, as I said, I do not accept that lack of sites in Birmingham can be used to justify lack of action. The problem is one of supervision.

Birmingham city council has not entirely ignored the problem, and I give it credit for the advances that it has made. The council has committed £108,000 to secure—as my hon. Friend the Member for Welwyn Hatfield (Miss Johnson) described—five public open spaces that have frequently been used by travellers. Although, unfortunately, all five sites are outside my constituency, I shall certainly continue to press for securing the more vulnerable ones.

**Mr. Robin Corbett** (Birmingham, Erdington): Two of those sites are among about five in my constituency that are regularly abused by itinerants. I hope that the Government's Crime and Disorder Bill—which puts responsibility on councils, in partnership with police and local organisations—will show that partnerships are one way of preventing such illegal trespassing, which is what it is, and finding swifter means, by building local crime action plans, to combat trespassing when it happens.

**Ms Stuart:** I am grateful for my hon. Friend's intervention. I very much support his comments.

Although securing sites by installing concrete bollards, for example, is useful, it is only a delaying tactic.

**Mr. Richard Burden** (Birmingham, Northfield): Although I am aware that my hon. Friend has to finish her speech, I should like to say that one of the sites—Barnes hill—is in my constituency. She will be aware that it is a great tribute to the area's residents that security measures are now being installed there. They co-operated with the local council and me to ensure that scenes of devastation such as she saw in Ley Hill could not happen there. Does she agree that our hon. Friend the Member for Birmingham, Erdington (Mr. Corbett) is right: we need better co-ordination, which must operate both inside and outside working hours? All too often, the system seems to grind to a halt once 5 o'clock comes along.

**Ms Stuart:** I thank my hon. Friend. He is absolutely right.

Do we—as we are constantly told—require new legislation? Birmingham city council's environmental services committee presented proposals to Birmingham Members and asked us to push for new powers allowing local authorities, once they had made proper provision for alternative sites, to ask police to require travellers to move on to those sites within 48 hours. Although that is a very tempting solution—which should perhaps be pursued with another Minister—I have a difficulty with the proposals because they define a gipsy as a person of nomadic habit of life, whatever their race or origin, but do not include members of an organised group, travelling showmen or persons engaged in travelling circuses who are travelling together as such.

I am worried that such definitions get away from the real problem—anti-social behaviour. We object to such behaviour—by whomever and in pursuit of whatever life style. We have to deal with it.

What can be done? It is a difficult problem and there is no easy solution. Travellers form an extremely diverse community. Very often, that diversity of backgrounds and purposes is used as an excuse for doing nothing. I am no longer prepared to accept that excuse. We have reached a stage at which we often mistake activity for achievement—thinking that we are achieving something by holding yet another meeting to discuss a difficult problem. The time has come to deal with the problem.

**Dr. Tony Wright** (Cannock Chase): The problem that my hon. Friend is describing exists in the outer conurbation—it certainly exists in south Staffordshire and Cannock Chase. The issue has previously been discussed as it applies to the shires, but the urban aspect of the issue is the pressing one. Although my hon. Friend has discussed some solutions, my meetings with police suggest that only two things are required: moving-on power, to which I should add power to impound vehicles, and the provision of sites. I speak as someone who was stoned by some of the people she has described when trying to make those points to them.

**Ms Stuart:** I thank my hon. Friend for his intervention and am delighted that—by the looks of it—they missed.

I stress that I take traveller welfare issues extremely seriously. I am not dealing with those issues more explicitly in this debate because of time limitations and the fact that I want to deal with co-ordinated action.

The Crime and Disorder Bill provides us with a unique opportunity—it imposes a duty on local authorities—with police, to make provision for safe communities. I should like the plans to include specific proposals to deal with illegal encampments and to state who will be responsible. Who does one telephone on a Saturday afternoon? Who will man the telephone lines? As my hon. Friend the Member for Birmingham, Erdington (Mr. Corbett) said, it is entirely unacceptable that—as happened last year—a city council does not start until the Tuesday morning following a bank holiday to deal with an encampment that started the previous Friday. The Crime and Disorder Bill's safer community strategy will provide us with power to take immediate action.

We should establish a communication system so that people know there is a hotline and who to telephone if they see encampments on the move. They should be clear about whether police or the local authority are responsible for reacting to reports. We need fast and reliable information.

The public have a role to play not only in providing information but in taking some responsibility for the problem. It is no good complaining one week about cowboy traders but using those traders the next week to fix the driveway. There is some inconsistency in behaviour which will have to be resolved. We will have to make it clear to people that a natural consequence of using cowboy traders is that those traders will be attracted to an area.

I should like other agencies to be involved in the matter much more swiftly and with much greater co-ordination. I expect those who do business from open sites to pay tax. I therefore expect the Inland Revenue, Customs and Excise and the Benefits Agency to take some interest in such trading. The action should be co-ordinated—even at the risk of stoning—and possibly include police.

Illegal encampments are a local problem with national implications. I urge the Minister to assess the various local strategies to develop a national strategy. We need agreed and enforceable protocols. We cannot continue with the current arrangements whereby responsibility is shifted from one agency to another. At the end of the day our residents suffer and, to add insult to injury, they are also left to pick up the bill.

12.49 pm

**The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Nick Raynsford):** I congratulate my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) on securing a debate on a subject that I know is of very great concern to her, to many of my hon. Friends who are here today and to residents and businesses in her constituency. I fully take on board the concerns that have been voiced about the particular problems experienced in the west midlands.

We do not underestimate what an appalling nuisance unauthorised encampments can be. I and my ministerial colleagues have met a number of local authorities and hon. Members to discuss the issue, and it is not surprising that correspondence about it continues to feature heavily in my postbag. We liaise regularly with our colleagues in the Home Office, who have responsibility for police powers to deal with trespass on land and with criminal activity, whether by gipsies or by anyone else.

**Mr. Geoffrey Clifton-Brown** (Cotswold): On that very point, perhaps the Minister or his colleagues in the Home

*[Mr. Geoffrey Clifton-Brown]*

Office will be able clarify a matter that I am raising on behalf of the Country Landowners Association, of which I am a member. Can the Minister confirm that the Wealden case did not apply to section 61 of the Criminal Justice and Public Order Act 1994, but only to section 77, which applies to local authorities, and that therefore the police can take action even though the landowner concerned may not have taken civil action first? I appreciate that it is a highly technical point and I should be grateful if the Minister would respond by correspondence in due course.

**Mr. Raynsford:** As the hon. Gentleman recognises, he has raised a highly complex issue and, rather than give a brief response on a matter of which I have had no prior notice, I would prefer to write to him and I undertake to do so.

On a more positive note, however, our latest biannual count of gipsy caravans shows the lowest number ever on unauthorised sites. For the first time the figure has fallen to below 20 per cent. of the recorded number of caravans, compared with 50 per cent. when the counts began almost 20 years ago. Some of those vans will be on sites that are tolerated, even without planning permission. The remaining 80 per cent. of caravans are on local authority or authorised private sites.

Before moving on to talk about what the Government are doing to tackle the problem of unauthorised camping, let me make it clear that we recognise that not all gipsies and travellers cause problems. The Government have no quarrel with those who pursue a nomadic way of life. Many gipsies are keen to follow their travelling way of life in peace and are keen to provide sites for themselves or to secure places on authorised sites. In addition to meeting those concerned about unauthorised camping, I have met several groups representing gipsy and traveller interests to gain their perspective on a travelling way of life.

As I have said, it is clear from our biannual count of gipsy caravans that there is a persistent problem with unauthorised camping in the Birmingham area, and I understand the wishes of my hon. Friend's constituents to have something done about it. I understand that she has put forward proposals to the Minister of State, Home Office, my hon. Friend the Member for Cardiff, South and Penarth (Mr. Michael) for changes to the law that her local authority considers would enable it and the police to deal more effectively with unauthorised camping.

Of course, it is for my hon. Friend the Minister of State the Member for to respond in detail to those proposals. I understand that he is to meet my hon. Friend the Member for Edgbaston to discuss the matter further. He has certainly made it clear that he will do so.

In the meantime, I know that my right hon. Friend the Secretary for the Home Department is deeply concerned about the disruption and misery that can be caused by unauthorised encampments. The police have a wide discretion under sections 61 and 62 of the Criminal Justice and Public Order Act 1994 to remove people who trespass with a view to taking up residence. Enforcement of the law is the responsibility of chief police officers. The Government urge them to use their powers in relation to trespass whenever appropriate. The law makes no distinction between travellers and anyone else, and applies to anyone who acts in a way which society finds unacceptable.

**Mr. White:** Does my hon. Friend accept that it is often easier for police and local authorities to negotiate travellers to move on than it is to use the powers that are available to them, and that that is part of the problem?

**Mr. Raynsford:** I shall come to the specific procedures in a moment, but I wanted to make it absolutely clear that the police have powers to remove people. There is no question about that.

The Government are under no illusion about the nuisance associated with many unauthorised encampments. If there is evidence of criminal activity on an unauthorised site, of course it is right that the police should deal with that as they see fit, just as they would with members of the settled community.

I have seen the proposals for changes in the law to which my hon. Friend the Member for Edgbaston has referred, and I have given some thought to the policy issues relevant to my Department, in particular the proposals that affect local authorities. The proposals appear to envisage a return to the position in part II of the Caravan Sites Act 1968, which is now repealed, which placed a legal duty on local authorities to provide sites for gipsies, as then defined. Once a local authority had provided adequate sites, or the Secretary of State had deemed it not necessary or expedient for them do so, the authority's area could be designated by the Secretary of State as an area where gipsies camping on certain categories of land were committing an offence.

The provisions in the 1968 Act resulted in a good number of sites being provided by local authorities, and there is a network of well over 300 sites providing some 5,200 pitches for gipsy families. We want those sites to remain open and available for gipsies to use if they wish. They should also be properly managed. My hon. Friend the Member for Edgbaston referred to that important issue. I understand that one site in Birmingham can accommodate up to 15 caravans and that the last five biannual counts indicate that there may be vacancies on it. That may be associated with the management difficulties to which my hon. Friend referred.

However, the overriding demand from gipsies is for sites owned and managed by gipsies themselves. That came across very strongly in the meetings I had with gipsy representatives. The proportion of vans on privately owned sites has more than doubled in the past 20 years, but, in the same time, the number of vans on local authority sites has increased by only a third. The January 1998 count revealed that a new privately owned site, with planning permission, has emerged in the Birmingham area, which in January was accommodating five caravans.

**Dr. Lynne Jones** (Birmingham, Selly Oak): The council has identified that providing for all the unauthorised campers would require an additional 70 places. My hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) referred to the seasonality of the problem. Surely we need to establish the origin of some of the travellers. Rather than being taken to local sites, they should be sent packing back to where they came from or where they stay in the winter.

**Mr. Raynsford:** I should make two points to my hon. Friend. First, the provision of local authority sites in

Birmingham reflects the level envisaged as appropriate for Birmingham to meet its responsibilities under the 1968 Act. I am not sure whether further extensive provision to meet the needs of a substantial number of additional people who may well be transients is necessarily appropriate, given the seasonal factors to which she referred. Secondly, it is extremely difficult to anticipate whether and when people of a genuinely nomadic life will arrive in a particular place; therefore, there have to be proper arrangements in place to cope with the particular problems generated by unlawful camping, which is often the consequence.

The provision of sites for gipsies under the 1968 Act required a tremendous level of local political will to identify and produce sites that were acceptable both to gipsies and to the local community. I can see no reason why local authorities today would find it any easier to secure such sites. It involves difficult decisions, often against considerable local opposition, so I am somewhat sceptical about the proposed changes in the law back to the 1968 model.

It is clear that the authors of the proposals my hon. Friend the Member for Edgbaston described recognise that there will be a need for further sites to ensure that gipsies will have somewhere lawful to camp. Local authorities already have discretionary powers to provide further permanent sites if they consider it necessary. Alternatively, if the gipsies concerned are visiting the area for short periods, they can consider the provision of temporary, tolerated sites on council owned land. Circular advice to local authorities from my Department already advocates the provision of such sites in local authority areas to cater for the needs of those visiting the area for short periods.

The provision of short-stay sites with sanitary and refuse collection facilities can do much to ameliorate nuisance and should deter some gipsies from camping on more unsuitable public or private land. My hon. Friend the Member for Edgbaston rightly drew a distinction between genuine gipsies and people whom she described—probably rightly—as cowboy builders. It is important to recognise that the Government are determined to ensure that effective action is taken against people who camp unlawfully and cause immense nuisance and trouble to others. In consultation with the university of Birmingham, we have therefore been developing good practice on the handling of unauthorised camping. Work on that is proceeding apace; there will be an announcement in the autumn. Obviously, we are also working with the Home Office and other Departments.

In the meantime, I am sure that Birmingham city council appreciates the importance of working closely with the police in dealing with this issue. Inter-agency agreements—

**Mr. Deputy Speaker (Mr. Michael J. Martin):** Order.



## Village Schools

1 pm

**Mr. David Prior** (North Norfolk): It is a great privilege to secure this Adjournment debate on village schools and rural communities—it is disappointing that not a single Liberal Democrat Member is present to listen to it.

When I became the Member of Parliament for North Norfolk more than a year ago, I was unaware of the extent of rural deprivation. I knew what poverty was like in cities such as Birmingham, Sheffield and Glasgow because I had lived and worked in such places. Poverty is much less obvious in small rural villages, but it is just as serious. Industrial areas have suffered great change, but, to some extent, have been cushioned by inward investment and Government spending. Rural areas have faced similar changes, but without the cushion.

The change has been insidious; village life has progressively had the heart torn out of it. In my village, there is no longer a school, a pub or a shop. The church is hanging on by its fingernails. Public transport in many areas is a joke. Market towns are facing competitive challenges from supermarkets and big-city shopping complexes, and as a result of changes in agriculture. Housing, especially in coastal and other tourist areas, is being priced out of the reach of local people. Some villages are in danger of being populated solely by retired people and holidaymakers.

That is the social background against which politicians must assess the importance of village schools. The Minister for School Standards will know that I intend to raise the future of Potter Heigham first school: I visited the hon. Gentleman only 10 days ago with the school's chairman of governors and head teacher, the vice-chairman of the parish council and a parent of a child at the school. I raise the subject of Potter Heigham both because I feel passionately that the school and its children deserve a future and because it raises wider issues.

**Mr. Geoffrey Clifton-Brown** (Cotswold): On such wider issues, does my hon. Friend agree that the decision whether to keep open a village school is often taken purely on financial grounds, without giving proper consideration to the children, who, on the closure of their school, must be bussed much greater distances to another school in the local town, thereby making their school day very long and their schooling programme much less satisfactory?

**Mr. Prior:** I fully agree with my hon. Friend. I shall draw out some of those points later.

Potter Heigham parish council has written as follows:

"The whole structure of our village and way of life would be gravely affected by the loss of the School.

We would be condemned to a retirement village with an ageing population. Young people with families would no longer come and live here, and those already here will move away to where there is a local school.

We feel that children are an essential ingredient in a balanced society and the children and School play an important role in the local community.

The School holds a Nativity Play, a Harvest Festival and a Carol Service. They sing regularly at the Old People's Home and appear every year in the Christmas Pantomime run by the local drama group—all this will be lost to our village if the School is closed.

The loss of young persons in the village will also affect various Village Hall-based clubs:—Playgroup, Brownies and Cubs will all fold through lack of numbers . . . There would be a domino effect on local amenities and societies".

The parochial church council has written:

"The PCC has always had links with the School. The village children have held their own services in the Church . . . Closing the School will result in those village children whose parents do not take them to services, never having the opportunity to get to know the Church building and its associated activities. Whichever school they attend will naturally have links with its own village Church.

The Church and other village organisations would lose the vital energy that young adults bring to them, besides the enjoyment of young children participating in village life. The result would be a steady and unstoppable decline in village activities".

Elderly residents of Potter Heigham have written:

"As elderly residents of Potter Heigham, we realise the value of having a School in our village. Young families are vital to small rural communities such as ours, otherwise a village dies. We enjoy visiting the School several times a year for functions such as shows, fetes and the School's Nativity Play."

A group of past pupils has written:

"The presence of the School in the village engenders a community spirit which stays with children throughout their education, and helps provide a sense of identity. All children and parents know each other, and can provide support for each other; for example, pupils have familiar adults present if their parents are late."

Those statements are more eloquent than any words of mine could be.

I should add that transport is another key consideration. in the debate. In Norfolk, home-to-school transport costs £11 million a year. The closure of village schools will add to that, as well as putting more cars on already-congested roads. The Minister should be in no doubt that village schools go to the heart of the rural community. I know that he spent some time as a child in Coltishall in Norfolk, so he will be well aware of those facts.

Village schools do far more than I have so far described. Being part of the community would not be enough if they did not also provide excellent education for our children. I ask the Minister to go to North Norfolk to see for himself. Last week, he was in North-West Norfolk, where he said, if the newspapers are right:

"We are investing in schools in rural areas . . . to offer a high quality of education."

He knows that village schools can and do offer excellent education, so long as they have high-quality teaching resources and the support of their local education authority. He went on to say:

"Norfolk's village schools will be protected, so long as they are providing pupils with a high standard of education."

There is a fashionable belief in some quarters that small village schools somehow cannot deliver the national curriculum. That is rubbish, and totally contradicted by all the evidence—certainly in the primary schools that I have visited in North Norfolk. In last year's key stage 2 tests, schools with fewer than 100 pupils delivered the goods: 66 per cent. of pupils reached level 4 or above, compared with the national average of 57 per cent. In science, the figure in small schools was 65 per cent., compared with 54 per cent. nationally. In maths, it was 74 per cent. against 62 per cent.

In July 1996, the present Secretary of State for Education and Employment sent a message to the National Association for the Support of Small Schools. He commended the excellent service that village schools offered both to their pupils and to their communities. He hoped that

"the period of pressure of 'surplus places' is drawing to a close and that we can concentrate instead on developing the excellence that does exist, and recognising the valuable work of all schools, including those that do form the core of the communities."

I—and all those in Potter Heigham and other villages with schools—rejoiced when the Minister stated earlier this year that

"All proposals"—

by an LEA—

"for the closure of a rural school will be called in by the Secretary of State for decision",

and that

"there will be a presumption against closure".—[*Official Report*, 26 March 1998; Vol. 309, c. 672.]

We now want the Minister to honour those words and to send out a message to Norfolk county council and other rural councils that village schools are too important to be allowed to wither and die. Councils and the Government have an obligation to rural communities to provide high-quality local first and primary education. The Minister must make it clear that the deliberate, orchestrated attempt to close Potter Heigham by Norfolk LEA is wrong and must be reversed.

The council seized on a temporary decline in teaching standards—which has since been reversed, as confirmed by the Office for Standards in Education—and a poor head to justify the closure of the school without making any serious effort to address the problem. Indeed, the council encouraged parents to take their children away from the school to help to prove the case against it. That is not acceptable, and I hope the Minister will examine all the facts surrounding the proposed closure with great care.

The matter does not reflect well on the council, and there are local demands that the council's behaviour should be placed before the ombudsman. There are also legitimate claims that it is not just the schools which should face tough Ofsted examination, but the LEA. I can agree with the council in one respect, however. The Government must recognise the extra costs implicit in providing education and other services—especially social services—in rural areas. I accept fully the comments of Bryan Slater, the director of the LEA, who has written to me as follows:

"The issue for Norfolk and for the Government is whether historical funding mechanisms adequately meet the inescapable additional cost of providing education through small schools in the county. A recent study carried out for Norfolk County Council showed that it can reasonably be estimated that the sparsity factor in the existing Standard Spending Assessment falls short by up to £100 per primary age pupil (or about £6 million) for the county in this regard alone. This is in addition to the unsupported additional costs of transporting children to school in the county which are a staggering £50 per school pupil, or about £5 million in total."

The Government must recognise the funding issue. First and primary schools in North Norfolk and other rural counties have been the Cinderella of the education budget for far too long. There are far too many mobile classrooms and dilapidated buildings in primary schools in North Norfolk.

The governors of Potter Heigham and those who live there are not against change—neither am I. In my experience, institutions and organisations never stay the

same—they either improve or get worse. The Potter Heigham village school has been around for over 100 years. It has seen good heads and bad heads come and go. It has gone from being a primary school to being a first school. It has seen its numbers vary between 100 and about 40. It has seen the arrival of Ofsted and the national curriculum. Perhaps above all, it has seen the extraordinary and wonderful rise in the aspirations of parents and children. Children whose ambitions would have been limited both by geography and education and by their parents can now raise their eyes to wider and much more challenging horizons.

Small schools can and do adapt to change. Perhaps we shall see a cluster of village schools sharing a head in that part of North Norfolk. Perhaps the internet, or an intranet between local schools, will provide part of the solution. No doubt nursery education will pose its own challenges. All I know for sure is that village schools, when properly supported, provide a firm foundation for an excellent education, the right transition from home to school and a strong basis for a cohesive integrated local community.

**Mr. Lembit Öpik** (Montgomeryshire): I realise that the hon. Gentleman is coming to the end of his comments, and I thank him for giving way. Does he agree that village schools are important in preventing the depopulation of the countryside, which ultimately becomes inevitable if there is nothing to attract young families?

**Mr. Prior:** I am pleased that the hon. Gentleman has taken his place, and I agree fully with his comments.

For me, and for the people of Norfolk—I am glad to see two other Norfolk Members on the Government Benches—Potter Heigham is a test case. The Government's commitment to village schools will be judged by whether or not the school stays open. I hope that the Minister will reassure us in that regard.

1.13 pm

**The Minister for School Standards (Mr. Stephen Byers):** I begin by congratulating the hon. Member for North Norfolk (Mr. Prior) on securing this debate and on the measured and reasoned way in which he presented the important arguments concerning village schools and the part that they play in the rural community—an important issue.

May I say how pleased I am that the hon. Member for Montgomeryshire (Mr. Öpik) has joined us for the debate? He has been missed over the last few months—certainly by me. I am delighted that he is back in the House and, I hope, fully fit.

**Mr. Öpik:** Just.

**Mr. Byers:** "Just," he says, and I hear the sound of plastic being tapped. It is good to see the hon. Gentleman here.

This is a timely debate. As the hon. Member for North, including Norfolk said, I had the opportunity last Friday to visit schools in North-West Norfolk at the invitation of my hon. Friend the Member for North-West Norfolk (Dr. Turner).

I visited five schools serving that part of Norfolk, including Magdalen primary—where I saw a good example of a village community supporting a school by offering the use of the village hall to ensure that the school has a vibrant and successful future. I visited Terrington St. John primary, to see at first hand the difficulties of an old building having to be adapted to meet the needs of the new national curriculum. I visited Harpley primary school, which serves a clearly identifiable community—and I was pleased to be there on the day that my right hon. Friend the Secretary of State announced not only more than £1 million for Norfolk schools as a whole, but £72,000 specifically to ensure that the pupils of Harpley primary would no longer have to suffer the indignity of using outside toilets. I visited Smithdon high school in Hunstanton, to see the links it has developed as a high school with local primary schools, serving a rural community, and I visited Brancaster voluntary controlled primary on the north Norfolk coast—a very small school whose education difficulties and problems of a few years ago have been turned round by the devotion and hard work of a good and effective head teacher.

That visit showed clearly the commitment from heads, teachers, parents and the community, and brought home the very important role that schools play within the community. Schools are part of an active community, and that is particularly important when we consider their role in rural areas. That is why the Government support rural schools. We are aware of the problems that may arise if there are smaller numbers of children in a catchment area. However, it is not good enough to say that we support rural schools—we have to do more. We have to offer practical help and assistance.

Clearly, one of the major concerns of village schools is the threat of closure. We heard from the hon. Member for North Norfolk about his concerns about Potter Heigham, and I shall say a few words about that school later. It is worth reflecting on the fact that, since 1983, some 450 rural schools have been closed. I would not wish to suggest that none of those schools should have been closed—clearly there will be occasions when it is wholly appropriate through amalgamation or closure to provide the sort of education that our children deserve.

Having looked at some of the schools that were closed—I have to say, under the previous Government—I am in no doubt that, had the previous Government adopted a presumption against closure, as we have done, a number of schools would have been saved. We have adopted a presumption against closure because we recognise that a rural school is often the focus of village life.

If a rural school closes, it affects not just the pupils attending the school but the wider community. That is why we announced last February that proposals to close rural schools would be called in for decision by the Secretary of State and that there would be a presumption against closure. That policy is now in operation. No rural school will be closed until all the issues have been considered carefully, including any points made by local people. The onus will be on the promoters of closure to provide clear evidence that a school should be closed.

**Mrs. Theresa May** (Maidenhead): Will the hon. Gentleman clarify that point? He confirms the statement that he made at the time of the countryside march earlier this year, that decisions to close rural schools would be called in by the Secretary of State. The Government resisted attempts to enshrine that policy in the School

*[Mrs. Theresa May]*

Standards and Framework Bill, but will they now give it a legislative framework, rather than merely asserting it in the House?

**Mr. Byers:** We are in danger of rehearsing a debate that we have already had. As we said in our discussions on the School Standards and Framework Bill, it is not appropriate to specify in a Bill the detailed criteria that the Secretary of State must consider. However, in exercising his powers to decide whether a school serving a rural community should be closed, the Secretary of State will make a presumption against closure. I have put that on the record and, if people feel that we are ignoring that criterion, they can take action against the Secretary of State through judicial review.

The hon. Member for North Norfolk mentioned standards in small schools. He was right to say that it is almost an assumption in some quarters that small schools cannot deliver a quality education. However, it is clear that they can. He referred to the excellent results that schools with fewer than 100 pupils attain. The independent inspectorate Ofsted has also said that there are many effective small schools and that small schools do not disadvantage their pupils in terms of standards or the national curriculum and the breadth of the curriculum that can be offered.

All schools, whether they be small or large, whether they serve a rural or an urban area, need the same things—strong management and good teachers—to deliver the quality of education that we all want. Obviously, small schools find it more difficult to offer the range of activities that are available in larger schools, but there are many examples of small rural schools which, with imagination and flair, offer a whole range of experiences to those children for whom they are responsible.

I do not have time to go into great detail about how that can be achieved, but I want to give three examples of small schools in rural areas that have met the challenges that they faced. Hornton primary school in Oxfordshire has 49 pupils. It has developed a productive partnership with parents and governors; it has good teaching and excellent support from adults in the classroom; the environment is imaginatively used; and the school is the focal point for the community.

Temple Sowerby Church of England school in Cumbria has 30 pupils. Its philosophy and aims are strong and it enjoys good leadership. It has a rich curriculum, which is enhanced by good use of outside activities. Again, the school is well led by a head teacher who expects and requires high standards.

Thornton in Craven primary school near Skipton in North Yorkshire has 24 pupils, but its standards are well above average. There are high expectations and standards throughout. The school has an exciting and challenging curriculum, and excellent use is made of school grounds, visits to museums and education resource centres. There are many other examples across the country of small schools in rural areas that offer a rich diversity of provision and high standards of education.

The hon. Member for Maidenhead (Mrs. May) referred to the procedures that must be followed when closure or a significant change of character of a school is proposed. First, the local education authority must consult all interested parties. Detailed information must be given on all the options, and the responses that are received as part of the consultation exercise must be listened to carefully. The LEA can publish its proposals for a school only when it has considered all the views and, if there are disagreements, all the objections. The proposals must say who may object, and to whom their objections should be sent.

A copy of the published proposals must be sent to the Secretary of State; Ministers will consider them very carefully, along with any objections, before arriving at a decision. In doing so, Ministers will take into account the views of Ofsted about the quality of education that is offered, but we shall also consider other factors, including the accessibility of alternative schools—and the length of bus trips to them—the standards of those schools and the effect of closure on the local community. Those who promote the closure of a village school will need to consider those significant factors if they want to rebut the presumption against closure.

The hon. Member for North Norfolk mentioned the proposals for Potter Heigham county first school, which the Department is currently considering. He will understand that it would not be appropriate for me today to deal with the issues that he raised, but I assure him that I shall take them into account before a final decision is made. I shall also take into account the points that were made so effectively by the delegation of concerned parents, teachers and people from the local community that he brought to meet me some 10 days ago. I am conscious that people want a decision to be made, and I hope that we shall be able to arrive at one in the near future.

The hon. Member for Maidenhead referred to the decision-making procedures. As she knows, the School Standards and Framework Bill contains proposals, through the establishment of school organisation committees, to devolve the power to determine school closures to local level. I assure the House that the Secretary of State will ensure that the presumption against closure of a rural school will form part of his guidance to those committees on how to determine applications; the committees will have to take account of the needs of local communities in arriving at their decisions, as will any independent adjudicator to whom the issue is referred.

The key must be to raise standards in our schools. That applies to rural schools as much as to schools in urban areas. Rural schools face particular challenges, but, as I said, those challenges can be met. We need to find new ways in which to ensure that children in rural schools have the opportunity to progress and achieve the highest standards.

I believe that we can harness the new technologies to assist small rural schools and communities. The STARS—superhighways teams across rural schools—project, for example, has created a network of schools in isolated rural areas across the north and north-west of Scotland, with the aim of enhancing provision for able pupils. Eighteen small primary schools with four teachers or fewer and two secondary schools have taken part in the project, with excellent results. In Argyll and Bute, effective use has been made of new technology to enhance the curriculum, extending opportunities for teaching and learning and supporting the management of schools and

co-operatives. Forty small rural schools participated, using a combination of text and video conferencing, e-mail and fax.

New technology can be harnessed to provide a lifeline to small, rural schools, and I am pleased that, through the national grid for learning, we have been able to help Norfolk—to the tune of £1.6 million—to improve information technology. As we develop the national grid, we shall similarly help schools across the country.

There can be no doubt that a small school in a rural area plays an extremely important role. The Government recognise and intend to address the issues not only by fine words but by deeds, ensuring that schools are given the support that they deserve and need.

This debate has provided a timely opportunity to discuss the importance of rural schools and the communities that they serve. A school is part of a community, and sees it through good times and bad. Because we value the role played by rural schools, we have taken practical steps to help them and to safeguard their future.

We look forward to working with rural schools and the communities that they serve to raise standards and provide children with the quality of education that they deserve.

## Women (Science and Engineering)

1.30 pm

**Dr. Phyllis Starkey** (Milton Keynes, South-West): I should perhaps declare an interest as I am a woman scientist, although, unless the electorate decide otherwise, I do not intend to return to my scientific career.

The importance of science, engineering and technology to Britain's future prosperity is well recognised and has been stressed by my right hon. Friends the Prime Minister, the President of the Board of Trade and the Chancellor of the Exchequer. If we are to build a truly competitive economy, we need to develop the new industries that exploit the opportunities provided by science and engineering, and especially biotechnology and electronics, and a key component of that strategy is to ensure that we have qualified scientists and engineers to work in those high-technology industries.

The pharmaceutical industry, which is arguably the industrial sector in which Britain is most competitive internationally, is already expressing concern at the shortage of suitably qualified scientists, and the engineering industry, including some firms in my constituency, is seriously affected by skills shortages. In that context, the under-representation of women and girls in science and engineering is of great concern.

In 1993, although 60 per cent. of university students in the biological sciences were female, women accounted for only 30 per cent. in maths and the physical sciences, and only 14 per cent. in engineering. How can we hope to meet future needs for scientists and engineers if half the population is excluded?

The previous Government, to their credit, began to recognise the problem, which was documented in the report, "The Rising Tide", published soon after the science White Paper, "Realising Our Potential". Measures were introduced to try to encourage girls and women to take up scientific careers, and those have been built on and extended by the present Government.

Much attention and activity, including the Engineering Council's WISE—Women in Science and Engineering—campaign, have focused on making science education more girl-friendly. The problem for girls is not only getting in, but getting on. There is considerable qualitative research evidence suggesting that women actively choose not to enter science and engineering professions because they perceive that they offer them poor promotion prospects. A report by the Prism group of the Wellcome Trust in 1994 documented a feeling among women science undergraduates that science had a masculine culture of which they did not want to be a part.

There is little quantitative data on women's participation in science in the private sector, so most of the statistics that I cite will relate to the academic sector, but anecdotal evidence suggests that women scientists experience the same difficulties in both the private and the public sectors.

In 1994, although 17 per cent. of all university science academics were women, they were disproportionately concentrated in the lower echelons, constituting 19 per cent. of all science lecturers, but only 5 per cent. of all readers and senior lecturers and only 2 per cent. of all science professors.

*[Dr. Phyllis Starkey]*

A recent study by Fielding and Glover of the occupational destinations of women science and engineering graduates, funded by the Engineering and Physical Sciences Research Council, showed that only 15 per cent. were employed as professional scientists or engineers, compared with 31 per cent. of the equivalent male graduates.

Most women science graduates are employed in teaching and in non-professional jobs for which they are overqualified. That represents not only a limitation for the women involved, but a considerable underuse of public resources. It is expensive to train engineers and scientists, and it must be of general concern if a high proportion of those trained choose not to stay in science and engineering, even when jobs are available.

Given the apparently poor promotion prospects for women, it is not surprising that they choose not to enter science. I want to focus on one factor that may contribute to women's problems in getting on in academic science: the difficulty in successfully competing for research funding. That funding is absolutely essential for scientists to establish themselves as independent investigators and progress up the academic promotion ladder.

Last May, a paper was published in *Nature* by two Swedish women scientists, Christine Wenneras and Agnes Wolde. The authors used Sweden's freedom of the press rights to gain access to the scoring system used by the Swedish Medical Research Council in assessing candidates for post-doctoral fellowships.

It was already public knowledge in Sweden that women had a lower success rate than men in the fellowships. The panels that award them base their assessment of each applicant in part on a score for scientific competence, the most objective measure of which is given by a person's record of scientific publication, which would consist of both the number of articles and the quality of the journals that published them. Wenneras and Wolde showed that women were consistently marked down by the assessment panel, and on average a woman needed to have published 2.6 times as many papers as a man to be awarded the same competence score.

The publication of the Swedish study raised concerns in this country about the appraisal methods used in allocating research funding here. In response to that concern, my right hon. Friend the President of the Board of Trade asked the director general of the research councils to investigate whether their assessment methods for allocating both grants and fellowships were free from any bias against women.

The director general reported that the success rates of men and women applicants for funding were similar, and that there was no statistically significant evidence of a bias against women. That is confirmed by figures given to me in parliamentary answers and by a study by the British Medical Research Council, published in *Nature* in December 1997.

Will the Minister ask his officials to examine more closely the systems used by the research councils? The strength of the Swedish analysis was that the competence scores of all the applicants, both successful and unsuccessful, were compared with an objective measure of their scientific output, whereas the director general's analysis merely compared success rates, which would demonstrate an absence of bias only if the quality of the male and female applicants was exactly the same, and I shall expand in a moment on why the quality of female applicants might in fact be expected to be higher. The director general should be asked to look again and consider whether candidates of equal competence are assessed equally, regardless of gender. The research councils should also be asked to monitor their own assessment procedures internally to ensure that British peer review panels, unlike their Swedish counterparts, do not discriminate in favour of men.

In questioning whether equal success rates really reflect a lack of bias in assessment, I pointed out that women and men applicants might not have equal competence. The most striking statistic in relation to research council funding is the percentage of women among the applicants. Even in the biological sciences, which have the highest proportion of women graduates, only about 15 per cent. of applicants for project and programme grants from the Biotechnology and Biological Sciences Research Council are women, for the Natural Environment Research Council, the figure is only 9 per cent., and for the Particle Physics and Astronomy Research Council, the figure falls even further to 7 per cent.. The percentages are slightly higher for fellowships and grants aimed at new investigators, but even so, they are still low.

I have already quoted data to show the reduction in women's participation as they move up the scientific career pyramid. That must indicate a greater difficulty for women in achieving promotion in science, which suggests that women who have succeeded in establishing themselves as independent investigators—that is, the women who are in a position to apply for research funding—may well be of higher average competence than the much larger group of male applicants who have faced fewer barriers to their career progress. If that is so, one would expect women to have a higher success rate than men if the assessment system were truly without bias.

The low percentage of women among applicants for research funding is an issue in itself. Promotion within academic science depends on publication record and the number of publications depends, apart from on ability itself, on the ability to win research funding for oneself and one's research group. Clearly, the larger the group, the more work it will get done and the more publications it is likely to be in. We need to identify the factors that discourage women from applying for grants and fellowships. It could well be that fewer women are in a position to apply for funding. In most cases, only researchers in permanent positions can make independent applications, which rules out many women researchers as evidence shows that men are more likely to get permanent positions.

The Government have encouraged the research councils and the universities to introduce more family-friendly conditions, including more child care provision, holding women's grants in abeyance while they are on maternity leave and allowing women to take fellowships with them if they have to move from one place to another because of family commitments. I applaud all those measures, which obviously help to make it easier for women to pursue a scientific career and I hope that the Government will redouble and continue their efforts in that way.

However, it appears that the barriers to women's progression in science are more complex than that. Comparisons between the situation in Britain and in France, for example, suggest that the problem is more fundamental. France has a tradition of high levels of support for child care, which is reflected in the fact that most women scientists in France have full-time and relatively uninterrupted working patterns similar to those of male scientists. That is not so in Britain. In addition, academic scientists in France do not have to cope with the same degree of insecurity and mobility as do scientists in British universities. Obviously, that is a factor that tends to affect women more than men. Despite those advantages, French women scientists and engineers experience exactly the same difficulties in promotion as do their British sisters, which suggests a need for a serious rethink about the way in which science is organised.

**Dr. Ian Gibson** (Norwich, North): I congratulate my hon. Friend on this debate, as I have been involved in this matter for some time as a boss in a university department where more than half of the students were female, but where we had only one female member of faculty. It took some brutishness on my part and that of others to increase the number of women, but we managed to get it up to five after much resistance.

Recently, I went to the United States on a Science and Technology Committee visit with my hon. Friend the Member for Birmingham, Selly Oak (Dr. Jones), to find out how practices in science were progressing. Somehow, I had expected more of the United States. Sadly, the situation is just as bad there. The US Congress has now set up a commission, which will legislate to improve matters for women. The battle continues throughout the world and its time has certainly come.

**Dr. Starkey:** My hon. Friend confirms that the problem is extremely complex and that no country has yet managed to crack it.

Furthermore, all the figures I have quoted so far on the percentage of women applying for research funding and on their success rates relate only to that part of the Government science budget that is channelled through the research councils. However, that is only just over a fifth of Government spending on research and development. About £1.3 billion is allocated annually through the research councils and just over £1 billion by the Higher Education Funding Councils for England, Wales and Scotland to finance university infrastructure, but more than £3.5 billion or 63 per cent. of the Government's total science budget, is spent by other Departments including the Ministry of Defence, the rest of the Department of Trade and Industry—apart from the Office of Science and Technology—the Department of the Environment, Transport and the Regions, the Ministry of Agriculture, Fisheries and Food, the Department for Education and Employment and the Department for International Development. All those Departments award research funding by competitive tender, yet when I asked them in written questions to tell me the percentage of women among the researchers that they funded, they were unable to do so because they do not collect the data.

If the Government are serious in their commitment to ensure that they do not discriminate against women researchers—I believe that they are—they need to monitor all their science spending for equal opportunities, not merely the money within the OST budget. I hope that the Minister will be able to take up that point with his colleagues in the other Ministries and urge them to monitor gender balance in the same way as the OST.

I shall end with an allusion to my constituency. Last week, I visited a school on an estate in Milton Keynes where all the streets are named after famous engineers. It is called Energy Village and has many energy-efficient homes. When the head teacher was first appointed to the school, which is new, he noticed that the street names all commemorated famous male engineers. Therefore, he chose to name the school after Caroline Haslett, who was born in 1895 and became the first secretary of the Women's Engineering Society and the director of the Electrical Association for Women. Through the association, Caroline Haslett encouraged the use of electrical power in the home, believing that electricity was the real emancipator of women.

I applaud the efforts of that head teacher in choosing Caroline Haslett's name for his school to give a positive message to his pupils—girls and boys alike—that engineering is not the sole preserve of one sex. However, unless the reality of the barriers to women's progression in science are removed, girls will continue to choose more congenial career options and British industry will continue to be held back by a shortage of engineers and scientists. Making science and engineering more woman-friendly is not merely an issue for women, but one which we have to get right if we are to capitalise as a country on the opportunities of the new technologies.

1.47 pm

**The Minister for Science, Energy and Industry (Mr. John Battle):** First, I thank my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey) for raising this subject, as well as all hon. Members who have stayed to take part or to listen. My hon. Friend speaks with more authority than most of us on these matters. We often ask for role models for women in science and she said, almost apologetically, that she had a former life as a scientist to which she might not return. As a scientist in here, her scientific training shines through in the quality of her contribution and long may she contribute to this House precisely on those terms.

I am tempted to be brief and to say, "Yes, I applaud and agree with every word my hon. Friend has said", and that the Government will take forward her proposals in a practical and direct way. I am grateful to her for her comments.

We must not continue to risk wasting the talents of more than half the population. If we do not allow women's talents to be fully developed, we shall jeopardise our future. There is an international problem, but we have much to do. Women are significantly under-represented in almost every area of research and employment in science, engineering and technology. In those areas, women work disproportionately in junior positions. There is little room at the top for women in science, and that must change. More practical action is required to increase participation.

Since we came into office, my right hon. Friend the President of the Board of Trade—a scientist herself—has actively pursued equality of opportunity and has

*[Mr. John Battle]*

attempted to increase the participation of women in science, engineering and technology, not least through the Department of Trade and Industry's development unit on the subject. She has also worked closely with bodies including the Engineering Council, which is making great efforts.

My hon. Friend the Member for Milton Keynes, South-West said that there are complex reasons for lack of participation. I was encouraged to read an article in *The Independent* by Susan Greenfield, the professor of pharmacology at the University of Oxford. She wrote:

"One of the problems of 'women in science' is that it is not just one problem. Rather, the term is a convenient umbrella for referring to a range of issues touching on women in late 20th-century society in all its complexity, and encompassing therefore economic imponderables, cultural values, biological imperatives and the public perception of science and scientists. There is no magic bullet through this tightly woven tapestry of feelings and facts."

There are complex reasons for the lack of participation, and we must tackle them.

The problem starts at an early age. Not enough young women are attracted into science, engineering and technology, particularly the physical sciences such as engineering, physics and information technology. If we are to change that, we must understand why girls tend to opt out of such subjects. We must explore that with the Department for Education and Employment.

Even when women choose science subjects at school and go on to higher education and research or careers in industry, further factors inhibit their progression, as my hon. Friend has said. Having chosen a career, women face barriers to progression; that, contrary to popular opinion, is true even of the biological sciences and medicine. My hon. Friend put it well when she said that we need to focus attention not only on women getting into science, but on women getting on in science. Many barriers are associated with the balance of work and home life, and those need to be addressed.

One disincentive to continuing an academic research career in the United Kingdom is the possibility of a fixed-term contract. Although that might bring advantages of flexibility for funders of research and employers, it can, if badly managed, put women off.

The development unit in my Department works with other Departments in trying to attract more girls towards science subjects and to encourage women into higher education. It considers means to improve women's career progression up the academic ladder. The campaign for Women in Science and Engineering—WISE—began in 1984 when only 7 per cent. of engineering graduates were women. That figure improved a little—to 14 per cent.—by 1998, but it remains far too low. The Engineering Council, the Women's Engineering Society, women in computing, physics, medicine and neurosciences and the European Union's women in technology group are all dedicated to increasing the participation of women.

WISE recently asked for funding for 1998–99 for an outlook project to provide an opportunity for girls aged 13 and 14 to obtain practical experience of engineering on a three-day programme at a further education college, including a visit to a company. That would be a sort of engineering workshop, and the DTI is providing £35,000 to allow 1,750 girls from 70 schools to participate. That is a small step, but we can build on it. The development unit's booklet, "$X^2$—the mystery of vanishing girls", was aimed at girls aged 13 and 14. A series of posters was published in September. Videos and websites are among small, practical ideas aimed at secondary schools as we try to use every means to ensure increased participation.

My hon. Friend raised important points about the difficulties women face as they try to progress in their careers in science once they reach the research stage, especially if it is academic research. She mentioned the Swedish study. Its findings were welcome, and we have taken prompt action to examine our research council's review system. We examined success rates for grants and fellowships for all research councils. A much larger exercise than the Swedish study examined the outcome of 114 applications, and we are trying to make sure that success rates for grants and fellowships are monitored annually so that we can keep a grip on the analysis.

My hon. Friend referred to our study's finding of no apparent difference in success rates for men and women. Although that is welcome, especially in view of the concern generated by the Swedish study, we cannot be complacent. We must recognise that our study is not necessarily the whole picture. We will go a step further by examining whether there are underlying gender differences in the proportion of potentially qualified candidates who apply for grants and fellowships—a study that should help us to begin to address seriously my hon. Friend's concerns. We need to get down to the level of examining competence, and to find out why such a small proportion of academically qualified women apply for fellowships. I assure my hon. Friend that the work that she has requested today will be undertaken. I am grateful for her exploration of gaps in the preliminary research.

It is important to develop policies for family-friendly employment. We can co-ordinate Government policies on employment and social security to fit in with that, and we must identify examples of good practice so that we can focus the employers' attention on ensuring that opportunities exist.

**Dr. Lynne Jones** (Birmingham, Selly Oak): Might my hon. Friend embark on a study, perhaps through the European Union, to find out why there are more women in science and engineering in southern Europe? In Spain, about 30 per cent. of engineers are women, and it may be that lessons could be learnt from that.

**Mr. Battle:** I am grateful to my hon. Friend for internationalising the point. She, my hon. Friend the Member for Milton Keynes, South-West and I, among others, attended a conference in April at which note was taken of the comparative differences within the EU. I was struck by the German delegate who said Germany was like a developing country when it came to equal opportunities. That is true of all EU countries. We need to consider family-friendly policies, but without seeing families and children as the problem, because that would suggest, in turn, that women were the problem. There are deeper structural questions to address, and comparative work with our EU partners could prove helpful.

Role models are important. I have met young women doing high-level particle physics research at CERN in Geneva and running gas plants as top engineers in the north-east. We should draw attention to such examples so that they can inspire other women. I was delighted to hear from my hon. Friend the Member for Milton Keynes, South–West about the school named after Caroline Haslett. Many women have been involved in the development of science, but they are, sadly, absent from the record. I should name Dorothy Hodgkin, a Nobel prize winner for her work on crystallography, Jocelyn Burnell, who discovered pulsars, and Rosalind Franklin, the co-discoverer of DNA. Their names are lost in the male stories, and we should celebrate women in science rather more.

We are making strong efforts to increase representation on public bodies, councils and committees in science-related fields. Women's voices should be heard more strongly in policy and decision making. In 1992, women held 8 per cent. of places on research councils. The figure is up to 17 per cent. now, and the Government's target is 30 per cent. by 2000 with further improvement after that. That is achievable.

I have tried to stress that the problem is complex. Only 8 per cent. of all professors are women, but an even lower 3 per cent. of professors in science, engineering and technology are women. The shortage of women professors is not simply a result of women having children. Larger structural questions need to be addressed—

*It being Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.*

*Sitting suspended, pursuant to Standing Order No. 10 (Wednesday sittings), till half-past Two o'clock.*

## PRIVATE BUSINESS

ALLIANCE AND LEICESTER PLC (GROUP REORGANISATION) BILL *[Lords]*

*Order for Second Reading read.*

*To be read a Second time on Thursday 16 July.*

# Oral Answers to Questions

## DUCHY OF LANCASTER

*The Chancellor was asked—*

### Freedom of Information Bill

1. **Mr. Norman Baker** (Lewes): When he intends to publish the proposed freedom of information Bill. [47908]

**The Chancellor of the Duchy of Lancaster (Dr. David Clark):** I am in the process of drawing up the draft Bill, taking into account representations following the public consultation and the views expressed in the report of the Select Committee on Public Administration. I intend to publish the draft Bill for pre-legislative discussion before the end of September.

**Mr. Baker:** I am pleased to hear that, but can the right hon. Gentleman directly confirm or deny whether senior members of the Government, including the Home Secretary and the Minister for every portfolio, have been trying to weaken the Bill and take out its sharp edge to secure their positions? Will the Bill be as radical as the White Paper produced earlier this year or will it be weaker?

**Dr. Clark:** The White Paper sets out the principles of the whole Government towards freedom of information. Clearly, as the Select Committee's report showed, there are many complex issues in the White Paper and the draft Bill. As one would expect, there has been healthy discussion of those issues.

**Mr. Austin Mitchell** (Great Grimsby): Will my right hon. Friend—in whom I have every confidence, if that is not too sycophantic—ensure that the Bill is the strongest possible opening to information and that it is in the Queen's Speech for the next Session so that we can end the situation in which people claim that they have wholesale access to information and try to retail it at inordinate profit for themselves?

**Dr. Clark:** I can assure the House that we have an agreed timetable to publish the draft Bill by the end of September. There is nothing in that timetable that precludes its candidacy for inclusion in the Queen's Speech later this year.

**Sir George Young** (North-West Hampshire): In addition to the legislative change on freedom of information mentioned by the previous two questioners, do we not also need a cultural change? Without both, will not greedy and loud-mouthed young men continue to seek information and contacts at extortionate prices?

**Dr. Clark:** I agree entirely with every sentiment expressed by the right hon. Gentleman. I hope that if we have radical freedom of information legislation, it will mean that the milieu in which such people purport to operate will be diminished.

**Mr. Dale Campbell-Savours** (Workington): In reply to the hon. Member for Lewes (Mr. Baker), my right hon. Friend referred to "healthy discussion". I wonder whether he was using those words with great care. Can we have an assurance that everyone is equally committed to taking this legislation forward in the way for which Labour party branches throughout the country have argued for the past 20 or 30 years? We believe that this is the litmus test of a Labour Government. Do we deliver on this agenda that everyone wants?

**Dr. Clark:** I listened carefully to what my hon. Friend said; I choose all my words with care. Clearly, there is a healthy debate, but, at the end of the day, we are committed to the principles contained in our White Paper. I was certainly encouraged by the support that I received, not only from my hon. Friends on the Government Benches, but from Opposition Members, when we had a full discussion of the issue on Monday.

**Rev. Martin Smyth** (Belfast, South): I welcome the Chancellor's openness on the matter. He will be aware that the Royal Society of Chemistry is keen on freedom of information because it is part of the scientific world; but will he bear in mind the society's concern that such freedom might be misused by others and that that issue might not be taken care of in the Bill?

**Dr. Clark:** We are aware of that sort of difficulty and that there is always a balance to be struck between privacy and personal freedom. We are also aware that there must be protection for genuine scientific research and we have built into the Bill the seven special exemptions that can be considered when deciding whether information should be withheld. If information were to be withheld, the information commissioner could make a judgment, based on the merits of the case, as to whether that decision was right. It is a robust piece of legislation, designed with the ordinary citizen—the ordinary men and women—of this country in mind.

### Public Appointments

2. **Mrs. Jacqui Lait** (Beckenham): What plans he has to encourage Government Departments to use the public appointments list. [47920]

**The Parliamentary Secretary, Office of Public Service (Mr. Peter Kilfoyle):** Departments seek nominations from a wide range of sources, of which the public appointments unit's list is one. Others include advertising, executive search, consultation with interested bodies and other departmental databases. Departments regularly consult the unit for names of candidates for specific appointments. Since April, the unit has suggested some 1,200 candidates for more than 150 posts and has been informed of 20 appointments. Others are still under consideration.

**Mrs. Lait:** I thank the Minister for that reply, but is he aware that the 20 appointments since April bring the grand total to 71 appointments of the hundreds made by Government Departments since the general election? Is he also aware that seven staff are employed in the operation? Does he regard it as an effective means of providing names to Government Departments, or does he agree that it is time either to beef it up, or to shut it down altogether?

**Mr. Kilfoyle:** The hon. Lady may recall that, when I was in opposition, I raised exactly the same questions

about the public appointments unit, but, because the then Government insisted on secrecy, it was difficult to extract the very information to which she is now privy. I share her concern, but I have to tell her that the public appointments unit is devoted specifically to trying to increase the representation of women and people from ethnic minorities; and, although I accept that its performance appears to be in question, I would remind her that the decisions are made by individual Departments and not by the unit. The unit is trying purposefully to project as many names as possible into consideration for appointments, as they become available.

### Millennium Compliance

4. **Fiona Mactaggart** (Slough): What assessment he has made of the relative preparedness of Government Departments and agencies in respect of millennium compliance. [47922]

**The Chancellor of the Duchy of Lancaster (Dr. David Clark):** The results of the June quarterly review show that central Government are making good progress in achieving millennium compliance, although greater attention needs to be paid to embedded systems and to telecommunication systems. Departments have typically completed about 30 per cent. of the necessary correction work and 25 per cent. of their testing. On the whole, departmental plans have remained stable since the first review in March and all Departments now have target dates for completion of work on critical systems.

**Fiona Mactaggart:** I congratulate my right hon. Friend on his continuing review of the matter and his openness about it. However, I should like to press a matter that I have raised with him before, which is using agencies, where appropriate agencies exist, to ensure the proper preparedness of different parts of the public service. I am especially concerned about the role that the Medical Devices Agency could play in providing a centralised test of different pieces of equipment used within the health service, so as to stop different parts of the health service and different health service trusts repeating each other's work. Will he give me an assurance on that?

**Dr. Clark:** My hon. Friend has raised this matter on a previous occasion and it is a pertinent point. The whole issue of the national health service has caused some concern in the House and, during our recent debate on it, I expressed my concern at the fact that there are still gaps in the national health service and local government—a view supported by the National Audit Office and the Audit Commission. Since that time, the NHS executive has completed its own review, which is more encouraging. It shows that satisfactory progress is being made in over 90 per cent. of NHS organisations. I am still concerned about the other 10 per cent. I shall draw the attention of the NHS executive to the specific point raised by my hon. Friend.

**Mr. David Atkinson** (Bournemouth, East): Is it not the case that, on this unique issue, no one can really say—not even the Government—how well we shall be prepared to respond to the problems until the first midnight of the new millennium? Is it not essential that we have contingency plans prepared, put in place and tested well before the end of next year?

**Dr. Clark:** The hon. Gentleman is, as always on this issue, absolutely correct. We shall probably not have to wait until 1 January 2000 because various other dates, such as 9 September 1999, will trigger difficulties. We need contingency plans in place and that is why the Government have established MISC4 and MISC4(P) to look at those issues and to try to ensure that there are contingency plans across both the private and the public sectors because one interrelates with the other.

**Mr. Derek Wyatt** (Sittingbourne and Sheppey): Has my right hon. Friend had a chance to look again at something that I have suggested before, which is a practice on a Saturday or Sunday where we could take 10 per cent. of public services, wind the clocks forward and test the embedding technology? I wonder whether my right hon. Friend has evaluated that. Can he comment further?

**Dr. Clark:** We are looking at that proposal. It may not be possible to do that in every Department, but we believe that there may be opportunities in certain sections to try that experiment. It is something which we are trying to evaluate now.

**Mr. William Ross** (East Londonderry): Is the Chancellor in a position to guarantee that at least the public utilities such as water, the sewerage system, electricity and so on will continue to work? If not, when will he be?

**Dr. Clark:** We are discussing those very issues in the Cabinet Committees dealing with the matter. We have papers by the week from the various Departments and the territorial Departments which explain how the public utility suppliers are trying to cope. We must consider the interrelationship between the public utility suppliers and the contingency plans that will be necessary because, if one fails, they will almost certainly all fail. We are taking this seriously and there are almost weekly meetings of Cabinet Ministers looking at the matter, and getting the best advice possible.

**Mr. Christopher Chope** (Christchurch): The situation in the NHS is still worrying, with perhaps 10 per cent. of projects behind schedule. How will the Minister ensure that the people responsible are held to account, because accountability is an essential part of any meaningful target setting? Has the right hon. Gentleman persuaded the Prime Minister that, in the interests of accountability, he should remain as Chancellor of the Duchy of Lancaster until the millennium so that he can be held to account?

**Dr. Clark:** The hon. Gentleman raises a serious point about accountability, and nobody has a monopoly of knowledge in that sphere. I hope that every hon. Member will take it upon herself or himself to ensure that they are confident that their local health trust is following the course of action outlined in the excellent document by the Audit Commission entitled, "A Stitch in Time". We have set in place a template for the national

organisation—the national health service—with its millennium project to try to deal with the outstanding issues. We also need action at local trust level. I urge hon. Members to assure themselves that their constituents are being satisfied and protected in this respect.

**Smartcards**

5. **Mr. John Healey** (Wentworth): What progress he has made in developing the use of smartcards to provide access to Government services and information. [47923]

**The Chancellor of the Duchy of Lancaster (Dr. David Clark):** Smartcards and other new technologies can radically change the way in which the Government do business. Examples such as supermarket loyalty cards are already transforming the levels of service and choice offered in the private sector. As we move from the old industrial society and its way of working to the new information age, the Government's relationship with our citizens is changing and we must lead and manage that change. I want a wired-up Government to provide high-quality, easy to use and flexible services to our citizens.

**Mr. Healey:** I thank my right hon. Friend for that encouraging but rather general response. I draw his attention to a specific smartcard project—the Endorse project, which was launched last month by the Government with Barclays bank to cut out form filling for the newly self-employed. Is the Minister aware that the project is being piloted in Rotherham, which is one of nine pilot areas, four of which are in South Yorkshire? Can he tell me when the pilot period is due to end and what plans he has to make sure that the lessons and benefits from the pilot are promoted across the country?

**Dr. Clark:** I was pleased to launch Barclays' Endorse, which followed a similar pilot project by NatWest and the Post Office, called "Business as usual". They make life easier for our citizens, who, until we introduced an electronic method of registering as self-employed, had to send to three Departments six separate forms, with the possibility of having to follow those with eight forms. The result was, not surprisingly, a failure rate of 40 per cent. We tackled that problem by allowing people to register electronically as self-employed, which means that they fill in one smart form on a personal computer, which is immediately electronically transmitted to all the relevant Government Departments. I am sure that the experiment will be a success, and I look forward to the days when there are 1,000 such terminals available to our citizens.

**Mr. Michael Fabricant** (Lichfield): What consideration has the right hon. Gentleman given to using smartcards for providing information to the authorities? For example, when shall we do away with the flimsy bit of paper that happens to be our driving licence and use a smartcard for that, or does the right hon. Gentleman live in fear of the civil liberties lobby?

**Dr. Clark:** The Government have made a decision not to introduce a national identity card, but we already have in hand the issue that the hon. Gentleman mentioned. A small smartcard driving licence is being tested in various parts of the country and, before long, will become universal. Like the hon. Gentleman, I look forward to the day when we use smartcards to provide Government services such as the renewal of television licences and payment of motor taxes. We would not have to go to the post office armed with a sheaf of papers, but simply go to a kiosk, use our smartcard and get a licence immediately. That is the future.

**Forms**

7. **Mr. Nigel Beard** (Bexleyheath and Crayford): What steps he is taking to *(a)* simplify and *(b)* condense Government forms that the general public have to fill in before having access to many Government services. [47925]

**The Parliamentary Secretary, Office of Public Service (Mr. Peter Kilfoyle):** Making it simpler and easier for people to access public services and cutting down forms and queues are at the heart of better government. Pilots of interactive on-line forms are part of the story, but so, too, is a move from telesales to teleservices: for example, using the telephone to help people at home to complete forms and to make better use of public services.

**Mr. Beard:** I thank my hon. Friend for that reply. Is he aware of the case of my constituent, Mrs. Ball, who was faced with a 32-page form when claiming disability living allowance for her son? She could fill in that form only with the aid of the local branch of Mencap. Now she is notable in the area for her achievement, and is inundated with requests for help from people who are as bemused and confused as she once was. Has any assessment been made of the waste of time in people going to tribunals unnecessarily or the personal hardship involved in delayed payments as a result of those complex forms being wrongly filled in? Does my hon. Friend accept that public support for benevolent policies is being destroyed by the ordeal to which people are subjected in gaining access to the entitlement that they have as citizens of this country?

**Mr. Kilfoyle:** I am aware of the problems encountered by Mrs. Ball, my hon. Friend's constituent, and I understand that my right hon. Friend the Chancellor of the Duchy of Lancaster has written to express our regrets at her experience.

The Benefits Agency keeps all claim forms under regular review. The disability allowance and attendance allowance claim forms were redesigned recently—a new child-specific pack was introduced in August last year and a new adult pack in October last year. Disability organisations were involved in the development and design of the new forms. However, I understand my hon. Friend's concern. The characterisation of government in queues and forms is one aspect which the "Better Government" agenda will address later in the year.

**Mr. Peter Viggers** (Gosport): Does the Minister not realise that the civil service is doing what it always does very well, which is to produce forms that fully meet its own standards? Can the civil service not take lessons from the private sector, the first lesson of which is that the customer is always right? The customer finds forms very

complicated. Is it not possible to include more representations by the consumer in the planning of those forms?

**Mr. Kilfoyle:** The hon. Gentleman will have to forgive me if I disagree with his assertion that there is always something to be learned from the private sector.

Increasingly, the public service, pragmatically, is willing to learn from private sector practices, and it is always willing to re-evaluate its own procedures. As I said, the Benefits Agency does so, and we want to extend that type of good practice into all arms of government, central and local.

### Millennium Compliance

8. **Mr. Ian Bruce** (South Dorset): If he will make a statement on the progress and cost of year 2000 compliance by Government Departments. [47926]

**The Chancellor of the Duchy of Lancaster (Dr. David Clark):** My statement in the House on 8 June 1998, *Official Report*, column 716 gave the results of the latest quarterly review. They show that central Government are so far making good progress in achieving millennium compliance. However, we are not complacent; the review raised a number of concerns, which I have taken up with the Departments concerned. The latest estimate of the costs of millennium compliance within central Government is £402 million.

The next quarterly return is due in September. As that will fall during the recess, I propose to write to all Members during the recess to report the results. I shall also arrange for all relevant information to be placed in the Libraries of the House and on the internet.

**Mr. Bruce:** I thank the right hon. Gentleman for that answer, but can he confirm that the Government have not allocated any new money to Government Departments to tackle that problem? Can he also confirm that, despite the fact that, three months ago, the Prime Minister said that he would put new money into training 20,000 bug busters, not a single one has started a training course, let alone started work?

**Dr. Clark:** Every Department of central Government was aware of the cost implications of millennium compliance, and figures for those implications were built into the estimates that we inherited from the previous Administration. In his Budget, the Chancellor of the Exchequer announced that £30 million was to be made available for the training of 20,000 bug busters. That process is on course. We have had discussions with the training agencies to ensure that the right course is made available to people. We are also discussing with small and medium companies how they can best release people for training, so that they can do their own millennium compliance. *[Interruption.]*

**Madam Speaker:** I should be obliged if conversations were not quite so loud. [HON. MEMBERS: "Hear, hear."] I see that the House agrees with me. Thank you.

### Electronic Information

9. **Mr. Lawrie Quinn** (Scarborough and Whitby): What steps he has taken to permit individuals to supply information electronically to Government. [47927]

**The Parliamentary Secretary, Office of Public Service (Mr. Peter Kilfoyle):** The Government have been working closely with the public and private sectors on identifying new ways to enable people to supply information electronically to Government.

Last December, we launched the "intelligent" form, which enabled people to register as self-employed at a bank. That model has now been extended by the launch of the Post Office-led "Open for Business" pilot, which enables people to register as self-employed in a post office, library, a community-based "telecottage" or local government office. As my right hon. Friend the Chancellor of the Duchy has said, the Barclays bank Endorse project, which uses a smartcard-based digital signature service, enables registration on the internet to take place in people's homes.

**Mr. Quinn:** I thank my hon. Friend for that reply. Does he agree that many people are phobic about information technology? If we go for a process of open government under which the citizen will be allowed to provide feedback, many people who are allergic to IT will need assistance and encouragement. What are his Department's plans to encourage that process?

**Mr. Kilfoyle:** In reality, many projects are being encouraged, not just by my Department but by Government, to raise the standard of IT literacy throughout the nation. There will be a parallel approach to the fulfilment of the information technology era. Hard copy forms of information and electronic forms will run contemporaneously. There will always be those who lag behind new developments.

### Open Government

10. **Mr. David Amess** (Southend, West): What recent representations he has received on his Department's open government proposals. [47928]

**The Chancellor of the Duchy of Lancaster (Dr. David Clark):** I recently received the report of the Select Committee on Public Administration in response to the White Paper, "Your Right to Know". I am studying that report and its 44 detailed recommendations.

**Mr. Amess:** Will the right hon. Gentleman explain how he can reconcile his Department's proposals for open government with the practice of arranging meetings between Ministers and the general public to discuss policies, when the only members of the public who are invited to such meetings are those who are soppy about the Labour party? How can he reconcile his proposals on open government with the practice of leaking sensitive material before it is reported to the House? Is that not taking openness a bit too far, and is not the truth about the Government that they are open to no one other than Labour party supporters?

**Dr. Clark:** I simply have no idea of what the first part of the hon. Gentleman's question was about. In answer to

the second part of his question, we and the Government have made it quite clear that we deplore the leaking of all Government documents. In terms of the recent assertion about the leak of a defence document, the Prime Minister has announced that there will be a leak inquiry to ascertain how that came about.

**Mr. Robert Maclennan** (Caithness, Sutherland and Easter Ross): I welcome the Prime Minister's announcement of a leak inquiry into the appearance of a defence document before selected journalists. The Government's proposal on open government is to ensure that, under the process of democratic discussion, everyone—and not just the chosen few—is equally informed.

**Dr. Clark:** The right hon. Gentleman is right to draw the House's attention to the need for freedom of information legislation that will provide the hyphen between the Government and the people. I passionately believe that more freedom of information in the genuine and true sense will obviate the occurrence of young whippersnappers leaking and bragging to the press about how they can get access to Ministers and influence Government decisions.

11. **Ann Clwyd** (Cynon Valley): What steps he has taken to make his Department more open. [47929]

**Dr. David Clark:** Openness is intrinsic to good government. In addition to my proposals for a radical and robust freedom of information Act, which will be the flagship for openness, much more is being done. We do not need to wait for the Act to provide our citizens with more and better information, as I have shown in my quarterly reports to Parliament on the year 2000 problems. Our proposals are to open up quangos and to ensure 50:50 representation on them for men and women. The Government have been open in providing information to their citizens on the internet, and we shall continue to do that.

**Ann Clwyd:** I congratulate my right hon. Friend on his commitment to openness in government. I know from his strong freedom of information proposals that he believes that it is essential to our democracy to have that openness. I hope that he may long continue in his present post; despite the malign briefing against him, he has done an excellent job. However, some other Government Departments are not as committed to openness as his Department. For example, too many answers start with the words, "Because of disproportionate cost," and, despite the fact that we spend £32 million a year on Chevening scholarships, Departments are not prepared to say even to whom we award those scholarships. It is essential to a Government who are committed to openness in government that we have that freedom of information legislation in the next Queen's Speech.

**Dr. Clark:** This Government are committed to freedom of information legislation. We had the declaration in our manifesto and we shall deliver on that manifesto commitment. We believe that, if we are going to rebuild the trust between Government and the people, we must empower people by giving them information. That is precisely what our new Bill will do; that is precisely the new Bill that this Government will introduce.

## PRIME MINISTER

*The Prime Minister was asked—*

### Engagements

Q1. [47949] **Sir Teddy Taylor** (Rochford and Southend, East): If he will list his official engagements for Wednesday 8 July.

**The Prime Minister (Mr. Tony Blair):** This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I will have further such meetings later today.

**Sir Teddy Taylor:** Is the Prime Minister aware that, in Southend-on-Sea, where Labour and Liberal Democrat councillors have just imposed savage increases on home help charges for the disabled and elderly, and are planning to close three old folks' homes—not because they are nasty, but because there is not enough money—there is huge anger at the fact that the Government have had no difficulty in finding an extra £1.5 million to increase the number of political advisers by 50 per cent? Does not the Prime Minister think that it would strengthen our democracy if he simply allowed civil servants—respected people—to tell people the truth, whether good or bad, rather than employ that huge and costly army of news twisters, who many of us think are an insult to democracy?

**The Prime Minister:** No, I do not know about the particular circumstances in Southend that the hon. Gentleman has raised—*[Interruption.]*—although I have to say to him and his colleagues who are shouting about it that, of course, as a result of keeping to tough spending limits in the first two years, we have had difficult financial decisions to make. But I hope that he realises that, as a result of what the Government have done since they came to office, we have put more money into the health service, into education and into social services. That is a huge difference between the Government whom he supported—more or less—and the Government whom I lead.

**Mr. Robert Marshall-Andrews** (Medway): In view of the recent reports in *The Observer*, will the Prime Minister consider one constructive suggestion? The ministerial code should be amended to prohibit Ministers and officials from dealing with people who are lobbying on behalf of others, where those people have, within the past five years, been employed as aides or advisers to any Minister. Will he add, by way of a gloss, that the legitimate way in which to petition Parliament or the Government is either directly to Government offices, or through the agency—the legitimate and open agency—of elected Members of Parliament?

**The Prime Minister:** Of course Ministers or Members of Parliament will meet lobbying groups and organisations as part of their normal work, and there is nothing wrong with that; but I agree with my hon. and learned Friend that the concern that has been expressed—and I do take it seriously—does show, as I said yesterday, that we have to be extremely careful about any relations between

lobbying firms and special advisers and those in Government. I have instructed the Cabinet Secretary, therefore, to revise the rules that we inherited that govern such contacts and to strengthen them in any way that he thinks fit. In particular, there can be no circumstances that ever justify either passing confidential or inside information to a lobbyist, or the granting of any improper preferential access to, or influence on, Government. These rules will be strengthened and they will be published. Anyone found breaching them will be out on his ear.

**Mr. William Hague** (Richmond, Yorks): Why does not the Prime Minister tackle the culture of cronyism that he has created in his Government, instead of talking about rules that should already be observed across the Government? After the allegations in *The Observer* at the weekend, a national newspaper sacked one of its columnists, a lobbying company suspended one of its directors and another reprimanded one of its employees. The only organisation who have not acted against their employees or investigated their employees are the Government. When will the right hon. Gentleman act, rather than protecting the cronies with whom he has surrounded himself?

**The Prime Minister:** First, I welcome the right hon. Gentleman back. Secondly, I can tell him that we have investigated each allegation in *The Observer* in turn. I shall go through them for him. First, there was the supposed leak of a Select Committee report. We investigated that—no Minister was involved and no Members of Parliament were involved. A member of a lobbying firm simply took a press-embargoed copy. That should not have happened, but obviously it was not the Government's fault.

Secondly, there was the allegation of a leak of selective information in my right hon. Friend the Chancellor's Mansion House speech. There was no such leak; indeed, the information concerned was not even in the speech. Thirdly, the allegation about Mr. Liddle, as the right hon. Gentleman knows, was based on talk at a cocktail party at the Guildhall. A freelance journalist claiming to be an American business man said that he wanted to invest in Britain. He asked Mr. Liddle to help, and he perfectly properly agreed to do so. It is emphatically denied that, in doing so, he in any way offered to act on behalf of a lobbying company. The journalist claimed to have words suggesting that on tape, but it is now admitted that that claim was false and that no such tape exists.

We have investigated these matters very carefully. Instead of making general allegations, the right hon. Gentleman should make a specific allegation, provide the evidence for it and, of course, we would then investigate it.

**Mr. Hague:** I am grateful for the welcome back, but even with my sinuses I can smell the stench from these revelations. As for this so-called defence, of course some things did not involve Members of Parliament or Ministers—it is not MPs and Ministers who are running the affairs of this Government.

The central allegation about Mr. Liddle has not been disproved: it has been denied by Mr. Liddle. If it had involved an ordinary civil servant, investigations would now be under way and disciplinary action would be in prospect. Saying that people drank too much champagne on the night and could not remember what they had said would not be regarded as an adequate or convincing defence.

When will the right hon. Gentleman stop protecting the money-grabbing cronies with whom he has surrounded himself and start—*[Interruption.]*. They are indeed feather-bedding, pocket-lining, money-grabbing cronies. When will the right hon. Gentleman clean up the Government's act?

**The Prime Minister:** Perhaps I could return the right hon. Gentleman to the facts. The right hon. Gentleman alleges that if Mr. Liddle had been a civil servant he would have been suspended immediately. I have checked that with the head of the civil service and it is not correct—he would not have been suspended. Secondly, all the right hon. Gentleman's other allegations have been investigated and found to be false. I understand why he wants to suggest that this Government are the same as the Government of whom he was a member—[HON. MEMBERS: "Worse."] This case is not Jonathan Aitken; it is not Neil Hamilton; it is not cash for questions; and it is not Asil Nadir. Those allegations were made and proven, whereas not a single allegation in *The Observer* article is true.

**Mr. Hague:** Only people in the Prime Minister's inner circle would think that a fireside chat with someone with a hangover disproves the allegations. The problem is not just the allegations but the whole culture that he has now created—in which hon. Members can be hung out to dry; Ministers, such as the one sitting next to him, can be briefed against; and members of his inner circle are the untouchables. The right hon. Gentleman has created a culture of cronyism—in which the Paymaster General hangs on to his job because he has villas in high places, and in which Ministers do not even blush when they try to make the wife of his private pollster the deputy chairman of the BBC. Let the Prime Minister tell the House whether he even recognises that there is a problem of cronyism over which he now presides.

**The Prime Minister:** If I may return the right hon. Gentleman to the facts, just a moment ago he alleged that I had put someone connected with me forward for the BBC deputy chairmanship. I have had nothing whatever to do with those who have been put forward for the BBC deputy chairmanship. If he has any evidence to the contrary, perhaps he will produce it. All the other allegations are general ones. He is making general allegations because he knows that he cannot sustain a single specific one: it is a classic smear tactic.

The one allegation that the right hon. Gentleman has not made—perhaps he is about to make it—is that we leaked the strategic defence review. Such an allegation would not surprise me. We have instituted an inquiry into how the leak happened. The BBC correspondent Robin Oakley said that, at six o'clock yesterday, he was shown a copy of the document by a Conservative Front Bencher. If I find that anyone in the Ministry of Defence, or any other Ministry, was involved in leaking that document, I will dismiss him. Would the right hon. Gentleman do the same?

**Mr. Hague:** Only a Prime Minister in desperate trouble could believe that the leak of a Government document

did not somehow originate with the Government. How ridiculous! He cannot admit that there is a problem of cronyism—which all the rest of the country can see—because the problem goes to the heart of new Labour, in which cronyism has taken the place of principle. In the words of the former aide to the Chancellor—who is chuntering on—the

"Labour Government is always of two minds . . . On big issues especially, they don't know what they are thinking."

Does the Prime Minister not realise that government without principle quickly becomes government for sale—which is what is beginning to happen?

**The Prime Minister:** People will again note that the right hon. Gentleman has made no specific allegation or tried to substantiate one. All we have had is the usual windy rhetoric and general allegations. Until very recently, he and the Conservative party were trying to claim that we were responsible for the leak of the strategic defence review. I notice that he has not repeated that claim today, or said that he would take action against anyone involved in the leak.

As for saying that we do not get the big issues right, we have in the past few days published our proposals on the Child Support Agency—[HON. MEMBERS: "Leaked".] We have also published our proposals on the rough sleepers initiative, on numeracy and on the defence review—[HON. MEMBERS: "Leaked."] They were certainly not leaked by us—*[Interruption.]*

**Madam Speaker:** Order.

**The Prime Minister:** Those are all very serious issues, and the Government's policy to deal with them is correct. The right hon. Gentleman has nothing to say about those issues, because the Opposition have no policy criticism that they can sustain against the Government. He is reduced to making wide allegations with no particularity. He does that because he wants to try to prove that we are the same as the previous Government—but we are not, and we never will be.

**Mr. Hague:** Of course these are all serious issues and they should all have been brought to the House before they were brought to the media, as should every other Government announcement. This is a serious issue in which former aides of the Prime Minister, the Chancellor and the Minister without Portfolio—wherever he happens to be skulking at the moment—appear to have offered access to Government and Government information in return for a fee, and the Government have not been able to disprove it. That is an extremely serious matter and it is taken seriously by the people of this country. Will not the Prime Minister come to see in time that it was a defining moment in the record of the Government when people were able to see the Government for what they are—too many cronies and too few principles?

**The Prime Minister:** The right hon. Gentleman gets no better with repetition. He keeps making great allegations of cronyism and corruption. He bandies around the words, but he will not make a specific charge and sustain it because every allegation made in *The Observer* has been investigated and found to be untrue. The reason that he carries on with all this rhetoric about the Government is that he and his party—as is noticed more in the country than anywhere else—have nothing whatever to say about the big policy issues of the day.

**Mr. Mike Hall** (Weaver Vale): Given the Leader of the Opposition's sinuses, I will not ask him how he thinks Westminster city council smells. A report by Alan Langlands, chief executive of the National Health Service Executive, states that under the previous Administration, health authorities and emergency care services in the north-west were facing collapse. Since we have been in government, we have spent an extra £19 million on the South Cheshire health authority and an extra £9 million on North Cheshire to improve care in cancer treatment, to reduce waiting lists, to improve intensive care treatment for young people and to attack the winter crisis. How will my right hon. Friend ensure that under our Administration the health service in the north-west will never again face collapse?

**The Prime Minister:** By giving it the investment and the reform that it needs. Of course my hon. Friend is right. Since the election, we have put substantial extra sums of money into the health service over and above Conservative spending plans. Of course there was a defining moment a few days ago when the shadow Chancellor said that the Government were spending too much. That is the position of the Conservatives. Their attack on us in respect of public services is that we are spending too much, so let us never hear anything more from them about waiting lists or any other public service matter.

**Mr. Paddy Ashdown** (Yeovil): Whatever problems the Government have over the events of the past couple of days—they have some and I hope that they will tackle them—I know of no sight more stomach-churning than the Conservative party accusing others of sleaze. *[Interruption.]*

**Madam Speaker:** Order. The House will come to order to hear the right hon. Gentleman.

**Mr. Ashdown:** Surely the issue that should worry us today is not so much the job prospects of a couple of cadet new Labour insiders, but the jobs of tens of thousands of people across the country that are now placed in jeopardy as a result of the rising pound and rising interest rates. Does the Prime Minister not realise that he could take a decision today that would relieve the pain immediately: he could come off the fence on the single currency, set a target date—subject to a referendum—and give the economy, the country and industry the lead that they so desperately need?

**The Prime Minister:** As I think I have told the right hon. Gentleman before, the worst reason for making a decision to join the single currency would be some short-term advantage in the currency markets. That would not be sensible at all. The economic policy that the Government are pursuing is to make sure that we have monetary stability, which is why we gave the Bank of England independence to set interest rates, which have had to go up—they should have gone up before the election and they have had to go up since in order to squeeze out inflation. We will also ensure financial

stability through curing the Budget deficit. That is the right long-term policy for the country. I have no doubt about that; and I have no doubt, either, that it is ultimately in the best interests of industry, although I understand the concern about the short-term problems that have resulted from the rising pound.

**Mr. Ashdown:** The Prime Minister has given that answer before. It did not wash then, and it does not wash now. If he took the decision that I have suggested, the pound would come down tomorrow, interest rates would come down next week, investment would keep coming into this country over the next decade, and Britain would have more influence in Europe right through into the next century. Why does he not realise that, on this occasion, long-term interest and short-term advantage coincide? He will have to take such action soon; why not take it now?

**The Prime Minister:** It is because I do not believe that short-term advantage and the long-term position coincide. If the pound were to be brought down artificially tomorrow, and if we, say, cut interest rates when the monetary conditions were not right to do so, the result would be inflation—the very problem that we had under the Conservative Government. If we do not take the action necessary to root out inflation, put the economy on a stable footing and ensure that the public finances are in order, we will be back to the days of 15 per cent. interest rates and the record repossessions and bankruptcies that occurred under the Conservatives. The policy mechanisms in place are precisely designed to avoid that.

A decision on the single currency must be taken in the national economic interest. Given the national economic interest, and as our economy has not converged with the economies of continental Europe, it would not be sensible at the moment to say that we would join.

**Mr. John Home Robertson** (East Lothian): What do students with A-levels from Eton, Charterhouse, Wellington and Westminster schools do during their first year at St Andrews and Edinburgh universities? Does my right hon. Friend share my suspicions about the motivation of some of their parents, who happen to be members of another—hereditary—House and who keep on voting for public subsidies for that, no doubt, very interesting first year?

**The Prime Minister:** If I may deal with tuition fees, I suggest that people who have doubts read the speech of Lord Dearing—who, after all, chaired the committee that was set up by the Conservatives when in government—in which he backs the Government's case to maintain our position on Scottish tuition fees. He does so for the very sensible reason that, if we were to do what the Opposition are suggesting—although I believe them to be completely opportunist in so doing—we would end up having to find another £27 million. It would be far better to spend that money on improving university education.

## Community Hospitals

Q2.[47950] **Mr. John Burnett** (Torridge and West Devon): If he will make a statement on the Government's policy on community hospitals.

**The Prime Minister:** We certainly recognise the strength of feeling that people have for their local community hospitals. Community hospitals can play a role in the national health service, particularly offering a safe, clinically effective and efficient service for their areas. They must of course meet the same high quality standards and fairness and efficiency tests as any other hospital.

**Mr. Burnett:** I have just come from a meeting of many community hospital representatives, who are here because 27 community hospitals are either definitely to close or threatened with closure. How does the Prime Minister reconcile that fact with his oft-stated commitment to save the national health service?

**The Prime Minister:** The programmes of closure are proposed by local health authorities; there may be varying reasons for them. In certain areas, closures are proposed because health authorities genuinely believe in reorganising hospital provision. It is important to ensure that the reasons for any change in community hospital provision are genuinely concerned with the national health service and its interests. That does not mean that, if other provision is being made, every hospital closure must necessarily be wrong. That is not so in all 27 areas. Indeed, my right hon. Friend the Secretary of State for Health is to sit in on appeals against several of those cases. However, not every programme of reorganisation must be opposed.

**Mr. Andrew Dismore** (Hendon): Does my right hon. Friend agree that after the closure of Edgware hospital by the previous Government, this Government have been making great strides in restoring services to the new Edgware community hospital, and that the new waiting list money will go a long way in helping that process? Is he also aware that after the rundown of the hospital by the previous Government, one of the problems is getting over to local people that there are services at Edgware hospital, and that it is alive and vibrant? Will he use his best endeavours to ensure that we can get that message over to the local community?

**The Prime Minister:** I am sure that my hon. Friend has just done that, and I back him up entirely. Edgware hospital provides a valuable service to local residents and will continue to do so. It is, of course, under this Government that the largest hospital building programme in the NHS is being put through. After years of delay, we are getting that hospital building programme under way, and five are already starting up.

## Ministerial Visits

Q3.[47951] **Mr. Andrew George** (St. Ives): What plans he has to pay an official visit to the St. Ives constituency.

**The Prime Minister:** I have no immediate plans to do so.

**Mr. George:** That is a pity. In my constituency, we are concerned about the NHS. When will the highly committed NHS staff of three of the four community hospitals in my constituency that I visited this weekend be told whether they have hospitals to work in and jobs to go to? Their jobs have been on the line since October last year, and the plans have been on the desk of the

Secretary of State for ever and a day. When will they know whether they can join in the 50th anniversary celebrations of the NHS?

**The Prime Minister:** The plans have not been there for ever and a day. It is correct that my right hon. Friend the Secretary of State has to make his decision in due course. He will examine the proposals carefully to make sure that they represent the best way forward for health services in Cornwall. On underfunding, we accept that the NHS needs more investment. That is precisely why the comprehensive spending review is geared and designed to make sure that the health service has the resources it needs.

I hope that the hon. Gentleman will welcome very much what the Government have done in Europe to try to make sure that Cornwall, with its special circumstances, is treated as an area in its own right for the purposes of regional aid. That is a different topic, but we are trying to do our best for the people of Cornwall and will carry on doing so.

## Engagements

Q4.[47952] **Mr. Geoffrey Clifton-Brown** (Cotswold): How can the Prime Minister, as an elected Member of this House, be satisfied that he presides over a Government who, time after time, trail important policy announcements in the press before they are made properly to this House? Is he determined that, in future, policy statements will be made by unelected and unaccountable spin doctors, lobbyists and cronies?

**The Prime Minister:** In respect of the leak of the strategic defence review, I have made it clear that if anybody in government has been connected with that, they will be dismissed forthwith. The leak inquiry will try to get to the bottom of the matter, but I do not believe that anyone in government has been involved. I hope that the hon. Gentleman will join me in saying that if the review has been leaked not by someone in my party but by someone on his side, that person should be dealt with by his leader.

Q5.[47953] **Mr. Rhodri Morgan** (Cardiff, West): Can the Prime Minister confirm that an undiluted, full-strength, 22-carat freedom of information Bill will be in the next Queen's Speech? Does he agree not only that that would redeem a key manifesto pledge, but that it would be the best way to stop lobbyists and other parliamentary parasites trading, because it would, by making Government information available to the many, not the few, devalue the very currency in which they trade?

**The Prime Minister:** As my hon. Friend appreciates, I cannot start saying what will be in the Queen's Speech, but a freedom of information Act is a key part of our constitutional reform programme. We have set out proposals in the White Paper, and the next step is to publish the draft Bill for further consultation, as we shall in due course. It remains a key Government commitment.

Q6.[47954] **Mr. Nigel Evans** (Ribble Valley): Yesterday, a Labour peer—and former Labour Minister—described the measure whereby students from Northern Ireland, Wales and England would pay £1,000 more in fees than students from Scotland and the rest of the European Union as repugnant and as discrimination against our fellow countrymen. Will the Prime Minister explain why students from Manchester will have to pay £1,000 more than students from Milan and why students from Liverpool will have to pay £1,000 more than students from Lisbon? To get through the message that that is nonsense, will the students have to club together to hire a lobbyist to contact one of his cronies at No. 10?

**The Prime Minister:** I do not know whether the hon. Gentleman paid any attention—I suspect that he did not—to what I said about Lord Dearing, who, as far as I am aware, is not known as a lobbyist. Lord Dearing has rightly pointed out that 354 students from other parts of the European Union are involved. If the proposals were limited to Scotland, the sum of money involved would be only £2 million. However, as Lord Dearing also pointed out, it would be wrong to suggest that students who do four-year courses in Scotland should be treated differently from those who do four-year courses in England—[HON. MEMBERS: "That is what you are doing."] We are not doing that; that is precisely the point. If we were, the cost would be £27 million.

I remind the hon. Gentleman that the £1,000 tuition fee will not be paid by the poorest third of students and that the next third will pay a reduced rate. The Conservative party proposals, however, would make all students, from whatever part of the United Kingdom, pay the full tuition fees. That would be wrong and would discriminate against those from low-income families.

## Strategic Defence Review

3.31 pm

**The Secretary of State for Defence (Mr. George Robertson):** With permission, Madam Speaker, I should like to make a statement on the outcome of the strategic defence review.

Today, I am publishing a White Paper setting out the conclusions of the review and a volume of detailed supporting essays. Copies are available in the Vote Office. Moreover, I have written, enclosing copies, to all hon. Members individually.

Before I deal with the review, may I first apologise to you, Madam Speaker, and to the House for the unauthorised and improper disclosure to some newspapers last night of the White Paper's contents? I am as angry and as outraged at this leak as any hon. Member—indeed, I hope that it will be condemned by hon. Members from both sides of the House.

I have today asked the Cabinet Secretary to authorise an immediate and thorough investigation into how the leak came about. The person or persons responsible will be dealt with severely. The leak represents a serious breach of an embargo designed to ensure that the detail of this major review was given first to the House of Commons, and I very much regret the fact that the House and Ministry of Defence employees heard first from the media. I take full responsibility for that, as my office demands, which is why I apologise to you, Madam Speaker, and to my parliamentary colleagues

The British people are rightly proud of their armed forces. They want—indeed, they expect—the Government to provide strong defence for their country. The strategic defence review does just that. It is the most radical and far-reaching reshaping and modernisation of our armed forces for a generation. It is unique in three key ways. First, it has been foreign policy led, not Treasury driven; secondly, it has been unprecedentedly open and inclusive; and thirdly, it has the whole-hearted support of all the service chiefs, for whose help I express my thanks.

The review will fundamentally reshape and modernise Britain's armed forces, sorting out the weaknesses, building on our strengths and providing a structure to deal with tomorrow's threats, not yesterday's enemies. Our forces will be more mobile, better manned, better supported and equipped, and better able to act as a force for good in the world, where we can and when we choose.

The world has changed out of all recognition since the end of the cold war. NATO remains the basis for defence and security, but, while the threat of major war in Europe is now a remote prospect, new threats confront us: terrorism; the international drugs trade; the proliferation of nuclear, chemical and biological weapons; information warfare; ethnic rivalries; population pressures; and the break-up of existing states.

In the cold war, we needed large forces at home and on the continent to defend against the constant threat of massive attack from the Soviet Union, but now instability is the new enemy, and the need is increasingly to help to prevent, or to shape, crises further away, if necessary by deploying military forces rapidly before they get out of hand. In other words, we must now be prepared to go to the crisis, rather than have the crisis come to us.

The review has demonstrated that our forces are not properly adapted to the new environment. In today's world, we need to get our troops to trouble spots and crisis areas quickly and safely, and ensure they are properly supported when they get there. The review has highlighted the serious weaknesses that we inherited, most notably in heavy transport and in our hollowed-out and demoralised defence medical services.

At the same time, increased commitments have taken their toll on morale and on recruitment and retention, and have worsened the already very serious problem of undermanning in our forces. The review proposes major new investment and enhancements to improve our troops' ability to deploy more rapidly to trouble spots around the world.

We will acquire four additional roll-on, roll-off container ships and four large C-17 aircraft or their equivalent. To support and supply our troops once they reach the trouble spots, we will enhance the Army's supporting arms, so that, for the first time, they can undertake two operations simultaneously.

Because we have a solemn duty of care to our service men and women, whom we ask to put their lives at risk, we will make new money and personnel available to revitalise the defence medical services. In total, I am proposing an increase in the size of the Regular Army of 3,300: a change which will go a long way towards restoring vital parts of our armed forces that have been hollowed out.

Another key theme of the review has been a more integrated or joint-service approach to defence, to improve the operational effectiveness of our forces. We are introducing a series of radical changes, which include bringing together all our battlefield helicopters under a single command and expanding the responsibilities of the Chief of Joint Operations; a new joint defence centre to develop doctrine and other planning on a tri-service basis; and a four-star Chief of Defence Logistics, who will properly co-ordinate and standardise our three support services for the first time. I am pleased—I know that my pleasure will be shared widely in the House—to announce that the first such Chief will be Lieutenant General Sir Sam Cowan, who is currently the Army's Quartermaster General.

I am also responding in the review to an historic proposal by the First Sea Lord and the Chief of the Air Staff, by developing what will be known as Joint Force 2000, bringing together Royal Navy and Royal Air Force Harrier jets into a single organisation, able to operate equally effectively from aircraft carriers or land bases.

The most important of the joint initiatives is the creation of a new pool of joint rapid reaction forces, which will be the spearhead of our new modernised front line and will include all our high-readiness forces. Not only will they enable us to respond quickly and effectively to crises of all kinds and to build up larger forces should that be necessary, but—unlike today—we will be able to mount more than one Bosnia-type operation at a time.

The review also introduces important new front-line capabilities. We will create a sixth deployable brigade, which will increase the Army's flexibility and help tackle overstretch. The parachute role of the current airborne brigade will also be transferred to the airmobile brigade, which will become a new powerful and highly mobile air-manoeuvre brigade or air cavalry when the Apache attack helicopter enters service.

To meet our longer-term needs, I am delighted to be able to tell the House that we plan to replace our current small carriers from around 2012 with two larger,

*[Mr. George Robertson]*

more versatile, carriers—in effect floating airfields capable of carrying a more powerful force, including a future carrier-borne aircraft to replace the Harrier—the cost of which will be spread over about 20 years.

I can also tell the House that the review confirms that the acquisition of 232 Eurofighters remains central to our long-term plans, providing a step change in the RAF's combat ability. Changes in the nature and scale of operations mean that we need two fewer submarines, three fewer destroyers and frigates and 36 fewer combat aircraft. However, those changes will not lead to cuts in the overall strength of our regular forces since the manpower released by the reductions will be used to fill gaps in front-line manning, thereby easing overstretch.

For our reserves, there will also be important enhancements to the Royal Naval Reserve and the Royal Air Force Reserve. I am determined that the Territorial Army should become more relevant, usable and integrated with the rest of our forces. Those who want it to languish in an outdated cold war role do the TA no service at all. Although its numbers will be trimmed to 40,000, it will be given a real heavyweight role in our nation's defences and called up more frequently in times of crisis. For that, we intend also that it should be better trained and properly equipped.

Unlike other recent reviews, this review is designed to put people first. That is why I am today announcing a significant new training and education initiative to boost recruitment and retention. All recruits will be given the opportunity to gain the six key skills needed by all in the workplace, and all personnel will be given the chance to achieve qualifications recognised by civilian employers.

In addition, there will be a major new programme—the learning forces initiative—to expand education and training opportunities for the armed forces through the new learning credits, which may be claimed during service careers and for some time afterwards. Those proposals will boost recruitment and retention by increasing the already considerable benefits of a service career, and benefit defence by developing the skills needed for modern warfare. The economy as a whole will also benefit as better qualified personnel return to the civilian employment market after their service career.

For our service families, we are setting up a task force to address the special problems that arise from their particularly mobile life style. For Britain's ex-service men and women, we are setting up a new veterans cell to provide an access point for guidance and advice.

Of course, it is vital that our armed forces are properly resourced, but if defence is to command the support of the nation, it must also be seen as good value for money. By 2001-02, in three years' time, we will be spending £747 million more than this year. In real terms, allowing for one-off asset sales, that will be a reduction of £685 million or about 3 per cent. of the defence budget. That compares with a reduction of more than 20 per cent. in real terms in the last seven years of the previous Government. We will do that primarily through increased efficiency, smarter procurement and better utilisation of our assets. Because the review represents a three-year settlement, we will be able to bring a new stability to our defence planning.

The Government believe that, in addition to caring for our people and defending our rights at home, we must also discharge our responsibilities in the world.

We must strengthen the effectiveness of the international community in peace support and humanitarian missions of all kinds, particularly through the United Nations. I can announce, therefore, that Britain will make a larger proportion of our front-line capabilities potentially available to the UN for peace support and humanitarian deployments, including all our rapidly deployable forces.

In a still uncertain and unstable world, we must be able to react quickly to crises as they develop, but we should aim to do more than that. We should aim to prevent conflict from arising in the first place. I intend to elevate conflict prevention—defence diplomacy, as I have called it—to be one of the eight core missions that will underpin our defence planning. That commitment will be backed up by a series of practical measures, including a new education and training initiative to help to develop and promote modern, democratically accountable forces around the world.

I turn now to the review's conclusions on our nuclear deterrent. The Government were elected on a promise that we would retain Trident. We have kept that promise, and we will continue to keep it. All of us want a safer world in which there is no place for nuclear weapons, but, while large nuclear arsenals and risks of proliferation remain, our minimum deterrent remains a necessary and continuing element of our security. We have, however, conducted a rigorous re-examination of our present deterrence requirements, and we have concluded that we can safely make further significant reductions from cold war levels. We will retain Trident as our sole nuclear system, but the single submarine on patrol at any one time will carry only 48 warheads. That compares with the previous Government's announced ceiling of 96 warheads. By reducing our overall stockpile to 200 operationally available warheads, we will have cut the explosive power of the deterrent by 70 per cent. since the end of the cold war.

At the same time, we will press ahead with arms control, and will introduce much greater openness on nuclear issues, including on our stocks of fissile material.

All in all, these are sensible measures, and I am sure that they will be widely welcomed. This truly radical review builds on the strengths and successes of our armed forces. It rectifies the weaknesses that we inherited, and it modernises our forces to deal with tomorrow's threats rather than yesterday's enemies. It places the skilled, brave and versatile people on whom our defence depends firmly at the centre of planning, and it gives them a clear sense of direction into the next century. Above all, it delivers the modern forces Britain needs for the modern world. It is a good deal for defence and a good deal for the country. I commend it to the House.

**Mr. John Maples** (Stratford-on-Avon): I endorse entirely the tribute paid by the Secretary of State to our armed forces and their families. They always acquit themselves with courage and distinction, and the whole country is rightly proud of them.

Let us be clear that the review was never a strategic defence review, but was always about cutting defence expenditure. The Secretary of State even began with

a pre-emptive concession, offering the Treasury £500 million. He has ended up with cuts of more than £900 million a year. The Treasury has had its first instalment, and I must warn him that it will not be the last.

The cuts come as no surprise: Labour Governments always cut defence spending—*[Interruption.]* At least Labour Members have woken up and are making a lot more noise than they did when the Secretary of State made his statement. My hon. Friends and I noticed their ringing endorsement for his policy on Trident; I can assure him of at least our support on that.

The review was intended to take six months, but it has taken 14. For only 10 of those was it in the Ministry of Defence. The final four months saw the strength of our country's defences become a political football as the review was kicked around Whitehall between the Ministry of Defence, the Treasury and No. 10. No doubt a few focus groups were thrown in, too. What that has done to the morale of our armed forces can only be imagined.

Nor was it ever a foreign policy-led review. The Government have never published the foreign policy baseline as they promised—not even today. Even the panel of experts set up by the Government to advise them has never seen it. If the review had genuinely been foreign policy-led, it would have had to make some effort to match capabilities to commitments. There is no attempt in the White Paper to do that.

What has happened since 1 May last year to make the Secretary of State think that the world has become a safer place? All the evidence of the past year suggests exactly the opposite. Our commitment in Bosnia is clearly very long term. We nearly became involved in another Gulf war. A nuclear arms race has begun in Asia. The enlargement of NATO increases the level of our commitment to that organisation. I believe that we might still become involved in Kosovo. On top of that, there are dangers that no one can foresee, and it is not good enough to say that there are no threats just because we cannot foresee them. Who foresaw the Falklands or the Gulf crisis? Who, in the early 1930s, when defence spending was last at the level to which the Government plan to reduce it, foresaw the threat that subsequently engulfed the world? By their nature, such threats cannot be foreseen, but they must be provided against.

We welcome many of the proposals in the review and will support them. The Secretary of State concentrated on the few gains; I want to ask him about the many losses. The defence budget is to be reduced by £915 million a year under these proposals. Can he say what exactly that means for our armed services? Paragraph 89 of the White Paper says that we should be able to respond either to a major crisis such as the Gulf war or to undertake a lesser-scale deployment and a peacekeeping operation. Is he saying that we will not able to mount a major deployment such as the Gulf war as well as maintaining our operation in Bosnia? That is the implication of paragraph 89.

We welcome the various initiatives intended to make the lives of our service men and women and their families better and to improve conditions of service. There is one simple thing that the Secretary of State could to do this afternoon. He could respond to the repeated calls for more generous telephone allowances for our troops in Bosnia. It is a small matter for him, but a major matter for our troops, and he could solve it today.

The Navy is to lose two of its hunter killer submarines, three frigates and destroyers and three mine hunters. Those are significant reductions in capability. We will have fewer frigates and destroyers than France or Japan and about the same number as Italy. When will the cuts be implemented and which ships are involved? Can the Secretary of State confirm that the Falklands protection force will not in any way be diminished?

The Secretary of State has made much of the two planned aircraft carriers. They will, of course, add significantly to our ability to project force, but they will be very expensive and they are not planned to be in service until 2012, by which time Invincible will be 35 years old. Can he give a firm commitment to order those carriers? Conservative Members would be amazed if a Labour Government ever built and equipped them. They will be too expensive and will get killed off by the Treasury, first by delay and then cancellation.

Is the Secretary of State satisfied that our much-reduced surface fleet will be able to protect two carrier groups as well as HMS Ocean? Can he tell us something about the state of Project Horizon? It is widely known that it is in trouble, but the White Paper says that the new ships will replace our air defence destroyers in 2004. Can he confirm that that is the plan? The Navy is getting real cuts today for the possibility of two new carriers in 15 years' time. I confidently predict that the Government will never commission the new ships and that we will be left with a permanently weakened Navy.

We are delighted that the concepts of joint operations and rapid deployment are to be developed. Those ideas were started by us. We are also delighted that the Army is to get its full complement of Challenger 2 tanks. They were ordered by the previous Government, as was so much of the equipment now coming on stream, such as the Eurofighter and the Apache and Merlin helicopters. They will ensure that our forces have first-class equipment. Conservative Members doubt whether that would have been so had Labour been in power in the 1980s when those decisions were made.

We believe that cutting the Territorial Army by a third will prove to be one of the biggest mistakes of the review. Is it true that 172 TA centres will close? Which will they be, and when will they close? How much money will be saved by cuts to the TA?

The Paras have won the respect of the public and their fellow soldiers, to say nothing of our enemies. It is probably sensible to acknowledge the limited remaining role for brigade-sized drops, but, in making the change to the Paras' deployment, can the Secretary of State assure the House that the ethos and identity of the Paras will be retained as a discrete unit in the new brigade that they are to join?

The RAF is to lose 36 front-line aircraft: that is a significant and, we believe, dangerous reduction in our air power. We welcome the acquisition of the four C-17s, but is the Secretary of State confident that that will be enough? We were expecting him to order six. Can he tell us whether those planes are being leased or purchased; and, if leased, for how long? The future large aircraft project is apparently continuing, despite its well-known problems. Does he foresee a successful conclusion and to what timetable?

The White Paper is appallingly light on finance. It is absolutely impossible to understand how the annual totals are arrived at, or how capital receipts have been treated.

*[Mr. John Maples]*

Will the Secretary of State publish, in the very near future, detailed figures, so that the Select Committee can review them? He admits that the cut in the annual defence budget will amount to £915 million in real terms by the end of this Parliament, but does he agree that defence spending in the last year of the Conservative Government was £21.5 billion and that his plans for 2001–02 are for £23 billion, which represents a real-terms cut of £1.25 billion—considerably more than the £915 million that he is claiming?

There are many aspects of the White Paper that we shall support—indeed, many are simply the continuation of things that we had started or planned. However, there are far too many cuts—cuts in manpower and cuts in equipment. There will be fewer men, fewer planes and fewer ships to do more and more in an increasingly unstable and dangerous world. The Government's priorities are now clear and defence is not high on the list. We always suspected that the strategic defence review was a cover for cuts and today we have been proved correct.

**Mr. Robertson:** It is my pleasure to welcome the hon. Gentleman to the Dispatch Box for the first time as shadow Secretary of State for Defence. He has been put to a good and important job, although I cannot congratulate him on the quality of his argument. I suspect that he inherited that press release from somebody who was there before, rather than having made it up himself after giving due consideration to the White Paper that I gave him four and a half hours ago so that it would be possible for him to digest it.

It is a bit rich to be lectured by a former Conservative Treasury Minister about cuts in the defence budget. The hon. Gentleman was Economic Secretary to the Treasury between July 1990 and April 1992. The defence budget in the year 1991–92—one single year—was cut by a full 10 per cent. in real terms, yet he has the brass neck to come to the House of Commons and complain that I am going to reduce the defence budget by 3 per cent. over three years. The Government of whom he was a member cut defence expenditure in this country by 23.5 per cent. in real terms between 1990 and 1997, which amounts to 4 per cent. in real terms every year. The figure for the defence budget in 1997 was £6.5 billion lower than in 1990. Cumulative total cuts of some £25 billion of defence expenditure were made. I really think that we should take with a pinch of salt some of the hon. Gentleman's points.

The hon. Gentleman says that we have treated defence like a political football in the past year, but the very opposite is true. I wish that he had consulted his predecessor, the right hon. Member for North-West Hampshire (Sir G. Young), because the right hon. Gentleman knows that the review has been unprecedentedly open and inclusive. The hon. Member for Salisbury (Mr. Key) attended some of the seminars that we organised and gave his point of view as part of that exercise. We have made sure that everybody had their say in the whole of the process, so that today the review is not simply the property of me as Secretary of State for Defence, or of the Ministry of Defence; I believe that it comes from all the inputs that we received over that time.

The hon. Gentleman made a point about the foreign policy baseline. I have provided for him in the White Paper the foreign policy priorities of the country and he will see a further outline in the supporting essays. Last October, I gave the House a clear outline of the Government's foreign policy objective and I followed that up with two major speeches; one at the Royal United Services Institute and the other at Chatham House. That is a weak debating point.

The hon. Gentleman said that we live in a much more dangerous and unpredictable world. Of course, we do. One of the problems that I have had to address when trying to ensure that our forces are fit to deal with that more dangerous world is to repair some of the weaknesses that I inherited. The hon. Gentleman will have noted that I was deliberately not critical of the previous Government, but those inherited weaknesses are there for everybody to see in defence medical services, logistics and heavy lift. We have had to rectify that.

Contrary to what the hon. Gentleman says, the outcome of the review means that there will be more regulars in the armed forces of this country. They will have better equipment and be better organised and they will be more relevant to dealing with the new dangers.

I gave the hon. Gentleman the White Paper and the supporting documents well in advance of my statement, so I am surprised that he asked about the force planning assumptions. It states clearly in the White Paper that our force planning assumption is based on being able to conduct a Bosnia peacekeeping operation and a Gulf operation simultaneously. That is what drives it. In the supporting papers, the hon. Gentleman will find even more documentary evidence of that.

The hon. Gentleman has obviously not read the supporting papers very thoroughly because he asked about telephone allowances. On page 9-6 of the supporting documents he will see that we say that telephone allowances will be increased as part of the review. We were responsive to what the armed forces had been telling us all along.

The number of frigates and destroyers will be reduced. It is interesting that, in the background piece of paper on which the hon. Gentleman was working last week, his researchers did not seem to know how many destroyers and frigates we had in the Royal Navy. The piece of paper that I have says that they thought we had 33 frigates and destroyers when, in fact, we have 35. It claims that the number will be reduced to 30 when, in fact, it will be 32. That is manageable in the current strategic circumstances and I stand behind it.

Our commitment to the Falklands is laid out in specific and graphic terms. The garrison will remain unaltered, and our commitment to the islands and their inhabitants remains and is on alert.

The hon. Gentleman made a point about aircraft carriers. Rather than deal with this substantial issue, which the Government have studied in detail, the hon. Gentleman chose to make a few cheap debating points. I said that we were planning to replace our three valuable and useful small carriers with two large carriers in 13 years' time. That is the commitment that we make in the review, and it is part and parcel of the capabilities that we think will be relevant for the future. As I have said, they will be paid for over a substantial time.

Major decisions will still be required about what aircraft they will carry and what role they will perform, but we believe that our intention makes sense.

The fleet configuration has been part of the defence review, and the Royal Navy is completely satisfied with it. The Royal Navy may be losing some frigates and destroyers, the number of attack submarines may eventually drop from 12 to 10 and it may have fewer than planned in the way of mine counter-measure vessels, but it will also have the enhanced amphibious capability which is so important and of which it is so proud. It will also have some missiles that will work on the vessels that it has today.

The hon. Gentleman made much of the reduction in numbers in the Territorial Army. The bulk of the Territorial Army is configured for a threat that has gone. We want to make the Territorial Army more relevant, more usable and more integrated into the regular forces because that is what it wants. We want the Territorial Army to be able to be called up and form units because it told us that that is what it wants. My hon. Friend the Minister for the Armed Forces will outline more of the details tomorrow, and we shall consult the Territorial Army about the footprint and contact point that is so important.

I am glad that the hon. Member for Stratford-on-Avon (Mr. Maples) congratulates us, or at least commends us, on the new deployment for the Parachute Regiment, which it will welcome. It will make it much more usable.

The Royal Air Force will lose some of its fast jets, but will gain 232 Eurofighters, which is one of the best multi-role aircraft that the country has probably ever seen. When it comes into service, it will add substantially to our RAF capabilities. We shall order C-17s or their equivalent because that is one of the capability holes that the previous Government left us. The future large aircraft will be a contender for the longer-term role.

The hon. Gentleman concludes that we have left the forces less strong than they have been, and that we have reduced manpower; but we have increased it. He claims that we have reduced the capability of the armed forces, when we have increased it. I know that he is new to the job, but the review has the backing, in public and in private, of the three service chiefs and the Chief of the Defence Staff. The review is right for Britain and its defence forces. That is why the hon. Gentleman is wrong and the forces are right.

**Mr. John Hutton** (Barrow and Furness): I very strongly welcome and support what my right hon. Friend has announced to the House. I congratulate him and other Ministers in the Department on making the right decisions on difficult issues.

I strongly welcome my right hon. Friend's announcement about the replacement of the aircraft carriers, which will be good news for my constituency. Will he spell out in more detail the time scale for that procurement objective? What further work will be put in place now to prepare for the replacement of the carrier programme? Will he say more about the Government's plans for our nuclear attack submarines? In particular, what decision have the Government made about ordering the additional two Astute class SSNs, which, as he will understand, formed part of the original decision last March under the previous Administration, who ordered three, with an option for two?

**Mr. Robertson:** I thank my hon. Friend very much for his understandably warm welcome for the review and its conclusions. As he is the Member for Barrow and Furness, which is the birthplace of HMS Invincible, I can understand his attachment to the concept and actuality of carriers. The time scale that I have made clear is an in-service date of 2012. That is the date which the Royal Navy believes to be sensible and achievable. Any acceleration was not viewed as practical.

On the new attack nuclear submarines, the existing plans remain as they are, and we are committed to taking delivery of the Astute class.

**Mr. Menzies Campbell** (North-East Fife): I thank the Secretary of State for his courtesy in allowing me sight of the White Paper some four and a half hours ago, which is about 50 per cent. longer than his right hon. Friend the Foreign Secretary and I were allowed to study the contents of the Scott report.

I share the Secretary of State's indignation at the leaking of the White Paper. Whoever was responsible for that insulted not only the House of Commons but the men and women of all three services, whose lives and jobs may well be affected by the White Paper's conclusions.

I hope that the right hon. Gentleman will not be surprised if the response to his White Paper is relief, and not necessarily one of rapture, on the somewhat dubious ground that the reductions are not as severe as was originally feared.

I welcome the premium to be placed on flexibility, mobility and rapid deployment, the decision to restrict the number of Trident warheads, the confirmation of the commitment to Eurofighter and the emphasis on joint operations and planning. Will the Secretary of State explain why the White Paper of a Government who, rightly, want to play a leading role in Europe makes such scant reference to the opportunities for defence integration in Europe—a mere 22 lines or so on page 10? Will he tell the House what consultations took place with our European allies in the thinking that lay behind the White Paper? Will he also tell the House what account was taken of the current strategic concept review being carried out by NATO?

Finally, can the Secretary of State confirm that the expeditionary strategy that lies behind the White Paper will be pursued in the interests of the United Kingdom, and in accordance with our treaty and other obligations—as, for example, to the United Nations—but will not be based on an automatic assumption that the United Kingdom will, in all circumstances and in all parts of the world, underpin United States foreign policy?

**Mr. Robertson:** I thank the hon. and learned Gentleman for his welcome for the key items in the review. I register his thanks for the time that was made available to him to read the report. I suffered 18 years in opposition, constantly complaining about the amount of time available to the Opposition to read documents before statements had to be made. I am very glad that, at the first major opportunity, I was able to do as I said for so many years; I believe that it makes for a better debate.

*[Mr. Robertson]*

This is a good review by any standards. The force structure was put together following the foreign policy baseline establishment, and the force structure reflects the country's foreign policy priorities, which I believe are generally agreed and appreciated. Only after that was done were the proposals presented to Government, and the resources discussed and debated.

The force structure that was recommended by Defence Ministers, with the full support of the chiefs of staff, was accepted by the Government in its entirety—that is a crucial point for people to register. I believe, and they believe, that the finances that are available for it, given the new configuration of forces and the targets for efficiency and for asset management, are demanding but achievable, and will still give us the ability to pack a punch in the world.

The hon. and learned Gentleman's criticisms were more moderate than those that we received from the Opposition Front Bench. It is strange how keen the Conservative Front-Bench defence team are to spend more public money, when the shadow Chancellor does not spare an opportunity, any day of the week, to say that the Government are slack on public expenditure. I wonder whether they would deliver in government what they are so keen to say today.

On Europe, we have been engaged in a permanent consultation with our allies about the strategic defence review. On Monday night, at Lancaster House, where I met the Defence Ministers of Germany, France, Sweden, Spain and Italy and outlined where our review had taken us, they welcomed it with considerable congratulation. I hope that when they read the review when they get it in the post tomorrow, they will find something there of interest and value. NATO colleagues have also been consulted as we have gone along, and the formulation of the strategic concept takes very much on board many of the ideas in the review.

We are not tied to any particular alliance or to any individual country, because Britain needs and demands a right to be able to act alone. However, we take our treaty commitments enormously seriously. We take our alliances seriously, and our deep and lasting continued friendship with the United States of America underpins a common view that we have about many of the problems in the world today.

**Several hon. Members** *rose—*

**Madam Speaker:** Order. I seek the co-operation of the House. There has been an opportunity for only three questioners in three quarters of an hour. There must now be very brief questions; I am sure that the Secretary of State will co-operate in his responses.

**Mr. Harry Cohen** (Leyton and Wanstead): I welcome the outcome of the review and welcome the reduction in operational nuclear weapons, but I note that annual savings could be doubled if Britain concentrated on non-nuclear defence. I ask my right hon. Friend a single question: from this review, will the Government be in a position to get rid of nuclear weapons in the period following the next general election?

**Mr. Robertson:** If there is progress in multilateral negotiations, and if there is to be a balanced reduction in nuclear weapons leading to their elimination, we shall play our part in that, but today I have announced reductions in our nuclear forces. We shall maintain the minimum deterrent to which we committed ourselves before the general election—a commitment on the basis of which my hon. Friend and I were elected—but we have done so in circumstances where we have made a contribution to a process which, I hope, will eventually lead to a nuclear-free world.

**Mr. Michael Colvin** (Romsey): The House will have had considerable sympathy for the Secretary of State as he searched for something to say about the strategic defence review that we have not been able to read in the newspapers over the past four weeks. In terms of the leak, if the Ministry of Defence is so insecure, one wonders whether it can be entrusted with our country's security.

The right hon. Gentleman made a welcome announcement about increasing the establishment of the Army by 3,300, and he mentioned pay and conditions of service. Could he be specific about those? He will be aware that there was already a shortfall of 5,000 men in the infantry, and I cannot think of what he can announce in the SDR that will enable 8,300 more soldiers to be recruited and others to be retained.

**Mr. Robertson:** Let me deal with the leak. I am not prejudging the outcome of the inquiry or who leaked the document and how it was disseminated. Let us wait and see, and hope that everybody condemns it because it was wrong and whoever did it, if that person is found, will be treated appropriately. However, let us distinguish that leak, which was wrong and improper, from the widespread consultation through the year on all the issues on Britain's defence, for which I apologise not one bit.

I listened to the views of many sections of the community. The right hon. Member for Bridgwater (Mr. King) who is a distinguished former Secretary of State for Defence, came to me and offered his view and advice, as did Lord Younger of Leckie; Lord Carrington; Lord Healey; Sir Geoffrey Pattie; Pat Duffy; the right hon. Member for Kensington and Chelsea (Mr. Clark); the former shadow Secretary of State for Defence, the right hon. Member for North–West Hampshire (Sir G. Young); and a host of others. We listened carefully to military and non-military views, and they were debated in the country as a whole. I am proud that although the review may not be a surprise today, it will be seen as common sense, the way forward on which we should all be able to unite because of that consultation process.

The hon. Member for Romsey (Mr. Colvin) mentioned the increase in Army numbers. That is welcome, and is in line with the Army's ideas. My hon. Friend the Minister for the Armed Forces, like his predecessor, is making valiant efforts to turn round the recruitment position that we inherited. The Army was 5,500 short, but we think that we have turned the corner and that recruitment is making up the deficiency. Through the other enhancements, and especially through the learning forces initiative, it is up to us to make sure that we get the right people of the right quality for the future.

**Ms Rachel Squire** (Dunfermline, West): May I begin by paying tribute to my right hon. Friend and my hon. Friends in his ministerial team? The strategic defence review is a tremendous achievement and will provide a

secure future in a modern world. Does my right hon. Friend agree that a core mission of defence diplomacy for the United Kingdom's armed forces is essential to deal with the diverse uncertainties and crises of the present day world? Will he confirm that the review will provide the equipment and support that are needed by our armed forces for such a role, and that it will build on their excellent worldwide reputation as forces for good which can make a difference?

**Mr. Robertson:** I very much welcome my hon. Friend's support, which she has given not just today but throughout the exercise. As the Member of Parliament for Dunfermline, West and therefore for Rosyth dockyard, she will welcome the review's good news for that dockyard. She is right to pick up the defence diplomacy initiative and to ask for assurances. If we are to engage in serious military-to-military contacts that will lead to a reduction in tension and a greater increase in understanding, we must back our efforts with proper resources. That is why our defence attaché network will be strengthened and why there will be more resources for joint training and exercises with some of our allies, including some of our former opponents. That will make a much safer world, and certainly a safer continent.

**Mr. Tom King** (Bridgwater): I congratulate the right hon. Gentleman on putting a brave face on what is obviously a difficult announcement, and on his courtesy in inviting me to give him advice on the review; I only wish that he had taken it. Having said that, I certainly welcome the development of a number of ideas that have been Ministry of Defence policy for some considerable time and are right—the development of jointery and the development of the rapid reaction forces have to make sense in the new world in which we live.

May I correct the right hon. Gentleman on one other point? As he will know, he has not made any reduction in the number of warheads because we never announced the number of warheads that we would have, for good reasons, and I am surprised that he has chosen to announce it today; we only ever announced the maximum that there could be.

I have had the opportunity of reading only *The Daily Telegraph* to find out what is actually in the review. The one thing that sticks out clearly, which is profoundly unwise in the present situation and which will link in to the problems of overstretch, undermanning, recruitment and morale, is the cuts in the TA. That is merely an initial comment, because I have not had a chance to study the statement, but there is one specific question and one point that I should like to put to the right hon. Gentleman. It is one thing to make reductions in our armed forces because there is a major change in the strategic situation, and then to fix at a level of defences which I believed was the minimum level that this country should have. There cannot be a justification to make further reductions on the ground that "You did it, so we can do it, too."

The Chancellor of the Exchequer has just left. Will the Secretary of State assure the House, after all the worries of this review, which took longer than I know he wished, that, now the review is over and the expenditure levels are fixed, there will be no attempt whatever by the Treasury to make further cuts in the defence programme—and that he has had that undertaking?

**Mr. Robertson:** I valued the advice that the right hon. Gentleman gave me. I listened to the advice that was given to me by former Secretaries of State, former chiefs of the defence staff and former permanent secretaries, as I listened to many others involved in this exercise. Like him, I could not take on board everything that was said in terms of advice. I wonder how, when he looks back on his career and on the substantial cuts in defence expenditure that occurred around the time that he was in office, he cogitates on that. However, I welcomed what he said, and I am sure that he will recognise some of the views that resonate through the White Paper when he has a chance to read it.

In terms of the nuclear deterrent, the world has moved on. I sit on the Euro-Atlantic Partnership Council and the Permanent Joint Council of the NATO-Russia Founding Act with the Russian Defence Minister. We are building trust and relationships. We should be much more open and much more transparent, and the rules of the cold war should not necessarily bind us at times such as this. That is why we are opening our books, making it clear what we have and, by doing that, making absolutely certain that people know that the deterrent is still there, still credible and no one should mess with us as a consequence.

The right hon. Gentleman says that we are going to reduce further the level of our forces. We are not. The Regular Army, the regular forces of this country, will be increased by 3,300 as a result of this review. That is what is going to happen. I hope, therefore, that he will not rely on *The Daily Telegraph*, although, as it was working from a photocopy of the White Paper, it may have got it right.

We are increasing the strength and capability, and we have the satisfaction of the Chief of the Defence Staff as well as of the other chiefs in putting forward this force configuration. The right hon. Gentleman may think that we are unwise to cut the TA. I hope that he will look at the White Paper and see what we propose. We want to strengthen and underline the TA's importance, make it more usable and more integrated and give it a role for the future, not let it be stuck in the past, still in a cold war role.

**Dr. Doug Naysmith** (Bristol, North-West): May I congratulate my right hon. Friend on this strategic defence review, which has clearly been taken for strategic reasons and not, as the Opposition Front-Bench team has maintained, for financial reasons? I particularly welcome the joint operations, the rapid deployment that is mentioned in the document and, when thinking of my constituency, the Eurofighter confirmation. Is it possible for my right hon. Friend to say a word or two about the Procurement Executive at Abbey Wood in Filton, and what effect the review will have on it?

**Mr. Robertson:** I welcome my hon. Friend's question, which allows me to underline what he said—that this has not been a Treasury-led review. As my right hon. Friend the Chancellor has made clear, the finances are fixed for three years. That will give the armed forces a much greater ability to plan ahead and much more stability than they have ever had in the year-by-year haggling that characterised public expenditure in the past. I can understand my hon. Friend's interest and, I am sure, satisfaction in the confirmation of the role and numbers of Eurofighters that we will be ordering.

There will be implications for the Procurement Executive in Bristol—a considerable reform of the procurement process, which will lead to better value being

*[Mr. Robertson]*

obtained for the equipment that we buy. However, it is right and proper that these changes should be subject to consultation with the Procurement Executive's employees before anything is announced in the House.

**Mr. John Wilkinson** (Ruislip-Northwood): The objectives of greater mobility, flexibility, firepower and joint operations are admirable. However, as there are to be fewer flying squadrons, is there not a risk that morale will be further reduced and personnel may leave? In order to fill the 232 cockpit places for the Eurofighter, will the right hon. Gentleman consider allowing pilots to do commercial pilot courses at ground school during their flying training, so that if they leave the regular service they could join the auxiliary air force, thereby making good any shortfall in that way?

**Mr. Robertson:** The training initiative is already under way and my hon. Friend the Minister for the Armed Forces has it under review. I assure the hon. Member for Ruislip–Northwood (Mr. Wilkinson) that morale in the Royal Air Force will not be affected, other than for the better, by this review and our vision for the future. The confirmation of the order for Eurofighters has been looked for and their role has been vindicated by the very deep analysis carried out in the review. I thought that the hon. Gentleman might have welcomed the decision to take over the lease on the C-17s or their equivalent. I am aware that he has a long-standing interest in that.

Morale in the forces has been badly affected in the past by hollowing out. That is especially true of morale in the RAF, which has led to an exodus of fast jet pilots. That will be relieved by a reduction in the number of fast jets but a continuation of the existing levels of manpower. It will relieve the overstretch that has been at the basis of falling morale.

**Mr. Jim Murphy** (Eastwood): I congratulate my right hon. Friend on his foreign policy-led defence review. I especially welcome his comments not just on expensive pieces of military kit, but on our most valued asset—the men and women of our services and their families.

In the context of the review, does my right hon. Friend agree that the process has again highlighted the absolute lunacy of an independent Scotland, a separation of the forces and their payment and the creation of two foreign armies, two foreign navies and two foreign air forces, operating in two separate countries side by side on these islands?

**Mr. Robertson:** I entirely agree with my hon. Friend. Nothing better highlights the fantasy world of the separatists in Scotland than the concept of a separate Scottish army, navy and air force—presumably with the hon. Member for Banff and Buchan (Mr. Salmond) as the commander-in-chief. Our armed forces contain a rather large proportion of high-quality Scots, and they are strengthened as a consequence of that.

The review is very good news for the armed forces in Scotland. It is good news for Rosyth dockyard; good news for Faslane; good news for the Nimrod replacement and Kinloss; good news for Leuchars; good news for the Edinburgh area with the Eurofighter contract; good news for the Army personnel centre and the other central functions of the MOD in Kentigern house in Glasgow; and good news for Scotland. Separation and ripping Scotland out of the United Kingdom would be profoundly bad news for Scotland and for the rest of the country.

**Mrs. Margaret Ewing** (Moray): Leaving aside the panic button that was obviously triggered by opinion polls in Scotland, may I tell the Secretary of State that—despite many hon. Members' urgency in finding answers to specific questions—the documents merit serious study and considered response? What are the geographical implications of reductions in Territorial Army numbers? There has been genuine concern in the highlands and islands of Scotland that, in a line from Fort William to Stonehaven, there may be no Territorial Army centre.

The Secretary of State also mentioned the issue of the special problems—such as mobility—faced by service families. Will there be a specific Ministry of Defence education budget to assist children who have to move from various settings and countries—sometimes at very short notice—or will the matter be negotiable with the Department for Education and Employment, the Scottish Office, the Welsh Office and local authorities? Parents and families are concerned about that matter.

Finally—very briefly—why are we only cutting in half the number of Trident nuclear warheads? Why do we not set a model example for the rest of the world, so that we can genuinely argue the case for non-proliferation?

**Mr. Robertson:** I do not know what position the hon. Lady will have in Alex's Scottish army—perhaps chief of the air staff. We shall see. She asked about the Territorial Army. The geographical distribution of the new, reinvigorated Territorial Army is a very important matter which should be the subject of consultation with the Territorial Army itself. My hon. Friend the Minister for the Armed Forces is currently engaged in such consultation—which, rightly and properly, should take time to be completed.

The hon. Lady was right about education, and I hope that she will register both my comments and the White Paper's contents dealing with the matter. We shall establish a task force to deal specifically with the problems experienced by mobile families—who do not have first choice in choosing schools to provide the education that their children deserve, and who find it difficult to get on to doctors' waiting lists and almost impossible to get NHS dentistry.

Those problems are difficult ones because of the current structure of the health service and education service, which is why a specific task force will be established to deal with them. Although the problems may seem to be small issues within a vast strategic defence review, they are far greater than any strategic issue if one cannot get medical attention or one's children into school. We want to deal with those problems.

**Mr. Barry Jones** (Alyn and Deeside): With the interests of my 3,800 aerospace workers in mind, will my right hon. Friend say more about the heavy-lift future large aircraft? We want to build its wings—will it fly? Will the Astor project—I have a constituency interest in

it—go forward? Will he say how many more months we shall wait to hear the fate of the 3rd battalion Royal Welch Fusiliers (Territorial Army)?

**Mr. Robertson:** My hon. Friend is a doughty champion of the interests of the aerospace workers in his constituency, and rarely wastes an opportunity to make his views on them clear to me. I am always glad to listen to him. I have made it clear that we have an interim need for heavy-lift transport, and the C-17 or an equivalent fits into that category. However, the future large aircraft project continues. We fully support it, and hope that it will provide an appropriate European heavy-lift aeroplane for the future. We have a commitment to the Astor programme, which goes ahead. My hon. Friend will receive news of the Territorial Army configuration once consultations have been completed.

**Mr. Gerald Howarth** (Aldershot): The Secretary of State will be aware that the proposal for the joint rapid reaction force expansion builds on the Conservative joint rapid deployment force; therefore, we welcome it. However, he will also be aware that I am extremely concerned about the future of the Parachute Regiment and airborne forces. Is it not the case that, as a result of a review, the cap badge and the red beret of the Parachute Regiment and the proud ethos of airborne forces is likely to be submerged into the new air manoeuvre brigade? Is he now able to respond to the point that I made in the House last week—that this welcome new brigade should be based in Aldershot in Hampshire rather than in East Anglia because the forces have to deploy from west of London not east of London?

**Mr. Robertson:** The hon. Gentleman takes a healthy non-partisan view of defence which is very welcome. Although he did not say it, I am sure that he welcomes the thrust of the review. He says that we may well have taken some ideas from the previous Government's joint rapid deployment force, but even he will recognise that it was not easily deployable, so we have given it the capability to deploy and the rapidness that it did not have in the past. I am happy to continue with some of the better ideas of the previous Government and to give them the resources to make them work.

The hon. Gentleman is right to praise the Parachute Regiment, its proud tradition and record of fighting, but it is generally felt that its capability in parachuting should be built into something that makes more sense and is relevant to future circumstances. Its cap badge will be maintained, as will its traditions and, given those who run the Army at present, it is highly unlikely that there will be any attempt to change that. However, within the new air manoeuvre brigade, its relevance and purpose will undoubtedly be increased in future. No decision has been taken about where the brigade will be based, I hear what the hon. Gentleman says about Aldershot and I am sure that he expresses a dispassionate and objective view, but I have no doubt that other objective views will be expressed from other parts of the House, and we shall listen to them all.

**Laura Moffatt** (Crawley): May I welcome my right hon. Friend's announcement today, particularly the reference to the defence medical services? It was depressing to find that those in Bosnia doing the job on behalf of our reserves and regular forces were so damaged by the reorganisation of services by the previous Government. It is difficult enough to work in the medical services, as I know, and to do that job in dangerous and awful conditions is something which I consider unacceptable. I very much welcome the move to do something about it, and I am most grateful to my right hon. Friend.

**Mr. Robertson:** I thank my hon. Friend who is a member of the Defence Select Committee and has seen at first hand many of our troops in operations. Like so many others, she has heard from them about the current demoralisation in the defence medical services. The previous Government made a serious mistake in the way in which they made economies. It is something which many people regret. I do not make much of it, in the interest of maintaining the consensus that we have built up, but it has to be rectified, and we are committed to that. If our deployed troops require and rely on anything during operations, it is the medical back-up; we have to re-create that and make sure that it is there.

**Mr. Mike Hancock** (Portsmouth, South): I should be grateful if the Secretary of State could answer three or four quick questions about the White Paper, as I am sure that many right hon. and hon. Members will have doubts about how £750 million will be saved. He spoke specifically about overstretch and undermanning. How does he square that with reducing the number of ships. Putting more men into ships, but having fewer ships will undoubtedly mean more deployment, possibly for longer. Where will the new aircraft carriers be kept? I should like to make a special plea for Portsmouth dockyard, which is custom made for it. Will he also explain to the tens of thousands of people in the Greater Portsmouth area who rely on the defence industry for jobs what there is in the White Paper that will give them some satisfaction that their jobs are safe and that the projects that they are currently working on will not be abandoned? I am heartened by the thought that there will be a further statement tomorrow. Finally, will he let us know what he plans to do with defence medical services, in particular the future of the Royal Haslar naval hospital?

**Mr. Robertson:** It is difficult to give short answers, Madam Speaker, if hon. Members ask five questions. May I first put the hon. Gentleman right? The savings in the defence budget will not be £750 million. We are talking about a 3 per cent. reduction in real terms in the defence budget by the end of three years—£685 million. We believe—and the MOD believes—that that can ensure that we still deliver the force package that we have announced. Undermanning in the Royal Navy will be helped by the reduction in the surface fleet. Unlike previous Governments—let them remain unnamed at the moment for the sake of peace—who reduced both the surface fleet and manpower, creating overstretch, we are leaving manpower levels as they are. The Navy believes that that will make a substantial difference to overstretch.

I note—no more than that—that the hon. Gentleman wants the new aircraft carriers to be based in Portsmouth. The happy news is that my constituency of Hamilton, South is absolutely landlocked. I am therefore completely objective in that regard. No doubt, there will be competing interests for that basing policy. It is just conceivable that

*[Mr. Robertson]*

I will not be the Defence Secretary around at the time who must make that decision. [HON. MEMBERS: "Oh."] I express shades of mortality rather than any sign of modesty.

The defence industry is in very safe hands. It is important to the country because of the jobs that it creates, the exports that it generates and the technology of which it is a part. The defence review underlines the importance of the British defence industry, which I spend much of my time helping when visiting foreign lands.

**Mr. John McAllion** (Dundee, East): Does my right hon. Friend understand that the threat of a new nuclear arms race in southern Asia is worsened by Britain retreating to a position from which we defend our national right to use nuclear weapons but deny that same right to almost every other nation on earth? If so, does he accept that, in announcing that Britain is and will remain a nuclear weapons power, he has missed an unique opportunity to give a lead on nuclear disarmament, which could pull the world back from a nuclear brink that has suddenly and frighteningly become that much closer?

**Mr. Robertson:** Despite my new post, I watch the Scottish press carefully. I always thought that my hon. Friend believed in delivering what one promised. He and I were both elected on a manifesto that stated that we would retain Trident; we should keep our commitments. On the subject of new nuclear arms races, this Government ratified the comprehensive test ban treaty immediately they came to power. I hope that India and Pakistan will also do so. That would make a serious contribution to reducing the chances of proliferation and the dangers of testing.

**Mr. Nick Hawkins** (Surrey Heath): The Secretary of State will be aware that service men and women, from the most senior officers to the newest squaddie, will have been watching and listening to what he has said. Does he accept that what he has announced, which an artillery man might call a smokescreen barrage, cannot disguise huge cuts? Our service men and women will have noticed that he failed to answer the question asked by my right hon. Friend the Member for Bridgwater (Mr. King). The Secretary of State has no undertaking that the cuts will end—otherwise, he would have told us. How can he possibly believe that recruitment, retention and overstretch will be helped by his announcement of huge, Treasury-driven cuts?

I welcome one or two points, particularly the strengthening of defence medical services, which the Secretary of State will know are important in my constituency. Does he recognise that his announcement on the cutting of fast jets now, with the promise of jam tomorrow when the Eurofighter arrives, will not help retain pilots? That is the economics of the madhouse; they will all have left long before the Eurofighter is available. Does he recognise that all he is promising is beyond visual range? Will he finally answer the question that I have been asking him and his Minister of State on behalf of my constituents for more than a year? Will he address the scandalous refusal to announce what there will be in the splendid buildings of the staff college in Camberley?

**Mr. Robertson:** The hon. Gentleman is right in one respect. Our forces across the world will be interested in the defence review and in what their Parliament has to say about it. Where he is wrong is in underestimating their intelligence when it comes to discriminating between what he is saying and what I am saying. They know what the past seven years have been like. They know of the 23 per cent. cuts and compulsory redundancies in the armed forces when they were on operations in Bosnia.

We are saying today that the regular armed forces of this country will be increased. The Army will be increased by 3,300, and all other services will be maintained at present levels. Our forces will be able to understand what is in the review, and they will see the contrast between it and what they have experienced. The hon. Gentleman was not listening when I made the point—following the right hon. Member for Bridgwater (Mr. King)—that the financial deal in the White Paper is part of the comprehensive spending review and is guaranteed for the next three-year period. No Conservative Government gave a three-year forward commitment.

The hon. Gentleman mentioned Camberley and what use might be made of that building. We will consider, with all the valuable buildings that are within my responsibility, the best and most appropriate way of dealing with those sometimes surplus assets, and whether they could be used in terms of the rationalisation of some of the defence estate.

**Mr. Nick Ainger** (West Carmarthen and South Pembrokeshire): I congratulate my right hon. Friend and the rest of the MOD team on the review. It is the first review I can recall where Wales has not been penalised in terms of job losses. During the final two terms of the Conservative Government, 2,000 defence jobs were cut in Pembrokeshire and Carmarthenshire.

May I ask specifically about the three armoured regiments that are planned to return from Germany with their 2,500 personnel? Has a decision been made on where those three regiments will be based and trained? If no decision has been made, may I recommend that my right hon. Friend look closely at basing them and providing training at the Castlemartin tank range in my constituency?

**Mr. Robertson:** I am taking careful note—I am sure that my officials will be as well—of all bids for the new configurations, which I know will be generally welcomed. No decisions have yet been taken about where the regiments coming back from Germany will be based. We will look carefully at the assets, to ensure that the right decisions are taken in terms of the military and the public purse. My hon. Friend is absolutely right to draw a contrast between the experience of those in the armed forces and what is promised in the review today. The defence review was designed as a vision of the future that would unite as many different elements in the country as possible, so that defence would cease to be the political football that it has sometimes been in the past. I believe that it does that, and that it is good for the country.

**Mr. Michael Mates** (East Hampshire): As the right hon. Gentleman continues to deny that the Treasury had anything to do with the review, he is, I suppose, unable to accept the congratulations that some of us would want to offer him and his colleagues on having fought extremely well against the predators of the Treasury and

having coming out with cuts which are much smaller than many of us feared. I am sorry that he cannot accept those congratulations, which are offered sincerely.

May I particularly welcome the appointment of a new Chief of Defence Logistics? I hope that the Secretary of State will instruct him to finish the job of managing defence centrally, which was started all those years ago by Mountbatten and has been frustrated from time to time by single-service rivalries and turf protection. If he can solve that problem and bring together all the defence logistics, he will have done us a great service.

I wish to make a point about the Territorial Army. In this country, the services, in their professionalism, are gradually getting further and further away from the people. The closing of Territorial Army centres and the taking out of the defence world of members of the civilian community will accelerate that. Will he look at that problem, because if the services are divorced from their civilian counterparts, we will get an unstable and unsatisfactory situation, which we have not had in this country since the war?

**Mr. Robertson:** If I had had a battle with the Treasury, I would have been happy to accept the congratulations of the hon. Gentleman. My right hon. Friends the Chancellor of the Exchequer, the Prime Minister, the Foreign Secretary and the President of the Board of Trade have all had an interest in the White Paper, and we have had a reasonable discussion.

As I said—and it should not be underestimated—the package that was designed in the Ministry of Defence by the Chiefs of Defence Staff, the Ministers and others who gave their input to the process was untouched by Government. A civilised discussion then took place with the Treasury, and a package was agreed. None the less, I accept the hon. Gentleman's congratulations on the size of the package and pass them on to my hon. Friend the Minister for the Armed Forces.

I thank the hon. Gentleman for welcoming the Chief of Defence Logistics; we believe that it will result in better co-ordination of a key component in ensuring that the right forces can be delivered at the right time. I know that General Sir Sam Cowan's appointment as the first chief has been generally welcomed; there is probably no better man to fit that position and to begin with energy doing the job that the hon. Gentleman describes.

I recognise that very small armed forces, which are proudly treasured by the British people, can become disconnected from their local communities and lose visibility. The TA plays a part—but not the only part—in ensuring that there is contact. That will be one of the key criteria by which we judge the TA's final shape when it is reconfigured, reinvigorated and made more appropriate to the future.

**Mr. Malcolm Savidge** (Aberdeen, North): Recent events in Iraq, India and Pakistan have raised awareness of the terrible risks of nuclear proliferation. Does my right hon. Friend believe that the initial cuts in British nuclear weapons that he has announced will enable Britain to take a strong lead both in discouraging proliferation and in reviving the process of multinational disarmament?

**Mr. Robertson:** My hon. Friend is right. We need to move with some urgency towards a safer world, in which there are fewer of these weapons. We believe that we should maintain a credible nuclear deterrent, but that that can be done at lower levels. We also believe that we can be more open about what we have. The review will achieve that, which is good news for those who serve in our deterrent patrols and will, I believe, be welcomed in the country and, indeed, in the wider world.

**Mr. Peter Viggers** (Gosport): Does the Secretary of State agree that, on the crucial medical services, the White Paper is strong on generalisations, which I welcome, but silent on points of detail? Is that not surprising, as a report was completed some months ago on the secondary care agency? Will he confirm that he will build on the core of the Royal Naval hospital at Haslar and the medical college at HMS Dolphin, retaining them as a centre of the enlarged medical services?

**Mr. Robertson:** Rebuilding the defence medical services and the morale that has disappeared will not be easy, but we are committing money and people to ensure that it happens. I cannot say what the final shape will be. Haslar and the local national health service trust are having on-going discussions. I want urgently to consider how best we can fulfil our commitment, use properly the money that we have set aside and ensure that one of the key capabilities of our armed forces is given the priority that people believe it should have.

**Gillian Merron** (Lincoln): May I pay particular tribute to the review's acknowledgement of the worth of our service people and its practical commitment to improving their lives through better personnel services, education and training and the task force for the family? Will my right hon. Friend tell my constituents when a decision is likely to be reached on the future of RAF Scampton in Lincolnshire?

**Mr. Robertson:** My hon. Friend is right to point to the key role that people have in the review and in the armed forces as a whole. I am told that it is a cliché to say that people are our key asset, and I suppose that it is; it is repeated by those who have done them a disservice as well as by those who have done them a service. However, it is a fact of life. People make our defences the envy of the world; their capability and skills are highly important. She mentions the Royal Air Force, of which the same is true; the fast jets do not fly without skilled people to man them, and we give those people due priority.

We will announce in due course the implications of the review for individual circumstances, which are complex at this stage, and I am sure that my hon. Friend will be relieved as a consequence.

**Mr. Alan Clark** (Kensington and Chelsea): I thank the right hon. Gentleman for including me in the consultation process, and I am naturally gratified that some of the recommendations that I, among others, made have found their way into the document. He did not, however, properly answer the question put by my hon. Friend the Member for Stratford-on-Avon (Mr. Maples): will the carriers in fact be built? They are the only factor that justifies the word "strategic" in relation to the review, which is otherwise a list of fairly intelligent cuts and an exercise in saving money.

*[Mr. Alan Clark]*

How will the Secretary of State protect himself against the fact that, as soon as the Treasury realises how much equipment and expense will be involved in maintaining a dual-carrier task force—the review is short on detail—it will torpedo the carriers, leaving only the debris of the three services that have been pillaged to pay for them?

**Mr. Robertson:** I thought, when I made the announcement, that I would have the right hon. Gentleman's support, as I know of his abiding interest in the subject. Every capability in the Ministry of Defence has been examined thoroughly in the review. The balance in the document and in the supporting documents—he may care to read them—leads to clear conclusions about how we should best configure our forces to meet the uncertainties of the new world. That is why we decided to plan for two new carriers to replace the current three.

The costs of the carriers and the aircraft to go on them—decisions are still further down the line—will be considerable, but they will be spread over a long period in both preparation and delivery. It is no intention of the Government to make a proposal and then walk away from it. We are saying in the review what we believe will be right for our country's future and what should be delivered.

**Mrs. Anne McGuire** (Stirling): I congratulate my right hon. Friend on an inclusive and open process, culminating in the television programme, which was undoubtedly the talk of the steamie throughout Scotland. As a member of the armed forces parliamentary scheme, it struck me as faintly bizarre that we have invested tens of thousands of pounds in technicians who have no transferable pieces of paper to take them into civilian life, and officers who can drive boats and ships across the world but are not qualified to drive a CalMac ferry across the Minch. I welcome the learning forces initiative. Does my right hon. Friend have a time scale in mind for its implementation?

**Mr. Robertson:** My hon. Friend is my own representative in Parliament, and a very fine one, too. I welcome her question. The transferable qualifications that we have proposed that all recruits and existing personnel should aim for are a key component of the review, to help to ensure that we recruit and retain the best people. The learning forces initiative is designed to be implemented as quickly as possible.

I know that my hon. Friend is in the armed forces parliamentary scheme with the Royal Navy, and perhaps I may take the opportunity provided by her question to make a small announcement about the review's implications for our frigates. As the White Paper makes clear, the emphasis is moving away from large-scale maritime warfare and open-ocean operations, and as we have concluded that our force of attack submarines will be reduced from 12 to 10, there will be implications for frigates.

HMS Splendid will pay off in 2003, when she was due for refit. HMS Spartan will have a refit in Rosyth, starting in 1999, but will pay off in 2006, a little earlier than previously planned. Five type 22 frigates based in Devonport will be paid off: in 1999, HMS Boxer, HMS Beaver and HMS London; HMS Brave will be paid off in 2000; and HMS Coventry in 2001, as two new type 23s are brought in. HMS Birmingham—a type 42 destroyer—will pay off as planned in 1999, to be replaced by a new type 23 frigate. It is right that the House should receive that news, not any outside audience.

**Several hon. Members** *rose—*

**Madam Speaker:** Order. I must conclude questions on the statement—*[Interruption.]* Order. Some Members are exasperated that they have been rising for a long time, but have not been called and I sympathise. At 4.15 pm, I said that progress was not to my satisfaction, but hon. Members ignored what I said and continued to put many questions to the Secretary of State, as well as making long statements. To a large extent, the House must discipline itself. I have done my utmost to call hon. Members with direct responsibility for defence establishments in their areas. If there is a debate on the White Paper, I shall see to it that those hon. Members who have taken an inordinate length of time asking questions today do not get priority.

## Points of Order

5 pm

**The Parliamentary Secretary, Office of Public Service (Mr. Peter Kilfoyle):** On a point of order, Madam Speaker. It arises from yesterday's debate, in which the right hon. Member for South-West Surrey (Mrs. Bottomley) sought to intervene on my speech. I initially resisted her intervention. However, I had named the right hon. Lady and intended to give way to her after I had completed that part of my speech. I apologise to the House for any unintended discourtesy on my part. I must reassure the House that I accept unequivocally that it is right and courteous to give way to right hon. and hon. Members whom one has named in a speech and I thank you, Madam Speaker, for giving me the opportunity to advise the House that I intended no discourtesy to it.

**Madam Speaker:** Thank you.

**Mrs. Virginia Bottomley** (South-West Surrey): Further to that point of order, Madam Speaker. I accept the hon. Gentleman's apology. Perhaps he should have allowed me the opportunity to right that wrong accusation, but I accept his apology and his endorsement of the convention.

**Madam Speaker:** I appreciate that. Thank you.

## Empty Homes (Value Added Tax)

5.1 pm

**Mr. Jonathan Shaw** (Chatham and Aylesford): I beg to move,

That leave be given to bring in a Bill to reduce Value Added Tax paid on the renovation of long standing empty homes.

The Bill would take a large knife and cut the waste of empty homes, which litter our towns, cities and countryside. Ours is a small island straining to provide enough decent housing for all its inhabitants. With the countryside under threat from development and inner cities in need of regeneration, we have a bewildering and contradictory situation that allows the building of new houses on green-field sites to be exempt from value added tax, yet penalises those refurbishing, converting or saving homes by charging them VAT at the full rate at 17.5 per cent. The Bill would provide a greater incentive to the building industry to bring empty homes back into use by reducing the level of VAT paid on their refurbishment. In doing so, it would help to create a more sustainable house-building policy.

In England and Wales, more than 800,000 homes are empty, and the great bulk of them are in the private sector. When publishing the White Paper, "Planning for the Communities of the Future", my right hon. Friend the Secretary of State for the Environment, Transport and the Regions announced that the target for building homes on previously developed land would increase from 50 to 60 per cent., which was a welcome move. As we frame a new housing policy, it is vital that we consider how to sustain existing property. Wasted homes that are lying idle could make a significant contribution to the Government's inherited figure of 4.4 million homes being needed—or however many we end up believing we need.

Lowering VAT to 5 per cent. on the renovation and refurbishment of homes that have been empty for more than a year would make that significant contribution to providing for the nation's housing. The Government have stated that they are committed to producing an agenda for sustainable development and, in doing so, have undertaken to consider moving taxation to environmental bads from environmental goods. We saw evidence of that in the vehicle fuel escalator and the reducing of burdens on home energy-saving materials in the recent Budget. Most environmental groups are convinced that the use of empty homes would not only provide a contribution to housing the nation, but save the existing fabric of buildings and reduce toxic greenhouse emissions associated with the manufacture and transportation of materials.

Much has been done to bring empty properties back into use, but it has been led principally by local authorities, often in partnership with housing associations. I was responsible for introducing an empty property strategy on my local council. Within 18 months, we had refurbished 100 empty homes, but the cost had to be transferred to tenants through higher rents. High rents can prove a barrier or a disincentive to low-income families, or to those who want to move from welfare to work. If my Bill had been in place, my council could have renovated 15 more properties. The same is true of many excellent local authority initiatives up and down the country. However, the matter cannot be left to local councils, because most empty properties are in the private sector.

There is proper concern about how we define an empty property in need of refurbishment. My Bill would not provide a loophole for anyone who left home on holiday, returned via a do-it-yourself store and sought a reduction in value added tax. The Bill addresses the 250,000 empty homes of long standing, on which councils all over the country have full information because of the details that they are required to provide from their council tax work. Councils are well placed to issue exemption certificates, as local authority bodies have said. A mechanism is in place for the avoidance of fraud.

The next question is whether the Bill's proposals are achievable under European law. The Government have successfully negotiated a cut in VAT on fuel. They had to work hard for that, and cutting VAT again would require time-consuming and difficult negotiations. However, a modest, sustainable and sensible policy would be better than the ill-conceived and contradictory existing policy that allows barns to be converted and millionaire mansions to be built on green-field sites for social reasons, free of VAT, while local councils have to stump up the full whack when they bring a two-up, two-down terraced house back into use for a family on low pay. The policy is the wrong way round.

I concede that there would be an initial loss of revenue. However, we should not lose sight of the savings that my Bill would bring. Increasing work on empty homes will increase the VAT yield. More work for the construction industry means more national insurance and tax contributions. Lower rents will cut benefit bills, and grants to housing associations could also be reduced.

My Bill does not go far enough. I am constrained by the rules on Bills from promoting all that I would like. I want the Government to create a level playing field for the refurbishment of long-standing empty homes and the building of new homes on green-field sites by harmonising VAT at 5 per cent.—a move which was supported by more than 60 hon. Members on both sides of the House in early-day motion 1467. Harmonisation would yield £200 million a year for the Treasury if 176,000 houses were built. That truly would be a sustainable policy.

The Bill is supported by the Campaign for the Protection of Rural England, the Civic Trust and the Empty Homes Agency, which has done much work and which deserves tribute. Moreover, the Bill has been recommended to the Government by their own advisory panel on sustainable development.

Reducing VAT on refurbishment of long-standing empty properties to 5 per cent. is an important first step towards dealing with the waste that bedevils our community. We inherited an appalling legacy in social housing, with council house repairs running at £20 billion. The Government made a good start by releasing council house receipts, but many families still live in appalling bed-and-breakfast accommodation, which is bad for their health, bad for their children's education and an indictment of society. The indictment is all the greater when houses are waiting for renovation and builders want to do the work.

*Question put and agreed to.*

Bill ordered to be brought in by Mr. Jonathan Shaw, Mr. Robert Marshall-Andrews, Mr. Bill Rammell, Dr. Brian Iddon, Mr. David Chaytor, Mrs. Helen Brinton, Jane Griffiths, Mr. Martin Salter, Mr. Derek Wyatt, Mr. Vernon Coaker and Mr. Brian Sedgemore.

EMPTY HOMES (VALUE ADDED TAX)

Mr. Jonathan Shaw accordingly presented a Bill to reduce Value Added Tax paid on the renovation of long standing empty homes: And the same was read the First time; and ordered to be read a Second time on Friday 6 November, and to be printed [Bill 223].

# Orders of the Day

## Competition Bill *[Lords]*

*Ordered*,

That the Competition Bill [*Lords*], as amended, be considered in the following Order, namely, Amendments relating to Clauses 1 to 3, Clauses 17 to 19, Schedules 1 to 4, Clauses 4 to 16, Schedule 5, Clauses 20 to 24, Schedule 6, Clauses 25 to 45, Schedule 7, Clauses 46 to 49, Schedule 8, Clauses 50 and 51, Schedule 9, Clauses 52 to 54, Schedule 10, Clause 55, Schedule 11, Clauses 56 to 74, Schedules 12 to 14, Clauses 75 and 76, New Clauses, New Schedules.—[*Mr. Ian McCartney.*]

### Clause 3

EXCLUDED AGREEMENTS

5.10 pm

**Mr. John Redwood** (Wokingham): I beg to move amendment No. 2, in page 2, line 42, at end insert

'or—

(e) resale price maintenance for over-the-counter medicines'.

**Mr. Deputy Speaker (Mr. Michael Lord):** With this, it will be convenient to discuss new clause 4—*Exempted goods—*

'( ) The Chapter I prohibition does not apply to an agreement relating to the resale price of goods of a class which are the subject of an order made under section 14 of the Resale Prices Act 1976 (exemption of goods by the court).'.

**Mr. Redwood:** I am grateful for this opportunity to speak on amendment No. 2 and comment on the rather good new clause tabled by my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), which directly bears on the same problem.

In many of the debates on the Bill, the Opposition have pointed out that one of its unfortunate consequences—which I trust was unforeseen by those who drafted it—will be the closure of many smaller pharmacies. We have continually argued that the Bill makes it more likely that resale price maintenance will have to go. We have had confirmation of that view and various explanations from Ministers in Committee. Ministers would like the nation to believe that the threat comes from Brussels rather than from their actions and legislation. However, we will seek to show that pharmacies are threatened by the Bill and the Government, as well as by the possible threat from Brussels to which Ministers like to refer.

There are some agreed matters in this debate. It is agreed that, if resale price maintenance is abolished, some pharmacies will close. Indeed, Ministers have suggested that hundreds will close. It is common ground for about 170 Labour Members and for Opposition Members that that would be extremely damaging.

**Mr. Tim Boswell** (Daventry): Where are they?

**Mr. Redwood:** My hon. Friend asks where all those Labour Members are. It would be good to have them here expressing concern about their local pharmacies. However, the Whip on duty, who is now going through contortions trying to show that he has a sense of humour, has done a good job of ensuring that there will be no

dissent and no expression of opinion or strong views by Labour Members in defence of the pharmacies that they know will close.

**The Minister for Competition and Consumer Affairs (Mr. Nigel Griffiths):** Perhaps the right hon. Gentleman can tell us why the Community Pharmacy Action Group does not support the amendments.

**Mr. Redwood:** I trust that the Minister will restrain his impatience a little, because it will give me great pleasure later in my analysis to take the House through the position of the Community Pharmacy Action Group and its advisers, Lawson Lucas Mendelsohn.

It is agreed that there is a substantial threat of closure, and that it comes from the abolition of resale price maintenance. It is also agreed, I think, that we can go this far in asserting agreement—that some combination of possible Brussels investigation and this legislation will cause the end of resale price maintenance.

The Minister will doubtless say, as he did in Committee, that there is an investigation under the existing system, but he should remember that there have been investigations before. The most recent concluded that the arrangements were in the public interest. If the Bill did not change the law, it would be possible for the retail pharmacies to win their case under existing law and arrangements as they did before, and continue thereafter to benefit from the advantages that resale price maintenance brings them.

It may help the House to remember why RPM is important to pharmacies, and why there are sensible alternatives for customers who rate price above service. This is important, because the typical local or rural pharmacy provides service and advice. That is often expensive. The number of customers may be limited, but they appreciate the whole service—not just the ability to purchase the goods once the right one has been identified. To sustain the considerable costs of this service, there is a system of recommended and maintained prices which enable pharmacies to recoup the costs of providing the full service and advice through a slightly higher margin than would otherwise be the case.

**Mr. David Chidgey** (Eastleigh): Does the right hon. Gentleman agree that retail price maintenance would become insignificant if the professional services provided by pharmacists were properly rewarded? Should not the President of the Board of Trade talk to her Cabinet colleagues about getting the Department of Health to pay properly on time, rather than keeping chemists waiting 90 days to pay bills?

**Mr. Redwood:** The hon. Gentleman makes an excellent suggestion. It is a pity that the President of the Board of Trade is not present to hear that advice. I trust that her Minister of State or the Minister for Competition and Consumer Affairs will pass it on. I do not wish to repeat the allegation made outside this House that she is insignificant. She holds an important office of state, and I hope that she will consider that kind suggestion from her allies in government, the Liberals. I associate the official Opposition with the idea that the NHS should pay its bills on time. That would help the cash flow of many small and larger pharmacies.

Pharmacies need something more than the NHS paying its bills on time. They have traditionally enjoyed the protection of slightly higher prices, which provide them with extra money. That has been found to be in the public interest under the law that the Government are trying to replace.

**Dr. Stephen Ladyman** (South Thanet): Given the right hon. Gentleman's comments about the presence of my right hon. and Friends and the powerful case that he is making for community pharmacies, has he wondered where the hon. Member for Tunbridge Wells (Mr. Norman) is this afternoon? As the chairman of the Asda supermarket chain, he launched the complaint against resale price maintenance with the restrictive trade practices court. Why is he not here to debate these important matters?

**Mr. Redwood:** It shows my hon. Friend's strong sense of conflict of interest that he does not wish to be here to make the business case that is firmly held by Asda. He knows that the official Opposition strongly disagree on this occasion with Asda, fine company though it is. We will vote in favour of support for retail pharmacies. I am not a spokesman for my hon. Friend the Member for Tunbridge Wells (Mr. Norman). He is wisely not here tonight because he has other important business.

Although the case is now being taken forward by the executive management of Asda and not by my hon. Friend, his absence shows how sensitive he is on this important point. I should have thought that Labour Members would want to give him credit for that, rather than trying to coax him into making a statement that they would doubtless misconstrue against him.

**Dr. Ladyman:** I am grateful to the right hon. Gentleman for his continued patience. I understand the conflict of interest that has been created. Does he have any information about which Lobby the hon. Member for Tunbridge Wells will join this evening?

**Mr. Redwood:** I have already made it clear that I do not speak on this occasion for my hon. Friend the Member for Tunbridge Wells. I speak for the Opposition, and I am making our position clear. I suggest that we move on to more weighty matters that relate to the future of many of retail pharmacies. *[Laughter.]*

Many Labour Members think it is amusing and that the only interesting thing is the position of my my hon. Friend the Member for Tunbridge Wells, who is a fine Member of this House. They should concentrate on what worries their constituents, who are not asking about my hon. Friend's position. They are asking what, if anything, the Government will do to help community pharmacies. Will they tonight, by their inaction and vague statements, sign the death warrant of hundreds of small pharmacies, as I think they will; or will they listen to the urging of the Opposition, and, for a change, do something that might help those businesses?

**Mr. Nigel Griffiths:** The right hon. Gentleman promised the House that he would answer the question I put to him: why is the Community Pharmacy Action Group not supporting the amendment? It is because it supports us.

**Mr. Redwood:** Life is not that simple. I must again ask the Minister to contain his impatience. His hon. Friend

*[Mr. Redwood]*

the Member for South Thanet (Dr. Ladyman) has been interrupting on less important matters, and I have been extending to him the courtesy of answering his point. The Minister makes a more important point that is worthy of a longer reply, which I shall give at the right point in my argument; but it is right that I first explain the general position: the threat of closures, the sort of services that the pharmacies offer, and why they are important in local communities.

If someone, even in one of those local communities, thinks that price is far more important than service and the branded medicine, that person can travel to the nearest large supermarket and take advantage of the excellent goods sold in, for example, the supermarket that used to be run by my hon. Friend the Member for Tunbridge Wells. There, and in other, rival and equally competitive, supermarkets—I do not wish to recommend any particular supermarket—can be found cheaper medicines, equivalent to the branded goods, sold on price.

We are not trying to stifle choice in the marketplace, or to prevent people from buying cheap medicines if price is important to them, but we think that, in this unique situation—we do not recommend similar measures for other industries—it is worth preserving the system of RPM that has served local communities so well in the past and could do so in future.

The House will want to know how we propose to achieve that. There are two mechanisms on offer, in amendment No. 2 and in new clause 4. The amendment tabled in my name on behalf of the official Opposition does the job in a straightforward way, providing that, if the competition authorities wished to change their minds on the issue, Ministers would have to come back to the House to amend the legislation.

It is an old technique and a democratic one. I know that such things are going out of fashion with the Government, but I recommend it to the House, as it would ensure that the matter would be under democratic control and properly debated. The amendment provides a lock on the door, unless and until a majority party in future wished to change the arrangements. It works simply, by adding

"resale price maintenance for over-the-counter medicines"

to the list of exemptions in clause 3, which sets out the main prohibition regime and exemptions to it.

If the House finds the amendment a little too dramatic, because it would clearly do the job, there is an alternative in the form of new clause 4, standing in the name of my hon. Friend the Member for South Cambridgeshire. If the Government chose to accept that instead of the really strong version, it would enable the Government to continue to exempt those goods

"which are the subject of an order made under section 14 of the Resale Prices Act 1976".

The new clause would preserve the exemption all the time that the court exemption is in existence; and the court would still have to satisfy itself about the particular case. That, too, would receive the blessing of the official Opposition, if that is the best that the Government are prepared to accept in order to get themselves out of the hole of their own making.

Ministers argued in Committee—as doubtless the Minister will argue tonight—that there is no point in taking such action in British law, because Brussels is determined to end the system of RPM, and that we must allow Brussels to have its way. However, instead of leaving it to Brussels to do that, Ministers say that the issue must be examined by the courts here: if the courts find in favour of the current practice, it will go, albeit over some longer period; and if the courts find against it, the courts will impose their own timetable for its removal. It is not much fun for the retail pharmacies fighting the case before the court to know that, either way, they will lose, but there may be some debate about how quickly the system is phased out.

I find it quite extraordinary that the Government take such a view of Brussels as they have done on this subject. In the fine soundbites to which we are often treated, we are told that the Government intend to be influential in Brussels. We are told that, by having made so many concessions to Brussels—on the social chapter and the treaty of Amsterdam, to name but two occasions—they are now in an extremely good position to get all sorts of free gifts back from Brussels.

Therefore, we ask the Minister to put up on this matter, and take a trip to Brussels. So generous am I in this respect that I should be happy to see public expenditure rise by the price of a return air fare to Brussels, if only the Minister could promise me that he would use that trip to insist on a better answer for the British retail pharmacy sector from Brussels.

The Minister must by now have had enough dealings with Brussels to know that, in Brussels, matters are often more in the nature of a negotiation than of a legal construct. Although they have legal form under treaties and court procedures, in practice many matters are settled, not in the normal judicial way as we would understand it, but behind closed doors by bargains between politicians and/or senior officials.

The matter before us is clearly a case in which the Government could use their influence—if they have any—to try to get Brussels to agree that RPM for retail pharmacies in this country is in the public interest, as was found under the previous Government, and that Brussels should recognise that, and not be too crass in its application of competition law.

**Dr. Ladyman:** Will the right hon. Gentleman clarify his remarks? Is he telling the House that he would prefer, and that we and our community pharmacies should put our trust in a deal struck behind closed doors with civil servants in Brussels, rather than in a British court, the restrictive practices court, and the current arrangements?

**Mr. Redwood:** No—the hon. Gentleman is being uncharacteristically slow-witted. I have made it clear that I want British parliamentary democracy to settle the issue. As proof that the Government have influence in Brussels—I do not believe they do, but I am always willing to be proved wrong—I want them to go there and tell Brussels to get its tanks off the lawns of our retail pharmacies.

That is a simple proposition, and I am explaining, for the benefit of the Minister, how Brussels works. I am not saying that I approve of that system; I am saying that that is the system, that it is the one within which the Government must work, and that, on this occasion, they should do so in the interests of British democracy—so that we can settle the matter here—and the interests of our constituents, who would clearly like the RPM system to be maintained.

I believe that the Government's influence in Brussels would be greatly strengthened if they accepted either amendment No. 2 or new clause 4—the position would be clearest if the official Opposition's amendment were accepted. They could go to Brussels and say, "That is the will of the whole House of Commons," because not only would they carry with them tonight all the Opposition Members, as far as I know, but they would have all the Government Members' votes, if the Minister asked the Whip to get people to stand on their heads again and vote more in line with their conscience.

The whole House of Commons could be united for once, in defence of a good public service and a good British interest. Surely that would have some sway with those in Brussels when trying to judge both the political mood in this country and how much rope they would have to change our minds for us. Making the amendment would give a strong signal, and I recommend it strongly to the Government.

We know that the United Kingdom authorities are investigating, and I dare say the Minister will say that that cannot be stopped, but there is more chance of that investigation coming to the right conclusion from the pharmacies' point of view if the House clearly expresses its views.

**Mr. Nigel Griffiths:** I am not going to argue that that investigation cannot be stopped. I suspect that it could be stopped if the vice-chairman of the Conservative party were persuaded to withdraw the complaint that he lodged on behalf of his company. Will the right hon. Gentleman support me in making such a request?

**Mr. Redwood:** I am suggesting that the complaint could be stopped by changing the law, which is what is on offer this evening. I have no doubt that I would not be able to persuade the Asda company, which has moved on from the days when my hon. Friend the Member for Tunbridge Wells was in sole charge and has new executive management, to drop its complaint. The executive board members would meet and say, no, they want to pursue the complaint, because it is in their business interests so to do.

I do not object to that, because I believe in a free society in which people can pursue their legitimate interests. All I ask is that we know where people are coming from, just as the House asks hon. Members to reveal whether they are coming from a particular position in cases where people should be aware of their interest.

I am saying that, on this occasion, we can change the process if we wish by primary legislation. We could do so tonight and that would send a clear signal to the investigating authorities or it could even overturn the investigation itself. The Government have the power to do something if they wish. That is all I am trying to establish at this stage in my argument.

5.30 pm

I shall now deal with the issue that has been the passion of the Under-Secretary—the attitude of the Community Pharmacy Action Group. As he has asked about it, perhaps the House will give me leave to go into some detail about the different positions that it has adopted during the passage of the legislation.

When the Community Pharmacy Action Group first alighted on the issue, it considered it carefully and drafted a comprehensive paper on the changes it thought were needed to the Bill in order to protect the interests of its members. It wrote to Mr. Mark Hickson of the Competition Bill team at the Department of Trade and Industry—I believe that that letter has been circulated to all interested Members.

The action group stated that it was campaigning for the continuance of resale price maintenance on over-the-counter medicines. It said that its response

"seeks to make the case for the retention of RPM on OTC medicines and proposes amendments to the draft Bill that we believe will be necessary if the present agreement is to have any chance of surviving . . . we have made it clear in the submission that our preferred option would be the inclusion in the new Competition Bill of a specific exemption for the present agreement based on contemporary public interest grounds. We have sought to be constructive and hope that you will incorporate this in the final version of the Bill."

I agree with that advice.

I think that the action group was sensible, and I told it so when I was in touch. The group did not tell me or my staff at the time that it was working in conjunction with LLM, the lobby firm. I dealt directly with the action group, and the telephone number that I had was the telephone number of the Royal Pharmaceutical Society of Great Britain. The letterhead made it clear that the Community Pharmacy Action Group was extremely well supported, and that it consisted of the Royal Pharmaceutical Society, the National Pharmaceutical Association, the Pharmaceutical Services Negotiating Committee, the Scottish Pharmaceutical General Council, the Company Chemists Association, the Proprietary Articles Trade Association, the British Association of Pharmaceutical Wholesalers, the Proprietary Association of Great Britain, and the Co-operative Pharmacy Technical Panel. The action group led me to believe that it spoke for all those bodies, which in turn spoke for all their members. I believed that it was an extremely wide-ranging and broadly based alliance. I and my office continued to be in touch with the action group through the Royal Pharmaceutical Society.

Today, I received a letter dated 6 July which changed the line that the action group was recommending in some respects, although not as much as the Under-Secretary is suggesting. For example, it says that it is continuing to oppose the action of the European Community on all this. The letter says:

"I have seen the letter from the Commission, and the Community Pharmacy Action Group is appalled at this threat of legal action"—

that is, from the Commission.

"The EU appears to be seeking, whether of its own motion or at the request of the OFT is unknown, to interfere in the UK's internal market. The effect of the threat from the Commission is that we have been presented with a choice: fight in the UK courts or in Europe."

The letter goes on to say that it firmly believes that resale price maintenance serves the British public well, particularly those who depend on the local chemist. The action group does not believe that Europe has a role in deciding its future, and would prefer UK to European jurisdiction. At the end of the letter, it says, rather surprisingly, that the action group no longer supports or seeks further amendments to the Bill.

I decided to telephone the action group today to seek clarification on that amazing change of heart from the strong and sensible position that was adopted as long ago

*[Mr. Redwood]*

as September, and which had continued throughout the Committee stage of the Bill. I was surprised to find that the telephone number under the letterhead of the Community Pharmacy Action Group was that of LLM.

When I asked to speak to the chairman of the action group, I was told that he was not there, but that I could talk to the account executive who was handling the case. I was happy to do so. However, the account executive became rather shy, and said that, since it was me, perhaps it would be better if I continued talking to the chairman with whom I had dealt in the past. As soon as I put down the telephone from the account executive at LLM, I received a telephone call from the chairman, Mr. David Sharpe, trying to explain the change of heart.

I have serious questions for the Under-Secretary in the light of these extraordinary exchanges. I should like to know whether the meetings with the President of the Board of Trade and the Under-Secretary were arranged by LLM. Was LLM present at the meetings.

**Mr. Ian Bruce** (South Dorset): The Under-Secretary is not listening.

**Mr. Redwood:** I do not mind whether or not he is listening. He has some questions to answer and, one way or another, he will have to answer them, for the House and for the benefit of the nation.

Was LLM present at the meetings? Did the Under-Secretary have private meetings or telephone calls with LLM, and did he tell LLM that it would be helpful to get that group of small pharmacies to back off from pursuing what is obviously an embarrassing amendment for the Government? I do not know whether that happened, but we have a right to know whether there were any such conversations or private meetings or telephone calls between the Under-Secretary and LLM on this issue without the client, the Community Pharmacy Action Group, being present.

We should like to know whether there was any sort of deal. We see in the newspapers that lobbyists believe that one can do deals with the Government. Was there a deal? If so, can we please know its terms, so that we can judge whether it was a good deal?

**Dr. Ladyman:** I wonder what point the right hon. Gentleman is making. Is there not a fraction of possibility that the action group, which has been represented all along by people supporting its interests and helping it to present its case, has considered the facts and concluded that the Government are right and have been right all along? Could it be that the group believes that the Government have been advising it correctly throughout, and has now decided to support the Government's position?

**Mr. Redwood:** That is a theoretical possibility, but there are many other more interesting ones that are considerably more likely, and I shall explain why.

There is an inaccuracy in the comments of the hon. Member for South Thanet. Mrs. Sharpe, the wife of the chairman of the group, confirmed on the telephone to me this afternoon that she and Mr. Sharp had never informed me or my staff that LLM was involved in the case. I was not aware that that was the position. I prefer to see people directly. I do not like the intermediary of a lobbyist.

I take the view that we are all paid to represent good causes in the House, and that we are the natural channels for a good case. A good case should go directly to the Minister and persuade him, or it should come through me and my hon. Friends or through the constituency Member, so that we can make our judgments about whether it is a good case, which we wish to back without remuneration, or whether it is not a good case, which should be politely referred to someone else, or that those involved should be told that we are not in agreement. That is the purpose of the House. We must make sure that people can get redress for legitimate grievances. I do not like to feel that I have been in any way misled about who is acting for different people, and what sort of game is being played.

I want to get back to the Government's involvement. We need to know how much the Government knew and how they were able to persuade either the advisers or the Community Pharmacy Action Group, or both, that this was not the appropriate way to proceed.

The letter from the action group, and my subsequent discussions with it, have made it clear that something changed, and that it came to believe that Brussels would pursue this case even if the United Kingdom protected the position in legislation. That is not a new fact. I have known that that was a possibility for months, ever since I began handling this Bill. I believe that the Under-Secretary made that clear in his defence of the Government's position in Committee.

The Under-Secretary has not suddenly come to the view that Brussels might take this up independently. It has been a well-known threat for a long time. All my planning to help the community pharmacies, which I wish to do, has been predicated on the fact that Brussels could interfere. I have constantly urged the Government to take Brussels seriously, and to go there to try to sort it out.

**Mr. Nigel Griffiths:** The letter to which the right hon. Gentleman refers specifically says that the author, David Sharp, has seen the letter from the Commission. That is the letter of 8 May, which I believe changed things. Has the right hon. Gentleman seen the letter because it has been available?

**Mr. Redwood:** That letter certainly did not change my view because, since last year, when I first examined the Bill, I have of course been aware that Brussels might well pursue the case separately, or that there could be separate complaints to Brussels.

I thought that the aim of the Bill was to sort out double jeopardy. We have been telling Ministers that it will be very difficult to do so, and, as the Under-Secretary will remember, I have been urging the Government to go to Brussels expressly to sort out that point. It is clear from his attitude tonight that he has not done so. He is not about to say, "The right hon. Gentleman is wasting his breath, because I have solved the problem. I have been to Brussels, and there is agreement that Britain should be able to settle this issue in the interests of retail pharmacists by maintaining resale price maintenance."

The Government have given us fine words, saying that they support small pharmacists, as do the rest of us, that RPM would help, and that some pharmacists will close if it is not maintained. However, they say to the pharmacists, "Pity us, because wicked Brussels will sort out the

problem in a way that we do not want, so you should back off and not embarrass us in the House by backing amendments that would solve your problem."

**Mr. Oliver Letwin** (West Dorset): Does my right hon. Friend agree that it would be interesting to know also what conversations between the Minister, his colleagues and the Commission preceded the emission of the letter from the Commission? It would be interesting to know precisely what requests were or were not made to the Commission, formally or informally, for assistance to get the Government off the hook by issuing such a letter, which was, as my right hon. Friend has pointed out, always a possibility. Should not the Minister give us a travelogue to make it clear exactly what contact he had?

**Mr. Redwood:** As always, my hon. Friend has put his finger on an extremely important point. It is possible that the Under-Secretary went to Brussels and implied that it would be very helpful to Britain if such a letter were written, because it would get him off the hook and avoid a potential large Government Back-Bench rebellion. He clearly has a vested interest in trying to explain to his hon. Friends and the nation that he has no power to do anything, that he is only the Minister and cannot be expected to sort out the problem, and that it is all the fault of Brussels. Now that he has a letter, he is able, directly or with the help of friends—perhaps another part of the magic crony circle is at work—to get decent people to back off because the Government are misinforming them about the true state of play of the relative powers of the House and Brussels.

**Mr. Ian Bruce:** I want the Minister to have the full question put to him. Although my hon. Friend the Member for West Dorset (Mr. Letwin) was very forensic, he did not mention that, when deals are done for the Department of Trade and Industry in Brussels or anywhere else, they are normally conducted by people from the Treasury or No. 10, or possibly by "Tony's cronies". We ought to know exactly who, if anybody, has been to the Commission to ask about these matters.

**Mr. Redwood:** My hon. Friend is absolutely right, and he has enlarged the question in a way that will further embarrass the Government.

We should like to know more about the web of influence and lobbyism that seems to have been working. Perhaps we have here the first case of cash for no influence. This might be the first case of a group being asked to pay money to a lobby group only to be told that it should obey the Government and not influence them for the better. I feel rather sorry for those who thought that their interests were being looked after, who now find that that is not being done properly in the way that they would expect. We need to know rather more about their change of heart.

Suffice it to say that Her Majesty's Opposition—and, I trust, other Opposition Members—wish to give proper support to community pharmacists. This is a problem which the Government could solve by using British law if they wanted to. Ministers should go to Brussels and argue the case for our businesses and the services in our communities, instead of using Brussels in an attempt to stifle a Back-Bench rebellion that would be very embarrassing for them.

The Government should understand that community pharmacies in this country, as Health Ministers recognise, provide an extremely important service, which is now at risk, not just because of Brussels, but because of the Government's actions and inactions. There are many questions that the Under-Secretary should answer before we finish the debate.

**Mr. Nigel Beard** (Bexleyheath and Crayford): This argument is not new. There is no division in the House about the wish to help retail pharmacies and maintain them in their role, which is invaluable to the communities they serve. At issue are the two approaches to safeguarding their position.

The approach outlined by the Government is to let the appeal to the Office of Fair Trading continue because, if it is successful, the Bill will allow the agreement to be maintained for five years. The appeal is highly likely to be successful, given that the Office of Fair Trading has previously adjudicated on the agreement and found it to be in the public interest. The proposed line would protect retail pharmacies' position for about five years, during which they could adjust to the new climate imposed by Brussels and the Bill.

5.45 pm

The right hon. Member for Wokingham (Mr. Redwood), however, proposes to hard-wire into the Bill perpetual protection for resale price maintenance for retail pharmacies. He tabled the amendment knowing that it is in breach of, or counter to, the principles of the legislation—articles 85 and 86—with which the Bill harmonises UK law. It is known also that the only outcome of pursuing the right hon. Gentleman's approach is that, if it were successful, Brussels would take over, investigate and, very likely, decide that resale price maintenance should be stopped. The pharmaceutical industry would then be in far greater jeopardy than if the Government's course were followed.

We came to the nub of the issue in the right hon. Gentleman's winding up. He is challenging the Government to go to Brussels and demand that the law is changed, knowing very well what the answer would be. What marks out the true obsessive is that, whatever the issue, he returns to the point of obsession, which in the right hon. Gentleman's case is Europe. We realise the true nature of the Opposition: the amendment has nothing to do with helping retail pharmacies; it is an attempt, yet again, to stage a confrontation with Europe to demonstrate the likely infringement of the sovereignty of British law. We have heard that case before and it is being rehearsed in exactly the same form tonight.

At issue is an attempt to dupe the retail pharmacies.

**Mr. Redwood:** Will the hon. Gentleman explain what is wrong with the idea of Ministers going to Brussels to try to achieve a sensible exemption for a British industry that will otherwise be damaged?

**Mr. Beard:** What is wrong is that the right hon. Gentleman knows that that is inconsistent with the Brussels legislation under which the Bill falls. The Bill tries to harmonise British legislation with that of Brussels so that—this is the precise point that the right hon. Gentleman made earlier—companies will not face double

*[Mr. Beard]*

jeopardy and the uncertainties and expense of two legislative regimes. The right hon. Gentleman knows that, and all the legal advice that he has been given must have told him that, yet he persists with his amendment, knowing that it could lead only to a confrontation that cannot be won.

Retail pharmacies would be damaged by the amendment, and if they adopted the right hon. Gentleman as a friend they would have a false friend. However, they are more sensible, which is why they sent the right hon. Gentleman the letter he read out earlier. They will not be duped by this attempt to use them to stage a stunt that goes against Brussels and highlights the issue of European legislation and British sovereignty. I am thankful that the pharmaceutical industry has more sense than to listen to Opposition Members.

**Mr. Andrew Lansley** (South Cambridgeshire): I am grateful for the opportunity to support amendment No. 2 and to speak to new clause 4, which stands in my name.

My right hon. Friend the Member for Wokingham (Mr. Redwood) was right to emphasise the desirability of basing one's arguments, in the first instance, on what may be learned by talking to community pharmacists. As members of the Committee know, I was at pains to talk to staff of community pharmacies in my constituency and I instanced one in particular, in the village of Gamlingay.

The pharmacy in Gamlingay fully illustrates the predicament of community pharmacies. They often have a limited catchment area that does not give them a very high rate of return, but instrumental in that rate of return is the mark-up they are able to achieve on over-the-counter medicines, given their difficulty—to which the hon. Member for Eastleigh (Mr. Chidgey) rightly drew attention—in securing an adequate rate of return on the provision of prescription medicines and the valuable advice service that pharmacists provide.

In the example I offered, the pharmacist gave 15 consultations a day. Each of those 15 consultations would have resulted in a general practice consultation but for the presence of a pharmacist. It is the only opportunity many people in the village have to access to a local pharmacy. The suggested alternative of a visit to a large, multiple superstore is not available within seven or eight miles.

There is every reason, therefore, to support community pharmacies. I understand from our debate in Committee that support for community pharmacies is not confined to the Opposition; Labour Members' support is evident. I shall not detain the House by quoting them, but Second Reading speeches by the hon. Member for South Thanet (Dr. Ladyman) and others gave particular support to community pharmacies.

The question is whether, in Committee, and especially in relation to the schedule introduced by the Under-Secretary to provide for new transitional provisions, the Government have provided the protection the House seeks for community pharmacies and for resale price maintenance on over-the-counter medicines in the long run. I say "in the long run" because it seems to me that when the other place made amendments and they were, initially, considered by the Committee, what was proposed presented a problem.

At that stage, the case before the restrictive trade practices court would have been stayed and there would have been an accusation to be made to the Commission. This is at the heart of the problem. There would have been an accusation to be made to the Commission that the case had not been considered on its merits, including the public interest and general public health interests additional to the competition considerations; that the legislation had simply obviated—circumvented—proper consideration of those issues; and that, therefore, the Commission should take it upon itself to consider the issues.

For that reason, it was probably right for the amendments made in another place to be overturned in Committee and to be substituted by measures designed to give direct effect in the Bill to the House's intention to support resale price maintenance on over-the-counter medicines. However, the Government have gone about it in a way that has limitations, which were clear in Committee. Although the Government rest upon the question of the court considering the issue, if the court considers the issue and concludes that resale price maintenance does not act against the public interest, a protection is built into the Bill—a protection, through transitional provisions, for five years. However, there is no provision in the schedule to extend the transitional period further.

That brings us back to the letter that the Under-Secretary was at pains to speak about, and on which my right hon. Friend the Member for Wokingham rightly responded. The letter from the Community Pharmacy Action Group illustrates the point. The CPAG has been presented with two unpalatable options. The more unpalatable of the two is that the court goes ahead and comes to a conclusion without Government support for community pharmacies before the court—or, indeed, without the Government going to the Commission and saying, "You should rest on the court's decision". On the other hand, the action group is told, "Do not press the amendments; do not look for anything else; do not embarrass the Government on Report. Say that the Government have done what is required, and you will get Government support"—presumably by way of evidence, or whatever, before the restrictive trade practices court—"and you will subsequently benefit from the five-year transitional provision."

I say that with the evidence that, in the letter referred to, Mr. David Sharpe, chairman of the CPAG, says:

> "On the understanding that the Government will continue to support retaining the network of community pharmacies, we will not seek further amendments to the Bill".

When the Under-Secretary replies to the debate, will he tell us the meaning of the phrase,

> "On the understanding that the Government will continue to support retaining the network of community pharmacies"?

That is the key question.

**Mr. Redwood:** My hon. Friend is right. Does he agree that the Under-Secretary would be more convincing if he published the letter or evidence that he sent to Brussels in defence of our pharmacists before he received the letter giving him a rather dusty answer, and if he published the evidence that he intends to give the court, also defending our pharmacies?

**Mr. Lansley:** I am grateful to my right hon. Friend. I hope that the Under-Secretary takes up that challenge; it would be very enlightening if he did.

However, the response from the Commission—the Under-Secretary may interrupt me if I am wrong—referred to on 8 May, is essentially about whether the Commission would intervene if the legislation were amended, as happened in another place, to stay proceedings before the restrictive trade practices court. That is not the question before us now, which is: will the Commission seek to intervene if the House legislates on the basis of resting on the decision of the restrictive trade practices court?

The view that the Under-Secretary expressed in Committee was pretty clear on that point. He said:

"I reached the conclusion . . . that the Commission is looking to the restrictive practices court to examine the evidence and to make a ruling."—[*Official Report, Standing Committee G*, 23 June 1998; c. 608.]

That is in the context of a conclusion reached by Richard Whish, an eminent competition lawyer, that the Commission is capable of taking into account general public health interests in its examination of a case under article 85 of the treaty on European Union. The proposition seems to be, therefore, that the Commission would be able to rest upon the public interest test applied by the restrictive trade practices court and, on that basis, not pursue an article 85 investigation if that court concluded that RPM was not acting against the public interest.

That brings us back to amendment No. 2 and new clause 4. They differ from what the Government propose in the following important respect. The Government are proposing that community pharmacies should be protected for five years. I do not understand it to be the intention of the House that community pharmacies should be given a stay of execution. My understanding of the debate, including the contributions made on Second Reading and in Committee by Labour Members, was that we had concluded that, subject to an examination of the evidence by the court, there was a belief in the House that the process of resale price maintenance on over-the-counter medicines acted in the public interest—that it was not necessarily anti-competitive in any case, but that, in addition, it was justified on general public interest grounds. We had concluded that, if we moved to an article 85-style or chapter 1 prohibition-style investigation, the narrower gateway—moving from a public interest examination to a simply competition examination without taking broader public interest criteria into account in this instance—might well lead to a narrower conclusion that was prejudicial to community pharmacies. We concluded that that was undesirable. The House therefore wished to move toward protection for community pharmacies and to vest that in the legislation.

The Government are offering only five years' protection, but the wish of the House is to go further. Devices are available to achieve that: amendment No. 2 and new clause 4 would be perfectly adequate for the purpose. The proposition before the House is that we should not limit the protection of community pharmacies by a stay of execution but should rest on the court's decision that RPM on over-the-counter medicines is not against the public interest. I hope that the Government will respond positively to the amendment and the new clause.

**Dr. Phyllis Starkey** (Milton Keynes, South-West): I shall expand on the points that were made by my hon. Friend the Member for Bexleyheath and Crayford (Mr. Beard). The amendment's stated aim, which was outlined by the right hon. Member for Wokingham (Mr. Redwood) is to protect community pharmacies. It is interesting to note that there seems to be a slight split in the Tory party in that there are alternative proposals, but I shall pass over that. As I understand it, the amendment also aims to ensure that resale price maintenance continues for ever. As my hon. Friend said, it has several aims. One is to distract attention from the unfortunate fact that in a former life the hon. Member for Tunbridge Wells (Mr. Norman) initiated the attack on RPM.

6 pm

Until the Bill started its passage through Parliament, the Tories took no action to protect pharmacies. An early-day motion has been widely cited, but that is a two-edged sword because I understand that although only three Conservative Members signed it, the Conservative party now says that it is wonderful and does not go far enough.

The reason for the smokescreen was evident in the speech made by the right hon. Member for Wokingham: the amendment is an opportunity for yet further Euro-bashing. The constant talk about Brussels is revealing. It is as if Europe is over there in Brussels and not a community of which we are a part. To speak about Europe as if it were separate is ridiculous and demonstrates a certain mind set. I congratulate the right hon. Gentleman on his ingenuity in dragging the issue of lobbying into the debate.

**Mr. Redwood:** Amendment No. 2 does not seek anything in perpetuity. Parliament can change its mind and change legislation at the drop of a hat if there is a will to do that, and that freedom is in my amendment. New clause 4, which my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) has tabled, would allow the court to come to a different judgment at some future time. There is no split between us, and we are aware that we would need Labour votes to pass either. We offer Labour Members a choice and we would be happy with either. The hon. Lady spoke about the early-day motion. My right hon. and hon. Friends and I voted for its wording on Second Reading—and we should have liked Labour Members to join us on that.

**Dr. Starkey:** I accept the correction: of course Parliament can undo what it has done and, to that extent, nothing need continue for ever. I dissent from the right hon. Gentleman's analysis of the effect of the amendment and the new clause. They would expose RPM to abolition by the Commission within years, whereas the Government proposals give at least five years of protection.

Another point that has arisen in the debate was also made in Committee. The Opposition have made great play about being the protectors of community pharmacies, but they have slightly narrowed the definition of such pharmacies. Judging from how they speak about them, they have been recruited to their rather spurious notion of country life and occur only in the countryside. I appreciate that such pharmacies are incredibly important to rural communities, but they are also important to urban communities, and the dichotomy between supermarkets and independent pharmacies is not quite as strong as the Opposition make out.

*[Dr. Starkey]*

In my constituency, some small pharmacies are independent and others are branches of a large national chain. There is also an excellent pharmacy inside a Tesco supermarket. It is extremely active in co-operating with local GPs and has run health education campaigns on asthma, diabetes, antenatal care and emergency contraception services.

There is no argument between us about the need for an extensive network of pharmacies in all communities; I merely ask the Opposition to accept that community pharmacies are not simply small independent ones. Pharmacies serve all sorts of communities and include those in large supermarkets as well as the independents. I look forward to the Government's plans to ensure that all pharmacists, whether they are independent, in community pharmacies or in shops or supermarkets, are used more effectively. However, I do not think that such a debate should form part of the discussion on this part of the Bill.

The Opposition are engaging in a cynical exercise. Under the guise of the protection of community pharmacies, they are addressing an entirely academic point. They know that their amendment would provoke the end of RPM, although they say that they are trying to protect it.

**Mr. Colin Breed** (South-East Cornwall): I shall not reiterate what has been said because I agree with much on both sides of the argument. We all support community pharmacists, large or small, urban or rural, and we want them to be able to function with some security. The people who use them should have access to them not just for the next five years, but beyond. The proposals that we are debating will lead to a lack of security. If resale price maintenance fails the public interest test, that could be the end of many community pharmacists. The alternative is a five-year stay of execution.

We would have more sympathy for the Government's proposals if, during the five years, they offered an opportunity to look at ways in which to fund pharmacists and provide them with security. However, after five years, pharmacists will be left to the marketplace, and that would not provide the security that they seek or leave the communities that they serve with the feeling that such pharmacies will remain.

If the five-year transition period were used positively to prepare plans for the funding of pharmacists, that might enable us to support the proposal. Pharmacists in my constituency feel that convenient access to medicines for people who have been to their doctors is a vital part of primary health care. It is an anomaly of the health care system that that one part is not included in health care operations. That is because we regard pharmacists as small chemists and take the view that resale price maintenance is the best and only way to fund them. Many pharmacists feel that their qualifications and experience, and the valued support that they provide to GPs by way of health education and even diagnosis are worth more than just the protection of RPM on over-the-counter medicines. They should be considered as part of primary health care.

Resale price maintenance has served pharmacists and their communities well. We will support the amendment because it would ensure, at least in the short term, the continuance of RPM and, therefore, the protection of pharmacists. RPM will be under constant commercial attack, and those challenges may be the pathfinders for many more. Such insecurity may prompt some pharmacists to give up. Pharmacists who are thinking of retiring in the not-too-distant future may be feeling fearful about their ability to sell their businesses. Pharmacists who have received their qualifications and are looking for new opportunities may feel distinctly uncomfortable about taking on positions in small chemist shops that may be under threat in only a few years.

That insecurity is the reason for this debate. Although the Minister has provided good protection for a short period of years, if it is needed, he has not looked in the long term—at the long-term provision of pharmacists and access to them, which is at the heart of what we are looking for. On this occasion, we support the Opposition amendment.

**Mr. Redwood:** I hope that the Liberal Democrat party will make it clear how it wishes to help the pharmacists, if it does not wish to support either the amendment or new clause tonight. We think that they are the best way in which to do it.

**Mr. Breed:** I did say that we would support the Opposition's amendment as I was about to sit down.

**Mr. Letwin:** I want to discuss the substantive issue—community pharmacies—and move to an issue of much wider significance, which arose from the exchange between my right hon. Friend the Member for Wokingham (Mr. Redwood) and the Minister for Competition and Consumer Affairs, where matters have reached a serious pitch.

In common, I suspect, with many hon. Members on both sides of the House and certainly with many of the Liberal Democrat Members who are present, I represent a seat that is perhaps the archetype of the problem. It is inconceivable that there should be available in the smaller towns of West Dorset sufficiently elaborate national health service provision to meet all the needs of the ordinary citizen, who is often unable to move around easily because of necessarily limited rural transport. The Government's persistent attack on rural transport by car through short-sighted actions with environmental aims has limited it even more. It is of the essence that such citizens in West Dorset should have available to them what has been available to them for a long time, and will, if the amendment is passed, continue to be available to them—access to a rural pharmacy. That will not continue to be available for much longer if the amendment is not passed.

Our pharmacies in West Dorset depend on the amendment. I speak not speculatively, but on the basis of intensive discussions with each of the principal rural pharmacies in each of the smaller towns in my constituency, of which there are not very many; it is possible to cover them all because their number is small. The number of villages is, of course, great and, again, that is an archetype. There are some 55 larger villages in West Dorset, each clustered around the towns. They, too, depend on the rural pharmacist. In discussions with rural pharmacists—in many cases, I have gone to the trouble of asking them specific questions about their turnover, margins and current profitability—it has become clear that their existence depends on resale price maintenance or some equivalent.

I thought that the interjection of my right hon. Friend the Member for Wokingham during the remarks of the hon. Member for South–East Cornwall (Mr. Breed), who spoke for the Liberal Democrats, was highly pertinent. It is possible to imagine—it has always been possible to imagine—that the Government would seek to introduce alternative means of supporting rural pharmacies. There may even be, theoretically, preferable alternate means of supporting such pharmacies.

I have a worry, which I suspect is shared by many hon. Members who represent seats such as mine, which is not a theoretical worry; it is substantive, practical and based on a knowledge that I suspect all hon. Members have of how Government and, in particular, the Treasury, under any Administration, work. If grants, subsidies or special arrangements are introduced to support a particular cause when there is a ferment about that cause—this would be one such case, potentially—they are always a soft target for any Chief Secretary to the Treasury when he comes in the spending round to look at what might be eliminated.

For all the dangers that the hon. Member for South-East Cornwall pointed out, resale price maintenance has at least persisted for a long time and is difficult to dislodge, because it requires action in the courts and may take time. At least that system is not as likely to suffer from the vicissitudes of the attentions of a Chief Secretary which, alas, can quickly be brought to bear on any grant system.

6.15 pm

Essentially, if the amendment is not passed, the access of many of my constituents to what is effectively the only source of help and advice available to them other than GPs, many of whom they find it difficult to reach on many occasions, will depend on the hope that the Government will introduce an as yet unknown mechanism—there is no certainty that they will do so—and that no future Chief Secretary will remove the mechanism.

There is a ready remedy, which is to extend the provision of NHS services in rural areas. That takes us way outside the scope of the amendment and anything, I suspect, that the Government are willing to guarantee. The costs of doing that vastly exceed the economic cost of resale price maintenance in this sector.

That point is of great interest. I was, alas, unable to continue as a member of the Committee during the stages when these matters were considered, but I have had the opportunity to read the official record. I find to my intense surprise that the Minister for Competition and Consumer Affairs has not brought forward any analysis of the economic cost of continuing with resale price maintenance for rural pharmacies. There is a good reason why he has not. It is extremely difficult to identify a significant economic cost in that case.

If one looks at the cost of providing alternative NHS services, the economic and, in particular, fiscal gain of having these pharmacies is fairly easy to ascertain. A cost-benefit analysis of the amendment, so to speak, could easily identify the costs of not having the amendment, but trying to identify the benefits of not having the amendment—the economic gain to the country from abolishing RPM—is quite a task.

Alas, we discovered at a much earlier stage in the proceedings of the Committee that the President of the Board of Trade had conducted a compliance cost assessment that was probably wrong by some magnitude. Therefore, it is not surprising that the Minister has been reluctant to conduct any economic analysis in this particular case, but, if he had done, he would probably have found that the figures would have worked against him.

This is a remarkable case. We have a system, which is theoretically imperfect, but nevertheless produces what I think is by universal accord a practically beneficial result, with probably a low economic cost—it has certainly not been ascertained—almost certainly a high fiscal gain and hence an economic gain. There is no certainty about any replacement and there is an extreme danger that, if there were to be a replacement, it would come under attack from a future Chief Secretary.

That chain of argument suggests that there is a strong reason for seeking to retain the ability for this industry to engage in resale price maintenance. That is the substance of the matter. In rising, my main intention was not to address that issue.

**Mr. Lansley:** Before my hon. Friend moves on to a separate argument, does he agree that, in this respect, it is not so much the compliance cost assessment that is the mechanism through which the Government should assess what the costs and benefits of proceeding through legislation are, but the regulatory appraisal? While he was speaking, I have taken the opportunity to look at the regulatory appraisal and it is silent on the issue of the economic costs and benefits that might result from the abolition of a number of pharmacies as a result of the Bill.

**Mr. Letwin:** It was one of the abiding sadnesses of being removed from the Committee that I was no longer able to benefit from the shafts of wisdom that my hon. Friend so often cast on aspects of the Bill. He is right to remind me that it is not the compliance cost assessment, but the regulatory appraisal that should have contained the information. To say that the regulatory appraisal is silent on this issue is, in the now immortal words of Mr. Draper, the understatement of the century. The regulatory appraisal is silent on almost every issue. It is a document of such extreme gnomic quality that it is rather like the holy Roman empire, which was neither holy nor Roman nor an empire. The regulatory appraisal is to do neither with regulation nor with appraisal; it is a piece of paper. However, it would have been possible for the Under-Secretary to produce a serious analysis in Committee, had he wished to do so. I have no doubt that he did not do so because he would not have liked the results.

**Mr. Redwood:** Will my hon. Friend also think about the plight of the retail pharmacist? He will also need reassurance from the Government that the complicated arrangements to remunerate him for his NHS work will not fall foul of the Bill. Presumably, the Government will have to make use of the public policy provision or the general economic service provisions to exempt retail pharmacists. Would not it be helpful to the pharmacists to be reassured at least about one of their strands of income? Otherwise, they might find that all their income was under threat from the Bill.

**Mr. Letwin:** My right hon. Friend is absolutely right. He will recall, as I do very poignantly, that both the

*[Mr. Letwin]*

Under-Secretary and the Minister were wholly unable to deliver to the Committee the slightest remnant of a definition of general economic service that would illuminate the question whether that point would actually apply. Manifestly, there are serious issues about whether the Bill will allow provisions to be made to support rural pharmacies. That has wider implications because it is not just rural pharmacies or even pharmacies generally with which we are concerned; it is the general principle of whether a Competition Bill ought simply to take into account the narrow focus of industrial economics, or whether some kind of social cost or social benefit—especially when there are fiscal consequences—should be taken into account.

I come now to the major topic that I want to discuss. I am afraid that I shall make a very grave accusation. I hope that it can be rebutted; I hope that the Under-Secretary will produce evidence to show that I am wrong. No one would be happier than I to withdraw my accusation, in an open and fulsome way, if it turns out that it is false. My accusation has to do with the character of government. It is raised, in particular, by the response to this amendment and by the interchange between my right hon. Friend the Member for Wokingham and the Under-Secretary earlier.

I begin with a question. What was the treaty base upon which the Commission was operating when it produced the letter to which the Under-Secretary referred? I stand open to correction. The hon. Gentleman has vast legal resources at his command, while mine are negligible. It may be that I am, therefore, wholly misled, but I imagine that the treaty base was article 85—subject to the Under-Secretary's correction. I should be grateful if he would save me and himself from further embarrassment, and intervene at any stage of my argument if he feels that something that I am saying is incorrect.

Article 85 is very clear, unlike its transposition into English law in the Bill, which is very unclear. It states in its first clause:

"The following shall be prohibited as incompatible with the common market: all agreements between undertakings, decisions by associations of undertakings and concerted practices"—

I have not the slightest doubt that resale price maintenance falls into those categories—

"which may affect trade between Member States."

Alas, Mr. Deputy Speaker, you were not the Chairman of our Committee. Those who were present during our sittings will remember that on many occasions during the deliberations of the Committee—and I find on reading the *Official Report* that this persisted beyond the time when I ceased to be a member—points were made about the contrast between the specific clause

"which may affect trade between Member States"

and its transposition into UK law in the Bill. We frequently pointed out the clarity of the statement in article 85 and the fact that it made it clear that the Commission, in applying the article, was to restrict itself to those sorts of action that affected interstate trade. We drew attention to the difference between that and the lack of clarity about the Commission's scope for action within the United Kingdom.

The Under-Secretary and the Minister had ample opportunity to challenge us on that point in Committee. They had ample opportunity to say that they or their legal advisers thought that we were misinterpreting article 85. In short, they had ample opportunity to tell us that article 85 was not restricted to interstate trade. However, I would have found it odd if they had said that because if we look back through the legislative history of article 85 to the early writings of Monnet and Schuman on the origins of the competition sections of the treaty of Rome, it is clear that in the minds of those who formed the treaty, it should restrict itself—admirably to my mind, and, I suspect, that of my right hon. Friend the Member for Wokingham—to interstate trade.

**Mr. Redwood:** The two Ministers, both by their silence throughout my hon. Friend's remarks and by what they said in Committee, have to accept that the treaty is about interstate trade. That is why we are debating a law for Britain to deal with intrastate trade. The treaty does not directly act on intrastate trade—if it did, we would not need all this rigmarole tonight and we could just let Brussels get on with it.

**Mr. Letwin:** One of the annoyances of dealing with a Bill on which my right hon. Friend leads is that he is inevitably one and a half steps ahead of me. He precisely anticipates the next leg of my argument. It is not simply that we would have been surprised if the Under-Secretary or the Minister had told us that article 85 applied more widely than to interstate trade—had they done so, we would have told them that the Bill was not required as it would not be necessary to have the prohibition if it already existed and applied to intrastate trade. Therefore, it must be the case that Ministers accept that article 85 does not provide a treaty base for intervention by the Commission in matters such as resale price maintenance, unless the Commission can satisfy itself that the practice concerned

"may affect trade between Member States."

This is where I have to make a grave accusation. If the Commission were to satisfy itself that resale price maintenance in pharmacies—and I think in particular of rural pharmacies—in this country might affect "trade between Member States", the Commission would have to be on some sort of elaborate hallucinogenic drug. I cannot think of a single reason why RPM, desirable or undesirable as hon. Members may think it to be, between the suppliers and a pharmacy in, for example, Beaminster in my constituency,

"may affect trade between Member States."

I cannot imagine that the pharmacist in Beaminster spends much time shopping around for arbitrage possibilities in buying his supplies from a wide range of European suppliers. I cannot suppose that he much affects the balance of trade between member states. It would require the most extraordinarily tenuous logic for the Commission to have argued to itself convincingly—or to be able to argue to anyone else convincingly—that RMP, in this particular case,

"may affect trade between Member States."

The Under-Secretary has already had, and will again have in his reply, the opportunity to challenge each leg of my argument. I hope that he will tell me that I am wrong about article 85 being the supposed treaty base. I hope that if he cannot tell us that, he will tell me that I am wrong to suppose that there is no good argument for supposing that such resale price maintenance

"may affect trade between Member States".

However, if he cannot say either of those things, we have to ask why the Commission wrote that letter.

I genuinely believe—again I make it abundantly clear that, if I am wrong, I should be happy to be disproved by evidence to the contrary—that the Commission wrote the letter because someone in the United Kingdom Government, acting via the agencies of the UK Government in Brussels—presumably the UK permanent representative in Brussels—made it known by formal or informal means to the Commission that it would be helpful to the UK Government if the Commission wrote that letter and told, or suggested or half-hinted to, the Commission that it did not too much matter whether there was a treaty base for the letter and that, in the meanwhile, a letter might solve a parliamentary problem. Moreover, it may have been suggested that if the letter did solve that problem, there would, regardless, be UK legislation preventing such resale price maintenance. Therefore, the Commission, having written the letter, would never be subject to legal challenge, as the letter would never become an effective one. I repeat that I should be happy to have those assertions disproved. However, if proved, they are very grave.

6.30 pm

**Mr. Redwood:** I fear that my hon. Friend may be on to something, that there is a pattern and that the Government may be hoping to avoid embarrassment—and not only in this case. Has he thought about the recent allegations on the "Panorama" programme—that Mercedes and Volkswagen are arranging their prices in the United Kingdom in an anti-competitive manner? Is he aware that the Government have said that they want nothing to do with that, but would rather that Brussels investigated the whole matter on their behalf? Is it not another case in which Ministers seem to wish not to take responsibility for anything in United Kingdom competition competence?

**Mr. Letwin:** I agree with my right hon. Friend that it may be part of a pattern. It is a bad pattern if it is an overt one. It is bad because the United Kingdom Government should not rely on the Commission to take action on matters in which—for UK policy reasons, especially when the Government agree with the action—the Government not only have the capacity to act, but should be acting. My right hon. Friend's example of the automobile industry is pertinent.

I regret to say that, in this debate, we may be dealing with something that is far worse and far more insidious—a covert attempt to have the Commission do the Government's work. Moreover, it would be a covert attempt by the Government to have the Commission do a piece of political work for them. If that is what has happened, it would be an attempt by the Government to have the Commission spare the Government a political embarrassment because of a division within the Labour party's own ranks. That is not a way in which it would be reasonable or decent for the Government to use the Commission.

**Mr. Beard:** Does the hon. Gentleman have a shred of evidence for that conspiracy theory?

**Mr. Letwin:** I have been at pains—I do not want to be irresponsible—to point out that every leg of my argument is something that I believe may be the case, but is open to rebuttal. I have suggested to the Minister that, by intervention or in reply, he can rebut any part of the argument. If he does so, I shall fulsomely withdraw. I am making an allegation for which I realise I currently have no proof. However, the Minister has so far been notably silent. I hope that, in his reply, he will challenge one or another part of the argument. I make the accusation not recklessly, but because I cannot myself find another explanation for a letter that seems to be based on so thin a treaty basis.

**Mr. Beard:** Is not the nature of reckless allegation such that it has absolutely no evidence behind it?

**Mr. Letwin:** No, it is not. It is the purpose of Parliament to expose arguments and to have answers. I think that it is a reasonable proceeding for an hon. Member conscientiously to make an argument that would have a devastating effect if it were true, to pose it for the Minister and to allow the Minister there and then to refute it. It would, of course, not be reasonable for me to repeat the allegation if the Minister had disproved it. However, the allegation has to be answered.

**Mr. Redwood:** My hon. Friend is generous in giving way again. If he was wrong, should not Ministers have leapt to their feet and produced evidence that they have been trying to lobby Brussels in the right direction rather than the wrong one?

**Mr. Letwin:** Again, my right hon. Friend takes me to the next leg of my argument. It will not be enough for the Government to establish that they did not engage in the piece of shady dealing that I am alleging that they might have engaged in and that I am asking the Minister to disprove. They will have to show that they tried to avoid production of the letter, because it is ill-based on treaty—unless they can show that the Commission is not basing it on article 85. If the letter is ill-based, and if many hon. Members agree that it would have a bad effect on an important part of our social fabric, which they do, it behoves the United Kingdom Government to argue the case against the letter, and then to take their own domestic action.

**Mr. Lansley:** I am following my hon. Friend's comments with interest, and realise that he is arguing from circumstantial evidence. Will he add to that circumstantial evidence the fact that the Minister parades a letter—which he says is dated 8 May—that was, presumably fortuitously or coincidentally, received by Ministers before Second Reading, on 11 May? Therefore, the proposition that the letter was related to the Government's pursuit of the legislation's passage is not an idle point, but is backed by circumstantial evidence.

**Mr. Letwin:** I agree entirely with my hon. Friend that the circumstantial evidence is, if not compelling, quite considerable. His point about the timing makes it all the greater.

The problem goes one stage deeper. We are dealing not merely with the possibility—I admit it to be a possibility rather than a certainty—that the Government covertly prayed in aid the Commission to issue a letter on a frail treaty basis that, if it were true, would have undermined

*[Mr. Letwin]*

the whole of the Government's logic in their Bill. The Government have also brought pressure to bear through a lobbyist, who is intimately—as we now fortuitously discover—connected with the Government, upon a group of people who should, at least in my view, be representing those whom they purport to represent and who should be making that argument.

We have reached the point at which there is a connection between the first and second legs of my remarks. If the case for maintenance of RPM were not so very strong substantively, one could well understand that representatives of rural pharmacies might have been in two minds on the subject and might have been wavering between results. One could also understand those representatives taking their own view on the matter. One might also understand that they might have been influenced by a letter, however frail, from the Commission.

However, when a substantive case for retention of RPM for rural pharmacies is not only in itself so strong but—as so many hon. Members on both sides of the House know—is also felt to be so strong by very many or, I speculate, almost all, of those whom that body is meant to be representing; when the letter in question is based on a treaty basis that is so frail; and when the Government must have known how frail the basis was—or they would not have introduced the Bill in its current form, as they would have had to take the view that article 85 had a scope wider than merely interstate trade—one is driven to the conclusion that it must have been by heavy-armed tactics that the Government used the offices of that lobbyist to persuade that group of representatives to change their minds in the light of the letter.

Mr. Deputy Speaker, at the beginning of my rather—I regret to say—over-lengthy speech, I said to your predecessor in the Chair that I had a grave accusation to make. I have made it in good faith—*[Interruption.]* I have made it in utterly good faith. I believe that it probably is true. It may not be true—I have admitted that, and I admit it now. It now falls to the Minister, in replying to this debate, to go through the logic—as I did not see him do in most of the Committee stage—of the allegation, to take it seriously, and to show that I have got wrong one of my propositions. Have I got it wrong that the treaty basis of the letter from the Commission is article 85?

**Mr. Deputy Speaker (Mr. Michael J. Martin):** Order. As the hon. Gentleman said, I have just taken the Chair. However, I should draw it to his attention that we are considering narrow amendments. The hon. Gentleman appears to be referring to a treaty. Can he explain what that treaty has to do with the two amendments before us?

**Mr. Letwin:** I was not interrupted by your predecessor, Mr. Deputy Speaker, because I explained the relevance of the treaty at the beginning of my speech. So as not to try your patience, let me briefly repeat the logic of my argument; it is very straightforward. The amendment seeks to protect resale price maintenance, which was being advocated by a particular group. That group has withdrawn part of its advocacy of that on the basis of a letter from the Commission to which the Minister has referred. The letter is meant to have some treaty basis, which I believe is article 85. I have been asserting that the Minister concocted the letter from the Commission in order to change the attitude of that group to resale price maintenance—and hence the necessity of the amendment. That is the structure of my argument.

In conclusion, I repeat that if any leg of my argument is false, it falls to the Minister to show it. It is for him to show that article 85 is not the treaty base, that I have misinterpreted its scope or effect, or that the Commission genuinely acted on its own initiative and is at fault because he can show that he tried to get the letter withdrawn.

**Mr. Nigel Griffiths:** It is, indeed, unusual to hear the Opposition filibustering on their own amendment, but the amendment relates to a subject that is particularly embarrassing to them. It is a subject that they ignored for years—the plight of community pharmacists. Indeed, when the right hon. Member for Wokingham (Mr. Redwood) was in the Cabinet, 178 pharmacists ceased trading.

The Opposition have had no long-standing dialogue with community pharmacists, and, in speaking to the amendment and the new clause, cannot command their support. They asked us about representations and I shall be happy to deal with that, along with the treaty basis for what is happening. The right hon. Member for Wokingham made no representations to the Director General of Fair Trading about the complaint. In 1996, when the Commission was liaising with the Office of Fair Trading in respect of the Asda complaint, the right hon. Gentleman was too busy with the downfall of his own Government to make any representations to Brussels. I understand that he has made no representations on the matter, either to the Office of Fair Trading or to the Commission, during the passage of the Bill or previously. We will take no lessons from the Opposition about commitments to community pharmacists.

As my right hon. Friend the President of the Board of Trade told the House:

> "My right hon. Friend the Secretary of State for Health has made it clear how important community pharmacies are to his vision of health in the next century."—[*Official Report*, 11 May 1998; Vol. 312, c. 34.]

The amendment and the new clause put at risk all the representations made to the OFT and the Commission.

The right hon. Member for Wokingham does not care whether amendment No. 2, which is, after all, a political stunt, puts at risk all that community pharmacists have been fighting for. It would disapply the prohibition and effectively pre-empt the findings of the restrictive practices court. It is carelessly drafted in that it does not distinguish between retail price maintenance agreements in the over-the-counter medicine sector which are exempt under section 14 of the Resale Prices Act 1976 and all other retail price maintenance agreements. New clause 4 refers to agreements that have been exempted from section 14. Both proposals would have the effect of stopping proceedings in the United Kingdom and handing them over to Brussels—coming from the right hon. Member for Wokingham, that is a paradox.

The Commission has made it perfectly clear that article 85 is directly applicable in the United Kingdom, irrespective of the Bill. On several occasions in Committee, Opposition Members highlighted the fact that an agreement of conduct must have an appreciable effect

on trade between member states if articles 85 and 86 are to apply. They went on to argue—as they have this evening—that that requirement somehow makes the competition test for the application of the domestic prohibition different from that for the application of article 85. The right hon. Member for Wokingham nods in agreement, but that view is mistaken.

The hon. Member for West Dorset (Mr. Letwin) asked whether he was wrong and I can confirm that he is wrong on that and most of the other matters that he raised.

6.45 pm

**Mr. Letwin:** Will the Minister give way?

**Mr. Griffiths:** I shall give way in a moment, with great pleasure.

The requirement that the application of article 85 would affect interstate trade is a jurisdictional hurdle. It does not affect the meaning of the prohibition itself in the sense of determining whether or not an agreement is anti-competitive. Nor does it affect the meaning of the prohibition in determining whether conduct is abusive of a dominant position.

**Mr. Letwin:** The Minister has made some quite remarkable statements. First, he has admitted that article 85 is the treaty base. Secondly, does he agree that if article 85 has the scope that he claims for it, the reason for the clause that creates a prohibition under English law is nullified? He has undermined the whole purpose of his own legislation.

**Mr. Griffiths:** The hon. Gentleman had left the Standing Committee at that stage, as he put his career before chemists. He also sought to spare the Opposition the embarrassment of the publication in the 1980s that he and the right hon. Member for Wokingham produced on financing the health service. Their report is germane to today's debate on community pharmacists, as it advocated a pill tax. They wanted to ensure that the prescriptions that are the life-blood of so many chemists were operated, if not for profit, at least by charging enough to ensure that demand matched supply. So the hon. Gentleman's history is certainly not in support of community pharmacists—which is why Opposition Members have shown absolutely no interest in the issue for so long.

**Mr. Letwin:** Will the Minister give way?

**Mr. Griffiths:** I shall make some progress, but I shall give way to the hon. Gentleman before I sit down.

It is important to be aware that the proposals would stop proceedings in the United Kingdom. The Commission has made it clear—not just to the Government but to the Director General of Fair Trading, with whom it has been liaising for more than two years on the matter—that if that happened, it would have to take action. It did so under the previous Administration, without a finger being lifted by Ministers or Conservative Back Benchers at the time to support community pharmacists. I can confirm, as I have it here, that a letter from the Commission was sent to the Director General of Fair Trading. I am sure that it is part of one of a number of dialogues over the past two years since Asda lodged its complaint in 1995.

Amendment No.2 would have dire consequences. The Commission has made it clear that if the restrictive practices court were not looking at the issue, it would take lock, stock and barrel the evidence that the Office of Fair Trading has collected over a long time. Let us look at just how long it can take for the Commission to act. A recent investigation into the Italian tobacco sector took around two years. The decision on Volkswagen took around three years. That means that the present arrangements could unravel alarmingly quickly for community pharmacists.

The Bill provides a five-year transitional period if the court decides that there should be an exemption for over-the-counter medicines. I urge my hon. Friends to reject the amendment and the new clause.

**Mr. Lansley:** The Minister will know that the letter from the Commission on 8 May related to whether proceedings before the court were stayed under the previous amendment tabled in another place. When the court's proceedings continue, will the Commission investigate and intervene on RPM on over-the-counter medicines if the chapter I prohibition in this country is not applied but the court's decision is sustained?

**Mr. Griffiths:** The Commission has made it very clear that, if the court comes to a decision that the community pharmacies deem favourable—the same decision at which it arrived, having weighed up the evidence, the last time that it considered the matter—and if due processes have been followed, it should be satisfied. That is an important point. We went into this matter in some detail in Committee.

**Mr. Lansley** *rose—*

**Mr. Griffiths:** I shall not let the hon. Gentleman detain the House further, given that his questions as a member of the Committee that considered the Bill were answered.

The do-nothings when they were in government are lecturing us about doing something. Owing to the inadequacies of Opposition Members' explanations in favour of the amendment and the new clause and the patent lack of support from the Community Pharmacy Action Group, I urge the House to reject the amendments.

**Mr. Letwin:** I hope that the Minister will answer this question. If he is saying that article 85 extends into activities that do not affect interstate trade, how can the prohibition clause that he is enacting be necessary?

**Mr. Griffiths:** The hon. Gentleman was honest enough to say to the House that he might be wrong. He is completely and utterly wrong in this matter. I wonder whether his lack of a grasp of these issues was the reason why he was moved off the Committee.

There is no support for the amendments. Indeed, I have a card—I suspect that the right hon. Member for Wokingham does not have one—from David Sharpe of the Community Pharmacy Action Group, thanking me for my support for community pharmacies. The number that I rang this morning was that of the group's legal adviser, Sue Sharpe. We have support for our policy; no one supports the Opposition's amendment and new clause.

**Mr. Redwood:** What a dreadful statement from the Minister. He ended with a strange statement that no one

*[Mr. Redwood]*

supports the amendments. We are shortly to show that quite a few Members support them. Many people outside the House want a solution to the problem, and the Government have left them without one.

I shall deal briefly with the Minister's attempt at a response. He said that I have made no representations to Brussels or to British competition authorities. I have made endless representations through debates on this Bill. As the shadow spokesman responsible for such matters, I believe that the right way in which to make representations is through the House, when parliamentary opportunity presents itself. I know that the Government do not like the House—but we do. This is a proper way in which to proceed.

The Minister said that a certain number of pharmacies closed while I was in the Cabinet, and that that proves that the outgoing Government did not care. It is not possible to prevent some pharmacies closing for commercial reasons. We are debating not whether the Minister can prevent commercial closures—I am sure that he will not be able to do so—but whether he can prevent deliberate closures on top of those that will be forced through as a result of the Bill and his inability to sort things out in Brussels. He has not confirmed the figures that have been bandied about in the trade, suggesting that perhaps 3,000 pharmacies will close as a result of the legislation and of the Brussels decision that he fears.

The Minister asked why I have not made representations to Brussels. There is no need to do so at the moment because, at the moment, the issue can and should be sorted out here, in the United Kingdom—either at the restrictive practices court or in the House by suitable amendment to legislation.

The Minister and I agree on one thing: community pharmacies will be very important to health care and health services in the next century. That makes the Government's attitude even more stunning. As my hon. Friend the Member for West Dorset (Mr. Letwin) said, pharmacies provide a very important service in smaller market towns and the suburbs. If they are removed or destroyed by the Government, Brussels or some combination of the two, considerably more cost will fall directly on the health service as it struggles to replace the services.

Neither my hon. Friend the Member for West Dorset nor I come easily to defending practices which, in all other industries and areas, we are happy to see go—and which, at times, we have helped to go. Normally, we prefer open, competitive markets, where prices and services are determined in the marketplace by people spending their money as they see fit. We make an exception for this issue. I urge the House, knowing, as it does, that both my hon. Friend and I nearly always come down on the side of free markets and complete choice, to think very carefully before rejecting the amendment. I stressed to the House—and shall do so again—that we are satisfied of two things: first, that there is quite enough price choice in the market for those who think that price is the most crucial aspect. Secondly, such community services are important and would be much more expensive to provide at the taxpayer's expense if they are demolished as a result of this ill-considered legislation.

I shall pass over the Minister calling our actions a political stunt; that is not worthy of him or of the Government whom he serves. We are seriously arguing a case for many small businesses in our communities that need some help and are looking to the Government for it—the Government whom they thought might represent them.

I agree with the Minister that the effect of the amendment would be to stop proceedings in the court. That is the point; the idea of the amendment is to settle the matter following democratic debate in the House of Commons. We could always return to it if we had second thoughts, if the commercial and service argument had moved on.

**Mr. Lansley:** Does my right hon. Friend agree that if the Government object to the amendment on the ground that it would stop proceedings in the court and would lead to intervention by the Commission, they could take the route of new clause 4, which would not stop proceedings in the court?

**Mr. Redwood:** Indeed; I am grateful to my hon. Friend for clarifying that point. That was my understanding of his new clause. The Minister seems to have a different view of it.

I gave the Minister due notice in Committee of the problems with Brussels and how I, on behalf of many people, expected the Government to go to Brussels to try to get a better deal for our pharmacies and to sort the matter out for them. I did not want the House to be left with Hobson's choice—either accepting my amendment then worrying about what Brussels might do as a results of our actions, or not being able to do anything at all to help community pharmacies. The inaction of the Minister and his colleagues places us in such a position.

If the Minister had taken my advice in Committee, he would by now have had productive discussions in Brussels. He would have explained that the practice has not driven a coach and horses through Brussels competition law during our membership of the Community. He would have explained that the practice matters to people in Britain—and that, for once, he could swing the will of the whole Parliament in favour of keeping our community pharmacies. He could surely have pleaded for some special treatment—an exemption, an agreement that the practice was in the public interest, not against it. Evidence from the previous Restrictive Trade Practices Act case in Britain and the previous RTPA finding were already available.

There was a most extraordinary dialogue on the Government Benches on the legal position of article 85 and direct action under the treaty. Of course my hon. Friend the Member for West Dorset is right: the idea of the treaty, as set out by the founding fathers and in the debates when we joined the European Community, was to regulate competition between states and between firms in different member states. There was no presumption at all that the organisation also had to interfere in intrastate trading.

We wish to make clear that we believe that the measure is an extension of jurisdiction from Brussels and that it is about intrastate trade. The Minister needs to propose new legislation because the European Community should not have that power to start with. There is, as has been said,

a jurisdictional hurdle, which we are addressing. The Government have got it wrong, and have misinterpreted the matter. They should not allow Brussels to intervene in this case and they should accept our amendment. We urge the House tonight to do something decent for the retail pharmacies and for health care in our country. The only way to do that now is to accept the Opposition amendment.

*Question put,* That the amendment be made:—

*The House divided:* Ayes 161, Noes 328.

**Division No. 330]** **[7 pm**

**AYES**

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, David *(Bour'mth E)*
Baker, Norman
Beggs, Roy
Beith, Rt Hon A J
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brake, Tom
Brand, Dr Peter
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burnett, John
Burns, Simon
Burstow, Paul
Cable, Dr Vincent
Campbell, Menzies *(NE Fife)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clappison, James
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cotter, Brian
Cran, James
Curry, Rt Hon David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Ewing, Mrs Margaret
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Fisher, Mark
Flight, Howard
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gorrie, Donald
Green, Damian
Grieve, Dominic
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Kirkwood, Archy
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
Luff, Peter
McIntosh, Miss Anne
MacKay, Andrew
McLoughlin, Patrick
Madel, Sir David
Major, Rt Hon John
Mates, Michael
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Moss, Malcolm
Nicholls, Patrick
Oaten, Mark
Öpik, Lembit
Ottaway, Richard
Page, Richard
Prior, David
Randall, John
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Robinson, Peter *(Belfast E)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Salmond, Alex
Sanders, Adrian
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Simpson, Keith *(Mid-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Steen, Anthony
Streeter, Gary
Syms, Robert
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Townend, John
Tredinnick, David
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Wallace, James
Wardle, Charles
Webb, Steve
Wells, Bowen
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wigley, Rt Hon Dafydd
Willetts, David
Willis, Phil
Winterton, Mrs Ann *(Congleton)*
Yeo, Tim
Young, Rt Hon Sir George

**Tellers for the Ayes:**
**Mr. Nigel Waterson and**
**Mr. Stephen Day.**

**NOES**

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Banks, Tony
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Stephen
Campbell, Mrs Anne *(C'bridge)*
Campbell-Savours, Dale
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chisholm, Malcolm
Church, Ms Judith
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cryer, John *(Hornchurch)*
Cunliffe, Lawrence
Cunningham, Rt Hon Dr John *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline

Flynn, Paul
Follett, Barbara
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Gapes, Mike
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McLeish, Henry
McNulty, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Peter
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pound, Stephen
Powell, Sir Raymond
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Ms Joan
Ryan, Ms Joan
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple–Morris, Peter
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

**Tellers for the Noes:**
**Mr. Greg Pope and**
**Ms Bridget Prentice.**

*Question accordingly negatived.*

## Clause 18

ABUSE OF DOMINANT POSITION

**Mr. Lansley:** I beg to move amendment No. 48, in page 10, line 38, at end insert—

'(2A) For the purposes of this section "market" means a market the whole or part of which is in the United Kingdom but in relation to the abuse of a dominant position in a market which extends beyond the United Kingdom the prohibition imposed by subsection (1) shall not be regarded as infringed unless that abuse occurs in the United Kingdom.'.

Clause 18 outlines the chapter II prohibition on an abuse of dominant position in a market, which is one of the two key prohibitions contained in the Bill. In Committee, we did not debate an amendment that had the same purpose as amendment No. 48, but we discussed some of the related issues—indeed, I tabled the amendment in the light of some of our discussions.

In the execution of the prohibition, it is obviously necessary to define a market, but that is done neither in clause 18 nor elsewhere in the Bill. The draft guidance issued by the Director General of Fair Trading makes it clear, in paragraph 2.12, that a market definition comprises two dimensions:

"a *product* and a *geographic area*".

It cites the example of the Commission's consideration of a complaint about ice cream cabinets in Ireland. The Commission defined as the relevant market

"impulse ice cream in Ireland"—

that contains a product and a geographic definition.

7.15 pm

In paragraph 4.9, the director general makes it clear that, where there are significant imports of a product, the relevant market is international. The contrary is not necessarily implied where there is a lack of imports; the example cited is that of the bus market in Germany, on which the Commission decided that, although imports were low, there were no significant barriers to entry to the market, so that one could substitute domestic German providers with imports. Again, the definition of the market was held to be international.

In paragraph 6.7, the director general states:

"If the market is international, market shares should be calculated to cover the whole geographic market."

That makes it clear that he intends, under the Bill, to use a definition of a market that, if the evidence demanded, extended beyond the United Kingdom.

Similarly, in Committee, the Minister for Competition and Consumer Affairs, responding to some of my remarks, said:

"I entirely agree with the point made by the hon. Member for South Cambridgeshire that the relevant, geographic market should not be limited to the United Kingdom."—[*Official Report, Standing Committee G*, 4 June 1998; c. 235.]

The intention, which seems to be shared by the Government and the Opposition, is that the relevant market should extend beyond the United Kingdom.

How will the market be defined under clause 18? I tabled the amendment not to provide a substitute for the Government's intentions, but to fulfil them. One of the problems of earlier competition legislation was that, from time to time, the market was construed too narrowly. A market that was considered for public interest purposes may have been a regional market inside the United Kingdom, even though that regional market was capable of substitution from beyond its boundaries. It is important to look beyond the boundaries not only of any region but of the United Kingdom itself.

Subsection (3) says that a dominant position

"means a dominant position within the United Kingdom".

That is the problem, because it is the only place in the clause where "market" is arguably defined. The director general and the Minister may believe that they can look beyond the United Kingdom to define the relevant market, but I am not sure that the clause allows that to happen. Taking account of such markets may be open to challenge.

It is possible that, on the question of dominance, the boundaries will move back within the United Kingdom, so that the director general's decision will be made in relation not to the relevant market but to some subsection of that market. It is important to avoid that.

The amendment would allow the definition of "market" to extend beyond the United Kingdom, when the evidence requires that, and would avoid the problem of extraterritoriality by showing straightforwardly that, for the prohibition to come into effect, the abuse of the dominance would have to occur within the United Kingdom. It would helpfully create a clear hierarchy.

For example, someone could be dominant in the market for ice cream cabinets in the whole of Ireland, but the dominance could occur only in the Republic, and not in Northern Ireland. The market would include Northern Ireland, but if the abuse occurred only in the Republic, it would not be subject to the prohibition.

I commend the amendment to the Minister as a positive attempt to give appropriate effect to the Government's intentions.

**Mr. Redwood:** The Opposition support the amendment. We have found many examples of poor, misleading or inadequate drafting in the Bill. In this case, we have produced a form of words to clarify the meaning for the sake of business. Our general worry about the Bill is that it is badly drafted and loose, and will be a lawyers' charter, enabling many lawyers to do well and many businesses to do badly, because of the enormous fees that will be demanded. The amendment would clarify the meaning and give business greater certainty.

We think—as did Ministers in Committee—that penalties should be limited to a fine on the turnover in the affected market in the United Kingdom in which the offence has occurred. That is part of our process of trying to refine the legislation and make it a bit more realistic.

**The Minister of State, Department of Trade and Industry (Mr. Ian McCartney):** I agree with the hon. Member for South Cambridgeshire (Mr. Lansley) that the clause is an extremely important part of the Bill. I reject the view of the right hon. Member for Wokingham (Mr. Redwood), expressed in his usual manner, that our drafting has been poor and misleading. That is entirely without foundation.

We made it entirely clear in the other place and in Committee that our intention was that the Committee stage should be used to assess and improve the Bill. That is not an admission of poor or misleading drafting; it is evidence of a co-operative, partnership approach with those who will be directly affected by the provisions. The right hon. Gentleman's comment was entirely unacceptable and, inadvertently I assume, damaged the case of the hon. Member for South Cambridgeshire.

It is clear that, in the modern commercial world and, indeed, in the single market in the European Union, many economic markets will extend beyond the United Kingdom. That may be true for a wide range of goods and services, from banking and financial services to air transport, the sale of aeroplanes, computer software, engineering products—the list is almost endless.

We entirely agree that the relevant geographic market should not be limited to the UK under the Bill, but that is already the effect of the Bill as drafted, and we believe that the amendment is unnecessary. In fact, amendments designed to clarify the drafting of the clause on exactly this point were accepted in another place.

In moving those amendments, my noble Friend Lord Simon of Highbury stated clearly that their purpose was to ensure that subsection (3) would not be read as limiting the relevant geographic market for assessing dominance to the United Kingdom. Clearly, there will be many circumstances in which the relevant market includes, but

*[Mr. Ian McCartney]*

is wider than, the United Kingdom. The drafting of the clause does not cut across that in any way. We see no reason to revise the drafting.

The issue is important, and I accept that the hon. Member for South Cambridgeshire raises it because he genuinely wants confirmation and clarification, so I should like to explain in a little more detail why we do not think that the amendment is needed.

Any analysis of whether there has been an abuse must start with an analysis of the relevant market in terms of both the relevant products and the relevant geographical area. Under the Bill, the relevant market will have to be determined according to the economic circumstances in the case concerned, as it would be in applying articles 85 and 86. The Director General of Fair Trading will issue advice and information to provide further guidance on that point. He has already published a draft of his guidance on market definition for consultation. I will ensure that the hon. Gentleman's remarks are sent to him so that they can become part of the consultation process.

Subsection (1) requires that there must be dominance in a market. Subsection (3) provides that that dominance must exist within the United Kingdom or any part of it. There is a two-stage process. Once the relevant market has been identified, it must be established whether the undertaking is dominant in the UK or a part of it. It is plainly right that both those elements should be present. We are not interested here in dominance that exists elsewhere, but does not extend to the United Kingdom. The clause does not require that the market that must be considered when the prohibition is being applied must be entirely contained within the United Kingdom.

Should the courts consider that the meaning of the clause is ambiguous or obscure in that respect, they will be entitled to consider the statements that Lord Simon made in another place, and those that I have made here. That follows the decision in the case of Pepper *v.* Hart that reference can be made to statements in *Hansard* in certain circumstances to clarify the meaning of legislation. However, we do not believe that there is any ambiguity in the current drafting or that the amendment would represent an improvement.

I hope that those detailed comments will assist the hon. Gentleman and that he will withdraw the amendment.

**Mr. Lansley:** I am grateful to the Minister for responding so positively and sympathetically to the amendment. I confess that I am still uncertain whether in practice when a court is asked, presumably by way of judicial review, to consider the phrase, "dominant position" in this context, meaning within the United Kingdom, it will look for the legislative means by which the director was empowered to consider the relevant market as subsisting beyond the United Kingdom or to consider dominance within the United Kingdom as a self-contained matter. I take the point that if such matters are not set out in the legislation, the courts can consider them on a Pepper *v.* Hart basis. On that basis, and given the Minister's comments, I am happy to beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

**Mr. Giles Radice** (North Durham): I beg to move amendment No. 1, in page 10, leave out lines 40 and 41 and insert



'"dominant position" means a position of economic strength which enables an undertaking to act independently of competition, customers and ultimately consumers within the United Kingdom; and'.

**Mr. Deputy Speaker:** With this, it will be convenient to discuss the following: amendment No. 8, in page 10, leave out lines 40 and 41 and insert

'"dominant position" means—

(a) in relation to the national newspaper market, a substantial degree of market power, and

(b) in relation to all other markets, a dominant position within the United Kingdom; and'.

New clause 1—*National newspapers—*

'.—(1) This section shall apply if a monopoly situation exists, within the meaning of section 6 of the Fair Trading Act 1973, in relation to the supply of—

(a) national newspapers; or

(b) national newspapers of any description

And where this section applies, it applies to any person or persons in favour of whom that monopoly situation exists, within the meaning of section 49 (2)(b) of the Fair Trading Act 1973.

(2) Any conduct on the part of any person to whom this section applies shall be prohibited if—

(a) it constitutes an anti-competitive practice, and

(b) it may reduce the diversity and independence of the national newspaper press in the United Kingdom.

(3) For the purposes of this section, an anti-competitive practice is a course of conduct which has, or is intended to have, or is likely to have the effect of restricting, distorting or preventing competition.

(4) The prohibition imposed by subsection (2) is referred to in this Act as the press diversity prohibition.'.

7.30 pm

**Mr. Radice:** I must remind the Minister and hon. Members what was said on this subject on Second Reading. Many hon. Members, including myself, believe that there is a prima facie case showing predatory pricing by *The Times* in the broadsheet market. In the past five years, the newspaper has consistently been priced below cost—often considerably below. At the moment, one has to pay only 30p for a copy.

Apparently, that is a special offer for the world cup, or so we are told by the editor. That is not merely a marketing ploy, but a deliberate predatory pricing strategy, the purpose of which is not only to win extra readers but to put *The Independent* out of business and attract at least some of its readers, so that *The Times* can get closer to its objective of overhauling *The Daily Telegraph*.

I said that there was a prima facie case, because we cannot prove it until we have all the facts and figures. It is up to the Office of Fair Trading to prove it. At the moment, the pricing practices of *The Times* are being investigated by the OFT, although that is under the existing and not the new law.

I am not claiming that other newspapers do not employ some types of predatory pricing, although I would argue that, in most cases, it is a reaction to what *The Times* has done. Such predatory behaviour is dangerous for the newspaper market. If one paper is knocked out, the market will be less diverse. The practice has an impact on other newspapers in the broadsheet market as most feel the need to react to the actions of *The Times*, which takes money

out of the market, which means that there is less profit and less money to spend on journalists and improving the quality of the newspaper.

**Mr. Redwood:** The hon. Gentleman said that the price of *The Times* was below cost. What are the costs of *The Times*?

**Mr. Radice:** If the right hon. Gentleman knows, he knows more than I do. There have been a number of estimates, but *The Times* has told us that it is making considerable losses, so I assume that the price is below cost. It is widely thought to be, and that is precisely the purpose of the investigation. I should have thought that the right hon. Gentleman would know that, and I am surprised at his intervention.

**Dr. Ladyman:** When *The Times* was previously investigated, the question upon which the case hinged was not whether it had a dominant position, which was being abused. It was understood that the newspaper could be investigated and that it had satisfied that criterion. It was let off the hook because it could not be proved that it was selling below cost. My hon. Friend's amendment would reduce the threshold at which it is necessary to prove dominance, but that was never the question. How will it help with the need to prove that *The Times* is selling below cost?

**Mr. Radice:** I will come to that. My hon. Friend is an expert on the matter, having been a member of the Standing Committee.

**Dr. Ladyman:** I would hardly say that I am an expert. The right hon. Member for Wokingham (Mr. Redwood) was a member of the Committee, and I would not call him an expert.

**Mr. David Winnick** (Walsall, North): It is not the purpose to have experts in Committee.

**Mr. Radice:** It makes it more difficult.

I was about to point out that such below-cost pricing makes it more difficult for new newspapers to enter the market, because they have to pay the extra cost of pricing below their costs, which is bad for competition.

The question for us—it also relates to the other amendments in the group—is whether the Bill will enable the Office of Fair Trading to deal effectively with predatory pricing in the newspaper industry. The Lords did not believe that it would: hence clause 19, which was taken out of the Bill in Committee and which dealt with that industry. The Government's case, which they made on Second Reading—they did not make it strongly in the Lords, which is probably why there was such a special clause—was set out by the President of the Board of Trade. I have also read the excellent statement by the Minister of State in Committee. Their case was that the Bill would introduce a tough regime on predatory pricing.

Clause 18 sets out certain conducts, including predatory pricing, which would amount to an abuse of dominant position, and clause 60 sets out various ways in which the principles of European legislation—perhaps this is the point of the intervention by my hon. Friend the Member for South Thanet (Dr. Ladyman)—are to be introduced into British law. Those principles are laid down by treaty and by the European Court of Justice. Any decision of that court must be taken into account by the Office of Fair Trading and British courts, which also have to take into account any relevant decision or statement by the Commission. As I understand it, that means that we have to consider cases in Europe.

One famous case was that of Tetra Pak in 1994, which I am sure my hon. Friend the Member for South Thanet knows all about. It said that, if pricing by a dominant firm was below the average variable cost of production, predation should be presumed, and the proof of intent was not required. It also defined "dominant position". One problem is that *The Times* has only 28 per cent. of the market, and one could argue that that is not a dominant position. However, the Commissioners have made it clear that a dominant position is one in which a firm can act independently of competition, and that it does not specifically relate to market share, so that is a stronger position than we have at present.

**Dr. Ladyman:** The case to which my hon. Friend refers, which covers freedom to act independently, is that of United Brands *v.* the Commission, which includes almost identical language to that in his amendment, which makes it superfluous, because that language will be in the Competition Bill as it stands and as the Government propose it to be.

**Mr. Radice:** If my hon. Friend would listen to my argument before he knocks me down, I should be most grateful.

**Mr. Redwood:** He already has.

**Mr. Radice:** We shall see. He thinks so. He is acting in a predatory manner.

**Dr. Ladyman:** Not, unfortunately, from a dominant position.

**Mr. Radice:** No, from a sitting position.

My hon. Friend argues that the Bill as it stands provides a powerful mechanism for dealing with predatory pricing. I said on Second Reading that I was impressed by that case, and that I would consider it seriously. I said that I would take the best legal advice. Having spoken to a considerable number of lawyers, I find that, like economists, they have different opinions. There has been some support for the Government's interpretation of the Bill, but also some dissent. The hon. Member for Eastleigh (Mr. Chidgey) is aware of the advice of Richard Fowler QC, the lawyer used by *The Independent*. Some may say that one can hire one's lawyer to suit the case, but I do not make that point.

**Mr. Chidgey:** I note the hon. Gentleman's feeling that *The Independent* has a particular line to pursue, but does he agree that an eminent QC's opinion is an independent opinion? There would be no other point in seeking it.

**Mr. Radice:** Let me cite Mr. Fowler. He said that it is unlikely to be possible to establish a relative dominant position as that concept is defined in Community

*[Mr. Radice]*

jurisprudence. He is concerned that that will not do the job. Lord Borrie, a person respected by the whole House, shares that view.

I want to strengthen the Bill by adding to it the words of the President of the Board of Trade and the Minister of State. There are conflicting views of what the Bill will do, and my amendment would make the position more certain by saying that a

"'dominant position' means a position of economic strength which enables an undertaking to act independently of competition, customers and ultimately consumers within the United Kingdom".

That is a good description of the dominant position of *The Times*, which is able to use the profits of the *Sunday Times*, and perhaps other undertakings owned by the Murdoch empire, to persist in a policy that it could not otherwise afford.

**Mr. Andrew F. Bennett** (Denton and Reddish): I understand what my hon. Friend is getting at, but I do not understand why he did not go along with amendment No. 8, which is more specific to the newspaper industry. It makes the point that, in buying peas or Tetra Paks, one does not need much choice. However, buying ideas, which is what newspapers are about, is another matter.

**Mr. Radice:** I am sympathetic to amendment No. 8, but one would have to define "substantial", and that would lead to a circular argument, because there is no definition—certainly there is none in the Bill—of that word. Amendment No. 8 would throw us back to European legislation. I am sympathetic to my hon. Friend's idea, and I consider that we are trying to do the same thing, but I think that my way is perhaps better, despite the criticisms offered by my hon. Friend the Member for South Thanet.

**Dr. Ladyman** *rose—*

7.45 pm

**Mr. Radice:** Does he want to criticise me a third time?

**Dr. Ladyman:** My hon. Friend seems to minimise the impact of European legislation on the Bill. Clause 60 makes that legislation central to the Bill, so that all European jurisprudence can be used. As my hon. Friend's amendment contains the same wording as European case law, what is its purpose?

**Mr. Radice:** My purpose is to put the position beyond peradventure. I am interested in listening to the Minister, and to my hon. Friend, and I may well be persuaded by them, but I want to try to tease out a strong definition that can be used in the courts.

**Mr. Robert Marshall-Andrews** (Medway): May I helpfully suggest an answer that my hon. Friend might have given? European case law as adumbrated in the Bill by clause 60 may change, and that is one reason for enshrining the principle in our own legislation, to set it in stone.

**Mr. Radice:** I am most grateful to my hon. and learned Friend. I sense another helpful intervention.

**Mr. Winnick:** If Mr. Murdoch had a vote tonight, he would certainly vote against the amendment and new clause 1. The Murdoch empire and the media do not want to see them carried.

**Mr. Radice:** They might even vote against the Bill.

**Mr. Winnick:** More so against the amendment.

**Mr. Radice:** Probably.

I have covered my amendment, which is about predatory pricing and a dominant position in the national newspaper market. It is not about the Murdoch press, or about the fact that *The Times* is no longer a paper of record. It is not about the fact that *The Sun* is sometimes disgracefully xenophobic. Nor is it about the fact that News International has perhaps too big a share of the United Kingdom newspaper market. This is not the place in which to express my concern about how an unelected Australian-American media owner interferes, through *The Sun*, in British politics. [HON. MEMBERS: "Go on."] I am having a good try, but I might be ruled out of order.

**Mr. Deputy Speaker:** Order. The hon. Gentleman is not debating the amendment with his immediate circle of hon. Friends, but addressing the whole House. Let me say to some of his hon. Friends that they must be quiet, as they are being unfair to the rest of the House.

**Mr. Radice:** Lord Beaverbrook once said, "What I want is power: kiss 'em one day, kick 'em the next." Rudyard Kipling, whose words were later quoted by his cousin Stanley Baldwin, said:

"Power without responsibility—the prerogative of the harlot throughout the ages."

Those words still apply. I shall not ask the Minister for his views on them or on their relevance today.

**Mr. Ian McCartney:** For the record, the last gentleman that tried to kiss me one day and kick me the next, spent 12 months at Her Majesty's pleasure.

**Mr. Radice:** I congratulate my hon. Friend on his robust attitude. I ask him either to accept my amendment, or to reassure me that the Bill will enable us to take tough action against predatory pricing wherever it occurs, including in the newspaper industry.

**Mr. Chidgey:** Most hon. Members know that, during the Bill's passage, we have had several opportunities to debate the issues before us. It stands out from our deliberations in Committee and on Second Reading that Ministers have been accused several times—not by me, I hasten to add—of altering course and changing their position. At times, they have argued that an action should be ruled out in the interests of avoiding putting undue burdens on business. At other times, they have said that action is unnecessary.

The one thing in which the Government have been constant throughout our proceedings is opposing any additional safeguards on predatory behaviour in the national newspaper business. The Government's position is surprising, because, when Labour was in opposition, it was boisterous and vigorous in promising action. It is surprising that, in office, it appears less interested in that promise; some might say that it has betrayed it. The Government seem determined that no one should have the opportunity to help them with it. That is the nub of this debate.

I want to discuss some of the issues raised in Committee, and some of the objections that Ministers made to amendments in Committee, particularly in respect of new clause 1 and amendment No. 8, which was tabled by the hon. Member for Sunderland, South (Mr. Mullin) and which I have signed, which would take us some way forward.

There is a need for a clause specific to the newspaper press. I strongly believe that competition law should contain specific and stricter, provisions on the press. Ministers have argued that it is wrong in principle to have different prohibitions in different sectors, but perhaps they forget that schedules 2 to 4 are devoted to excluding certain sectors from the Bill altogether. There is an inconsistency there.

With the press, diversity of provision, and hence of expression of comment, are necessities in their own right. That need goes beyond the need for competition in the supply of goods and services. Competition is a means to an economic end, but a diverse press is an end in itself. Where the diversity of the press is concerned, competition law must go further than it does for ordinary goods and services.

That need has always been recognised in mergers policy. I think that sections 57 and 62 of the Fair Trading Act 1973 are devoted entirely to establishing stricter criteria to apply to newspaper mergers alone. The Government should recognise that the same need exists in other areas of competition law—notably the control of anti-competitive conduct, which is the subject of the Bill. That is the gap that new clause 1 and amendment No. 8 seek to fill.

Is the chapter II prohibition sufficient in the case of predatory behaviour in the newspaper business? Ministers have argued that it is enough to rely on the Bill as it stands. They point to clause 18, which prohibits the abuse of a dominant position, to clause 60, which imports European jurisprudence into the interpretation of that prohibition, and to European case law on predatory pricing.

I agree with the hon. Member for North Durham (Mr. Radice) that those claims have been exploded by the recent opinion of leading counsel, in particular that of Mr. Richard Fowler, QC. He has shown that European jurisprudence sets a very high threshold before dominance can be established. That is unsustainable when the diversity of the press is at issue. Such diversity could easily be threatened by anti-competitive conduct long before a newspaper reached the point of dominance set out in the jurisprudence.

Ministers also argue that clause 18 will make predatory pricing easier to establish than it is under present competition legislation. They point again to European case law, which says that predation should be presumed whenever prices are below the average variable cost of production. Mr. Fowler has again made it clear that, for newspapers, with their reliance on advertising revenue, that precedent would not run. Another ministerial reassurance is thus undermined, if not negated.

**Dr. Ladyman:** Will the hon. Gentleman give way?

**Mr. Chidgey:** I could see the hon. Gentleman's enthusiasm mounting. In a spirit of generosity, I am delighted to give way.

**Dr. Ladyman:** Far be it from me to suggest that the learned gentleman whom the hon. Gentleman quotes was talking poppycock, but he claims that in Europe there is a high threshold for establishing a dominant position. It is clear from what the Commissioners have said that, under some circumstances, they would regard a 20 per cent. market share as dominance. Does the hon. Gentleman seriously suggest that less than 20 per cent. should still be considered dominant?

**Mr. Chidgey:** I am somewhat confused by that question. I think that the hon. Gentleman referred to me as learned, or perhaps it was to someone else. He accused a leading counsel with an international reputation of talking poppycock. I cannot comment on that, but the opinion is on the record. It differs from the Government's legal opinion, but where there is conflicting legal opinion, there is a problem with legislation. If he contains his enthusiasm while I continue my remarks, I think that I shall be able to demonstrate why that is important.

**Mr. John Hayes** (South Holland and The Deepings): Will the hon. Gentleman give way?

**Mr. Chidgey:** We have a new face in the Chamber. What a pity the hon. Gentleman was not here for the opening remarks. Nevertheless, I shall be generous and allow him to contribute.

**Mr. Hayes:** The hon. Gentleman's generosity is clearly not matched by his courtesy. My point supports what he said. He will be pleased to learn that not only leading counsel but European case law supports his argument and not that of the hon. Member for South Thanet (Dr. Ladyman).

**Mr. Chidgey:** I am grateful for that point. I quickly withdraw any discourtesy. I was perhaps momentarily excited; it was meant merely as part of the usual cut and thrust of our friendly behaviour in the Chamber, particularly at this hour.

I contend that counsel's advice is clear. The comfort that Ministers have held out on the adequacy of clause 18 is illusory. It will leave untouched a range of anti-competitive practices that could threaten the diversity of the press. Those threats will remain unless the House enacts specific safeguards against them.

It has been argued that it is wrong to use legislation to target a particular case—an issue addressed several times in Committee. Ministers argued that legislation should provide a general framework, and should not be used to target individual abuses by individual companies or even

*[Mr. Chidgey]*

against individual companies. That is clearly right. A vital aspect of press diversity is that the market should be open to newcomers.

The amendments are couched sufficiently generally not to prejudge the facts of any particular case. Findings of fact are for the relevant enforcement authorities, not the legislators. The purpose of the amendments is to establish a general safeguard for press diversity and make it a new and free-standing responsibility of the Director General of Fair Trading, and, as necessary, the new Competition Commission.

I am concerned about how the Minister may respond on new clause 1. I trust that the House will welcome its provisions. Its purpose is to stand in place of, and improve on, the clause 19 that was added to the Bill in another place before it reached Committee here and the Government were able to remove it through their votes there.

New clause 1 would prohibit any anti-competitive practice that threatens to reduce the diversity of the national newspaper press, but only if the author of that practice enjoys a monopoly situation. Both "anti-competitive practice" and "monopoly situation" have existing statutory definitions, in the Competition Act 1980 and the Fair Trading Act 1973 respectively. Therefore, their meaning will already be familiar to the business community affected by the Bill.

Let me deal with the question of dominant position and monopoly situations. On Second Reading and in Committee, Ministers criticised the original clause 19, because, it was claimed, it relied on a special definition of a dominant position, including any

"substantial degree of market power".

Ministers claimed that the clause was too wide, because, they said, practically any established newspaper will hold substantial market power.

The new clause meets that criticism by confining its reach to monopoly situations as defined in the Fair Trading Act, which entails a market share of 25 per cent., which is common knowledge. The scope of the new clause is thus confined within existing strategy limits. Surely nobody would argue that practically any established national newspaper company will hold a market share of 25 per cent.

8 pm

Turning to the definition of the abuse that will be prohibited, the old clause 19 was also criticised by Ministers because it prohibited any conduct, within certain limits, which might reduce the diversity of the national newspaper press. It was thought that the clause would throw the baby out with the bath water, because it applied, or could be seen to apply, to any conduct, legitimate or illegitimate, that might reduce the diversity of the national newspaper press; it could even condemn good journalism. However, in new clause 1, anti-competitive practices are defined in the same way as in section 2 of the Competition Act 1980, which I believes overcomes the problem.

Let me now turn to advertising revenues of newspapers. Much has been of the costs of producing *The Times*, and the accounting procedures of News International. In our debate on the old clause 19, we focused on its reference to "selling prices", which was thought to imply that a low cover price could be an abuse regardless of advertising revenues. Obviously, that argument on its own is unsustainable, because no one would be able to support a principle that prohibited the publication of free sheets. Therefore, the issue is not selling price, but overall costs.

The new clause meets that criticism by eliminating all reference to selling price; instead, it deals only with anti-competitive practices that threaten to reduce the diversity of the national newspaper press. It would be for the competition authorities—the Director General of Fair Trading and the new Competition Commission—to identify such anti-competitive practices, according to their practised judgment. If accepted, the new clause would leave them entirely free to consider advertising revenues in whatever way they thought right.

Ministers should recognise and acknowledge that all their objections have been heard, heeded and fully catered for in new clause 1. The new clause now applies only where there is a monopoly situation, and only to actions that constitute an anti-competitive practice. It prohibits such practices when they may reduce the diversity of the national newspaper press. Surely nobody could doubt the justification for that.

**Mr. Chris Mullin** (Sunderland, South): I rise to speak to amendment No. 8, which stands in my name and those of several colleagues, including the hon. Member for Eastleigh (Mr. Chidgey).

Let me say out the outset that I welcome the Bill. It contains many desirable measures and I shall have no difficulty voting for it on Third Reading. However, the acid test is the one that I mentioned on Second Reading, during an intervention on the Secretary of State: whether the Bill deals with predatory pricing in the national newspaper market, which is the worst example of predatory pricing and abuse of the market and is all the more serious because, unlike predatory pricing in other sectors, it has implications for the democratic process. The Bill as drafted does not pass that test; therefore, the purpose of my amendment is to bring predatory pricing in the newspaper industry within its scope.

The issue is one in which my hon. Friend the Member for North Durham (Mr. Radice) and I have taken a serious interest. It will be evident from the signatures of seven Select Committee Chairmen to amendment No. 8 and that of the distinguished Chairman of the Liaison Committee to amendment No. 1 that our concern is widely shared. We have not tabled the amendments lightly. We have talked to the Secretary of State, who has listened courteously to our concerns, to Lord Borrie and to representatives of the industry—including the editor of *The Times* and the chairman of News International—and we have taken advice from experts.

I had an open mind on Second Reading, after the effect of clause 60 was belatedly explained to us, but I have been impressed by two things: first, that Lord Borrie, a former Director General of Fair Trading, is of the opinion that the Bill as drafted will not catch what is going on in the newspaper industry and, secondly, the opinion of Richard Fowler QC, who shares that view. They are both of the view that the Bill will be ineffective against the five-year war of attrition conducted by News International against its rivals, which is the fundamental reason why I tabled the amendment.

The background to the problem has been outlined by my hon. Friend the Member for North Durham. For the past five years, News International has been selling *The Times* and occasionally *The Sun* for far less than the cost of production. That is not a temporary promotional activity; it has been going on for five years. It is dragging down other newspapers: for example, *The Daily Telegraph* and the *Daily Mirror* have felt obliged to respond in order to compete. It is having an extremely damaging effect on our national newspaper market, especially the broadsheet market.

Be under no illusions, *The Times* is making huge losses. When the chairman of News International came to see my hon. Friend the Member for North Durham and me, we asked him how much it had cost the company so far. Although he was the chairman, he did not appear to know the exact figure, but "under £75 million" was the figure he mentioned. It is unclear whether that comes from the profits of *The Sunday Times* or from other parts of the empire. Subsequent to our meeting, I wrote to the chairman asking whether the profits of *The Sunday Times* over the same period exceed the subsidy to *The Times* and, if so, by how much. Mr. Hinton replied:

"We do not break out the profit and loss of *The Times* and *Sunday Times* separately"

so there is no way of telling.

News International argues that the increase in advertising revenue resulting from the increase in sales of *The Times* should be taken into account, and I agree—that is a perfectly reasonable point—but I am assuming that the £75 million loss Mr. Hinton talked about already takes account of that. The figure is in addition to any increase in advertising revenue. Let us not be distracted: it is clear that News International's war of attrition could be sustained only by a corporation with huge resources.

Those are the facts so far as we are able to discover them. The result is that hundreds of millions of pounds, much of which might otherwise have been invested, has been drained out of the national newspaper industry. *The Independent*, which I accept has other problems, has been forced to the brink of extinction. It is bogus to describe what has been going on as normal promotional activity—it is not normal; no other national newspaper engages in such sustained price cutting. If the purpose was to make *The Times* the market leader, the strategy has not succeeded; nor has it succeeded, after five years, in making the newspaper profitable, even when advertising revenue is taken into account. However, it is no defence to say that the strategy has not worked. As to whether the strategy has worked and what was the goal of the strategy, the jury is still out. It could go on for years with consequences on which we can only speculate. Who knows where it will end?

There is another possibility—a different interpretation from the one that News International would like us to believe is the purpose of its activity—and that is to inflict damage on or to sink rivals. Mr. Murdoch has said in public that by the early part of the next century there will be only three national daily newspapers left—*The Times*, *The Sun* and the *Daily Mail*. He did not say whether that was a desirable target or an inevitable and regrettable fact of life. Whatever view one takes, were it to come to pass—I hope that it will not—it would mean that the British public would be left with a choice of lie machines, either the Harmsworth or the Murdoch lie machine. I do not want that day to arrive.

Happily, there is no shortage of ex-Murdoch executives. A fax may arrive from Los Angeles or New York and they are here today and gone tomorrow. Who knows, that fate may yet overtake one or two of those who are giving us the lavish assurances about how this is just a normal promotional activity. If that fate does overtake them, perhaps they will be in a position to be more frank with us about what it is all about.

As I have said, even now there is no shortage of ex-Murdoch executives. One such person told me that he was in the presence of the man and heard him ask, "How do we sink *The Daily Star*?" As he said, Murdoch does not need to do that. It is almost an irrelevance to his interests, but he cannot resist the challenge. That is a little glimpse of his mind set.

Another former senior executive of News International has been overheard talking in similar terms about how to sink *The Mirror*. The strategy has certainly inflicted some damage on that paper over the years.

I do not want to get bogged down by arguing about the purpose of all this. If it is any help, for the purposes of argument, I am willing to assume that Mr. Murdoch's motives are purely honourable and commercial. I want to concentrate on the effect. It is deeply damaging to our democracy to limit or threaten to limit the diversity of our national press.

So far there have been three investigations by the Office of Fair Trading and a fourth is under way. As my hon. Friend the Member for North Durham said, since it is taking place under the existing competition regime, we should not have any high hopes of it. That is the background.

As my hon. Friend ably explained, amendment No. 1 makes explicit what is at present implicit. It is welcome, but, in my view, it is not sufficient to solve the problem. As the Bill stands, it is necessary to demonstrate that there is an abuse and that the abuser has a dominant position in the market. New clause 1, tabled by the Liberal Democrats, attempts to address both those points by lowering the test for national newspapers. I believe that it is not difficult to prove an abuse. After five years, it is surely no longer possible to argue that News International is engaged in a temporary promotional activity. I have concentrated on lowering the test of dominance in relation to national newspapers. That is the purpose of amendment No. 8.

European law is based on cases where a company such as Tetra Pak, having 80 or 90 per cent. of the market, seeks by means of artificially low pricing to squeeze rivals out of the remaining 10 or 20 per cent. It is true that the Commission has indicated that it might be willing to look at cases where the alleged abuser has a much lower percentage of the market, but, in those circumstances, market dominance is a hurdle which will prove difficult to cross in the national newspaper industry.

Depending on which definition one takes, News International has somewhere between 28 and 33 per cent. of the market. I was interested to hear the chairman of News International say on the "Today" programme that News International has only 19 per cent. of the market. That is evidence of how much reliance we can place on News International figures because, as I have said, the true figure is somewhere between 28 and 33 per cent.

*[Mr. Chris Mullin]*

Lord Borrie and Mr. Fowler, an expert on competition law, take the view that market dominance is a hurdle which will prove difficult to cross in the national newspaper industry. In an opinion commissioned by *The Independent*, Mr. Fowler says:

"whether the relevant market is defined as broadsheet newspapers or national newspapers generally, it is unlikely in my opinion that the position of *The Times*, or of News International, would meet the European Court of Justice tests for dominance."

So, we could sit back and say that nothing can be done about predatory pricing until one of the abusers—it is likely to be Murdoch—has, by fair means or foul, obtained a 50, 60 or 70 per cent. share of our national newspaper market.

What Government would dare to take on a corporation with that percentage of the market? Heaven knows, it is difficult enough to get anyone in high places to think sensibly about Murdoch when he has only one third of the market. Instead of waiting for a bad situation to get worse, I am seeking to rectify the matter now. My amendment does that by lowering the test for national newspapers from dominance to

"a substantial degree of market power".

8.15 pm

The Government have two principal objections to my proposal. First, they say that they are not in the business of singling out Rupert Murdoch or any other proprietor. My amendment does not do that. It seeks to outlaw predatory pricing among national newspapers regardless of the identity of the proprietor. As we have seen, *The Daily Telegraph* and *The Mirror* would also be affected. Any newspaper corporation that attempts to subvert the market by predatory pricing would be caught by my amendment. Mr. Murdoch's name crops up more than most because he is the greatest living practitioner of predatory pricing. I am sorry about that, but it is an unavoidable fact of life. My amendment makes no mention of Mr. Murdoch or News International. It would apply across the market.

Secondly, the Government object to singling out national newspapers. That is the key issue—it is the core difference between us. It is a difference of principle and we should not shy away from it. I am grateful to Ministers for not arguing that my amendment is technically defective—it is not. We are discussing a straight issue of principle and my argument is simple.

The free flow of information is the life blood of democracy. A diverse media is a precondition of democracy. Any practice that, by accident or design, is likely seriously to limit newspaper diversity therefore threatens democracy. That is why newspapers are a special case. As the hon. Member for Eastleigh said, previous Governments have accepted that in relation to merger policy and other aspects of competition law. Clauses 57 to 62 of the Fair Trading Act 1973 are devoted to establishing stricter criteria for newspaper mergers. That Act was passed by a Conservative Government.

It is disappointing to see so few Conservative Members today. I saw a poll which suggested that 95 per cent. of Conservative Members thought that the Government were too close to Murdoch. If they really thought that and were concerned about it—

**Mr. Radice:** They want to be close to Murdoch.

**Mr. Mullin:** My hon. Friend is right; it is jealousy. I had hoped that one or two Conservative Members would come to the House to express their concern on this issue. Alas, that is not the case.

In case anybody thinks that the Government have changed their mind, I can say that that is not so. In the consultation document that preceded the Bill, the President of the Board of Trade said:

"We do not propose to use the Bill to amend the Fair Trading Act newspaper merger provisions. The original rationale for these provisions was that increasing concentration of newspaper ownership could threaten freedom and variety of expression in the press. We consider this rationale remains valid."

Those are the words of the President of the Board of Trade within the past 12 months. In other words, when it suits them, the Government accept that newspapers are a special case.

I could not put it better myself. However hard I try, I am unable to distinguish between a threat to newspaper diversity caused when a large corporation seeks to take over its rivals and a threat to diversity caused by a corporation that already has an enormous share of the market seeking to expand its share by a practice so blatantly unfair as predatory pricing. In any case, it is not strictly true that the Bill applies across the market. As the hon. Member for Eastleigh pointed out, schedules 2, 3 and 4—no doubt for good reasons, which I do not dispute—list all sorts of areas to which the new competition regime will not apply. It would be a simple matter to make an exception for newspapers. The Fair Trading Act is a healthy precedent. All that is required is the political will, which is the purpose of my amendment. In the absence of a miracle, I intend later to put the amendment to the vote.

**Mr. Marshall-Andrews:** I support the amendment, which is not specifically anti-Murdoch or anti-News International. I declare an interest: I write reasonably regularly for *The Sunday Times*, which is, of course, part of News International. In the past few weeks, I have written about the potential catastrophic effects of the third way, the vulgarity and vast waste of the millennium dome and the abolition of the Lord Chancellor. I very much hope that I shall in future be given the opportunity to write other articles that are helpful to the Government. I do not attack News International or Rupert Murdoch and I am very happy to write for his newspapers and take his shilling.

The point needs to be made that this is a commercial Bill, the purpose of which is to regulate commercial dealings and promote the purifying oxygen of competition. It is a perfect Bill. It is strong and good in every respect except one: it fails to address the unique commercial position of the newspaper industry, which is worth £700 million a year and, notwithstanding that, succeeds in making an aggregate net loss of £50 million. Why is it unique? That question is essentially the argument that the Government have against the amendment. Why single out the newspaper industry?

I shall attempt to answer that in one sentence. No other major commercial undertaking is owned for the express and specific purpose of obtaining and using political power and influence. That is the difference between the newspaper industry and any other. Protestations to the contrary are not worth even considering.

*The Sun* did not run a banner headline, "It Was The Sun Wot Won It" because of mere vulgar braggadocio, but because it believed that it was true. The Prodi incident caused consternation not because it was an unedifying example of politicians operating at the behest of business men, but because the business man was Rupert Murdoch, who is, in effect, a strong and established politician.

What is the effect of that single difference between the newspaper industry and every other? I suggest that it has two effects. First, we have a legitimate interest in debating the industry in the House because it affects politics and democracy. The second effect, which is far more important in the context of the amendment, is that the political power that is wielded within the industry, which it conceals, distorts the commercial strategies of the market. The Bill deals with those commercial strategies and is predicated on commercial reality.

In normal commercial considerations, no commercial entity can or does afford, for a long period, to trade at a loss. It can do so only for a limited period to drive its competitors to the wall. That does not apply in the newspaper industry. The normal capitalist impulse to destroy one's competition is based always on the desire to obtain a monopoly position to manipulate price. That is not the motive in the newspaper industry, where the impulse is to destroy one's competitors to obtain a monopoly of power. That imports into the industry completely different commercial realities. One has only to test that against what has recently happened in the industry to realise that it is true.

Nobody but a commercial lunatic would have purchased *The Independent* for commercial reasons. It was purchased not because it is a commercial concern but because it is a newspaper and is likely, let us face it, to make a loss for a considerable period. Precisely the same may be said—topically—of the *New Statesman*. Nobody but a commercial lunatic would have purchased that, but it was purchased by a gentlemen of enormous commercial acuity, not because it would make a profit but because it is a newspaper.

The difference in the commercial considerations imported into the industry by the reason people use, purchase and run newspapers is extremely important for the purposes of clause 18. As we know, one must break two separate rules to transgress clause 18. The first relates to predatory pricing, which is set by Tetra Pak because of the European provisions of clause 60. There is no problem in the House with the conditions that Tetra Pak lays down. If one applies those rules there is a near certainty that Rupert Murdoch has been predatorily pricing with News International and, in particular, with *The Times*. I cannot tell the House that that is true because I am not privy to the inner workings of News International, but every objective test suggests that Rupert Murdoch has transgressed the Tetra Pak principle. That is not the problem, which is why amendment No. 8, which bears my name, does not even contemplate examining predatory pricing.

The single issue here is what is domination in the market, and, on that issue, the newspaper industry is different from others. The reason the Bill and European legislation and jurisprudence apply only to dominance in the marketplace is that that is the only place where it matters. No one who is not dominant in the marketplace will predatorily price. If they do, it will not be for long because if they do not hold a dominant position in the marketplace, predatory pricing is commercial suicide. Ultimately, if such a war is started, the person who holds the dominant position will always win on the well-known General Haig principle that there will always be one man left standing at the end. That is why legislation, in commercial terms, applies itself to the dominant position in the marketplace.

That does not apply to newspapers because the reasons for using and owning them mean that those with a substantial share in the marketplace will sustain losses for years, as News International has done, to break their competitors not commercially but politically and to gain a greater political share. The implicit danger is commercial. News International holds 33 per cent. of the market. I have to say to my hon. Friend the Member for North Durham (Mr. Radice) that, under any test, 33 per cent. will not be enough to guarantee that a court or the Office of Fair Trading will find that a company holds a dominant position in the marketplace.

A little law that I know proves that that is the case. The United Brands or Michelin test, which began its life in the ninth or 10th version of the Commission's report on competition, is that dominance exists if the nature and structure of the market enable a company to act independently of competition. I shall not bore hon. Members to tears with the reasons, but my view, which coincides with those of other silks who have been quoted, is that that test will not guarantee a finding of a dominant market position for Murdoch's empire or any other newspaper empire in this country.

If the House is to safeguard the principles that my hon. Friend the Member for Sunderland, South (Mr. Mullin) articulated so well—the democracy of the House and the continuation of a healthy, democratic newspaper industry to support it—the only way for it to do so is for the House, united, one hopes, without party, to vote for the amendment.

**Mr. Winnick:** It has been said that amendments Nos. 1 and 8 and new clause 1 do not refer to Mr. Murdoch, but we all know that we are debating the Murdoch clauses, and there is no doubt whom we have in mind.

I do not regard Mr. Murdoch as being responsible for all, or necessarily most, of the ills of the media world. If, for example, we looked at *The Independent*, we would probably conclude that it had been an excellent newspaper and that, unfortunately, a decline took place. *The Independent* started as a very good newspaper—it was highly welcome—but, in the past two or three years, it was undoubtedly the author of its own decline. I am pleased that, as a result of a change of editor, there now seems to be a good prospect that *The Independent* will be the type of newspaper that one wants to see, and will provide honest competition for the other broadsheets. One need only compare *The Independent* with what it was under some previous editors and my point is made.

8.30 pm

I might be accused of making a wrong point, but I do not believe so, when I say that some of the anti-Murdoch sentiments come from those who dislike the political line that he—or at least his newspapers—is advancing on the single currency and against economic and monetary union. I support amendment No. 1, despite the question that I shall now pose. If the Murdoch newspapers—*The Times* and *The Sun*—were very pro economic and monetary union, and were in favour of Britain joining the single currency at the first opportunity, would there be the same amount of criticism? Undoubtedly, my hon. Friend the Member for Sunderland, South (Mr. Mullin) would not change his opinion—he would be making the speech that he has just made, and doing very well indeed—but I wonder whether some of the critics are motivated by the line on the European Union that Mr. Murdoch or at least his newspapers are advancing.

The other broadsheets, *The Guardian* and *The Daily Telegraph* which have also been mentioned, are excellent newspapers, well able to look after their own, and one hopes that that continues to be the position, even if I would not tend to support the politics of those newspapers—especially, of course, of *The Daily Telegraph*.

There are three main reasons why I believe that new clause 1 and amendments Nos. 1 and 8 are necessary. First, the point has been made, and cannot be reiterated too often in the debate, that the pricing of *The Times* is unfair—that the purpose of such pricing arrangements is to drive competitors out of business. When recently I had a meeting—with one other colleague—with the editor of *The Times*, the fact that such pricing arrangements would drive competitors, especially *The Independent*, out of business was hotly denied, as though the thought had never come into the mind of those who control the Murdoch newspapers in this country.

We know that that is nonsense. We know that the sole purpose—perhaps it is unfair to say that, but one of the main purposes—of the pricing of *The Times* as it is at the moment in comparison to its broadsheet rivals is to drive at least one, perhaps two, of those rivals out of business. We also know—the point was made by my hon. Friend the Member for North Durham (Mr. Radice) when he moved amendment No. 1—that if *The Times* was not so heavily subsidised by all the other Murdoch outlets, it would simply not be possible to have such a pricing arrangement. That is the first reason why I am, and have been for some time, very critical of what is happening. If *The Independent* were forced out of business, that would undoubtedly be a serious blow to the broadsheet market, to British politics and to British democracy.

The letter that we have received from the executives of *The Daily Telegraph* and *The Guardian*, containing the views of the lawyer, Mr. Fowler, has been mentioned. I agree that the executives have an interest, but Mr. Fowler's views should be noted.

The second reason why I am opposed to the present situation regarding the Murdoch media empire is that far too much media power is undoubtedly concentrated in the ownership of Mr. Murdoch—in Britain, as has been stated, in Australia and in the United States. I do not believe that that is desirable, or that it is healthy in a democracy. The danger is that if other broadsheets went out of business—certainly if *The Independent* did so—that would give the Murdoch press empire even more power than it has. That is why I say that that concentration of media outlets in the hands of Mr. Murdoch, not only in the press, but very much in television, is undesirable. One would hope that the Government would recognise that and act accordingly.

My third reason is somewhat different. In my view, Mr. Murdoch believes that he has any Government in Britain in his pocket and that his power—that word is very appropriate in this context—is such that no one in the main stream of British politics or, to put it more clearly, the two main parties, whether in government or not, is likely to take any position that will endanger his press empire. Although I appreciate what the Liberal Democrats have done in another place and here, I nevertheless have to say that, if they stood a realistic chance of forming the next Government, it is not likely, although I may be wrong, that they would be pushing new clause 1 with as much enthusiasm as they have been, and it is more than likely that they would be adopting the same position as the Conservative Opposition.

**Mr. Chidgey:** I am grateful to the hon. Gentleman for giving way; he realises that he has offered me a bait that I cannot refuse. I was not aware that he had some magical orb in his hand with which he could predict the future electoral success of any political party in this country. Perhaps he would reveal the secret.

**Mr. Winnick:** I am merely saying that it is interesting to note the attitudes of political parties. The Conservative Opposition, for example, are staying silent. They certainly will not vote for the amendments; that was made clear at a previous stage of the Bill's passage. The reason is pretty obvious: they do not want to give Mr. Murdoch the impression that they will act, or vote, in any way that will cause him offence.

That is the sort of power that Mr. Murdoch has. His feeling is that, with all the media power that he already possesses, he has the Government in his pocket. I do not believe that my Government are in his pocket at all, but I do believe that there is a feeling—I am speaking as frankly as I can on the Floor of the House—that, in order to be re-elected, we should not do anything by way of legislation that will give offence to the person who owns so much of the media in this country.

I think that that feeling is highly undesirable, and that it is not—I hope that it is not—the purpose of British democracy for one person virtually to decide who should be the Government of the day. It is not for one person, be it through *The Sun* or *The Times*—but especially the tabloid *Sun*—to say, in effect, that if the Government displease Mr. Murdoch, he will campaign to get them out of office. At the moment—I am being as frank as I can—both the Government, whom I enthusiastically support, and the main alternative Government give the impression that they do not want to take any action that would offend Mr. Murdoch.

I conclude by saying that in a democracy, there are bound to be—there always have been in this country, I suppose—powerful people in the media world, such as the late Lord Beaverbrook who was mentioned, who hold a good deal of power. I suppose that, by the very nature of capitalism, that is bound to be the case. Mr. Murdoch is somewhat exceptional in that he has more power than

previous media tycoons. He would like to concentrate even more power in his empire and the time has come for the Government, and certainly for Parliament, to say that enough is enough. The most effective way in which to do that is to accept the amendments and the new clause.

**Mr. Austin Mitchell** (Great Grimsby): Unusually, I want to support the Government's line and oppose the amendments. I cannot support the amendments because the Government's definition of predatory pricing in the Bill is perfectly adequate to deal with the situation. What has been added to that is an explosion of impotent anger against Rupert Murdoch, and the reasons for that are many and varied. My hon. Friend the Member for North Durham (Mr. Radice) is obviously upset because Rupert Murdoch is voicing the views of British people on the euro. Others do not like *The Sun* on taste grounds and some, particularly on the left, do not like Rupert Murdoch's politics. As we spent more than 20 years attacking the politics of *The Sun* and have now come to accept so many of them, that is a rather curious ground on which to attack Mr. Murdoch.

Some hon. Members, such as my hon. Friend the Member for Walsall, North (Mr. Winnick) and the Liberal Democrats, do not like the fact that Rupert Murdoch is so close to the Government. The Liberal Democrats would rather that the right hon. Member for Yeovil (Mr. Ashdown) was close to the Government. I do not agree with any of those notions because they do not seem to do anybody any credit. I certainly do not come to praise Rupert Murdoch, but I certainly do not intend to bury him. I admire him as a stirrer and a brilliant newspaper man, many of whose actions have been good for the newspaper industry. I also admire him as a risk-taker and innovator who successfully gave us Sky television. When I say that I admire him, I do so with no implication of vested interests.

**Mr. Radice:** My hon. Friend used to do a television programme for him.

**Mr. Mitchell:** As my hon. Friend reminds us, I used to do a television programme for Rupert Murdoch but, thanks to one of his many commercial mistakes, my programme was dropped. That shows that even Rupert Murdoch is capable of bad judgment. The Sky television management have gone flabby because they took off the best current affairs programme on the network. I am trying to look at the matter in the light of the arguments, decide on the facts, and do myself a little credit with the Government. A reshuffle is coming and my hopes are strong. I have not yet received any word from Downing street, although I sit at home every night waiting for the phone not to ring. I hope that my speech will encourage the process. I want the Newcastle Brown award for meritorious conduct in this matter.

**Mr. Ian McCartney:** On the grounds of clarification and job insecurity, may I ask my hon. Friend whether he is after my job?

**Mr. Mitchell:** Certainly not. I could not do it anything like as well as my hon. Friend after all those conversations we had.

We should oppose the amendments for a number of reasons, the first of which is that it is wrong to use a Bill that deals with competition to reduce competition and increase prices. What on earth will we achieve by increasing prices? That is a distortion of the Bill's role. If there is a problem about Murdoch's share of the market, let us have the guts to tackle it directly rather than in a back-door, covert way.

**Mr. Mullin:** Will my hon. Friend give way?

**Mr. Mitchell:** No. We can all whinge about Rupert Murdoch. I am slightly embarrassed because I differ from my hon. Friend the Member for Sunderland, South (Mr. Mullin). Like him, I am on the extreme left of the party. I am there because the party has moved so far to the right behind me. My hon. Friend and I are all that is left and I am a Gaitskellite.

Murdoch has been successful: *The Sun* is a success. He kept it alive and boosted it to a mass circulation newspaper. He kept *Today* alive far longer than would have been the case under any other management. *The Times* and *The Sunday Times* have been built up into successful papers. It is true that there is a threat to *The Independent*, but that is *The Independent*'s fault, not Rupert Murdoch's. If *The Independent* has gone off, it is because it is no longer independent, has lost its way and has been a wandering, bad paper. It has pulled itself together and enormously improved, but the fault lies with *The Independent*, not with the attack on it by predatory pricing.

I did not notice *The Independent* being particularly squeamish, when it set up *The Independent On Sunday*, about deliberately smashing *The Sunday Correspondent*, which it duly did; *The Sunday Correspondent* sank. We did not get this concern and desire for protection then.

I do not notice *The Daily Telegraph* avoiding predatory pricing. About a quarter of its circulation is sold on much-reduced subscription rates and it gives away 33,000 copies. I love it, but I much prefer reading it for free and I am happy to be deluged with free copies wherever I go. However, that is another form of unfair, unreasonable competition. Why is the paper whingeing about predatory pricing when it gives copies away on that scale?

8.45 pm

Competition is endemic in the newspaper industry. My hon. and learned Friend the Member for Medway (Mr. Marshall-Andrews) is wrong to say that we are talking about a lust for power. We are talking about someone's pride in their product—in their newspaper. Does my hon. Friend not want his articles to be read by the maximum number of readers? Is that not what journalism is all about—competition? If we suppress competition in terms of pricing, will it not come back in all sorts of other ways?

I grew up in a home that was weighed down with encyclopaedias because predatory-pricing newspapers had been going from door to door, giving encyclopaedias away with a subscription to this and that newspaper. We never read any of them. We never read the papers, but we were festooned with encyclopaedias.

**Mr. Marshall-Andrews** *rose—*

**Mr. Mitchell:** I know that my hon. and learned Friend is going to say that I should have read the newspapers and encyclopaedias, and that I would not be making this speech if I had done so. I am not going to give way.

*[Mr. Mitchell]*

In any case, what has predatory pricing done for Rupert Murdoch? He has the same proportion of sales now that he had in 1988. The only newspaper that has gone under in the intervening period is his own paper, *Today*, so what has predatory pricing done for him? Is it such a powerful threat?

To go on in this fashion about predatory pricing assumes that people are stupid. Price is only a marginal factor in buying newspapers. Most people buy a newspaper because they identify with it. They feel that it expresses their character.

**Dr. Lynne Jones** (Birmingham, Selly Oak): My hon. Friend has just said that he got *The Daily Telegraph* for free.

**Mr. Mitchell:** In my case, I hope to buy more newspapers than that. My point is that getting them for free does not kill newspapers. It widens the circulation of quality newspapers. However, in the main, people buy a newspaper because they feel comfortable with it and it expresses their personality. They have an empathy and bond with it; that is what it is all about. It is not about the price being reduced one day a week. People look for quality.

A symptom is that red-top newspapers are all losing circulation while that of the quality papers is increasing, a helpful and hopeful sign. However, the *Daily Express* lost circulation when it lost its way. Fortunately, it has pulled itself together recently, but it is the fault of newspapers when they lose circulation. They cannot establish that empathy with their readers any longer because they do not have a personality with which readers can identify.

That point is what we need to emphasise, not predatory pricing, which is a marginal factor in such decisions. My hon. Friend the Member for Sunderland, South says that he wants diversity. So do I, but I do not want it at the expense of closing other newspapers. The enemy is bad newspapers and newspapers without character or identity, not predatory pricing. That is a failure of the newspapers. Therefore, I cannot support the amendments. They are mostly an expression of anger at Rupert Murdoch—an impotent and somewhat pathetic rage against the man—which does not become us.

I say loyally that the amendments are not a critique of our leader, who is on close terms with Rupert Murdoch. I am not going to put myself in the position of criticising our leader in any way, but, more importantly for practical purposes, what is proposed will not work. I do not think that my hon. Friend the Member for North Durham will even vote for his amendment because he will not want to rebel against the Government, so why are we wasting our time with this futility?

**Ms Diane Abbott** (Hackney, North and Stoke Newington): This is an excellent Bill, which will be even further improved if the Government find it in their heart to accept the amendments. I want to deal with the particular point that the Government have made: they see no case for creating a special clause to deal with circumstances in the newspaper industry.

It has been put to the House this afternoon that the newspaper industry is a special case, for a number of reasons. The first is that newspapers are, above all else, a means of circulation of information—a free, unfettered and generally competitive circulation of information, which is vital to a healthy civil society. The Government are committed to recasting civil society—we want more people to be volunteers, to be aware of their rights, to be involved in local authorities and so on. We cannot shape a healthy civil society without the freest possible flow of information. A monopoly in newspapers, predatory pricing by newspapers, or an unhealthy dominance by any individual newspaper proprietor fatally hinders the free flow of information. That is the first reason why the newspaper industry is different and why specific measures are needed to deal with undue dominance and monopoly.

The second reason, which has been touched on by my hon. Friends, is the relationship between newspapers and politics. It is nonsense to argue, as some of my hon. Friends have done, that people go into newspapers because they want to make a profit. Beaverbrook, the archetypal proprietor, said it clearest and said it best—as he said so many things—when he said that he owned his newspapers to make propaganda. People become newspaper proprietors not because of profit—there are easier ways to make a return on their money—but for political and social influence and power. It must be unhealthy in politics for there to be undue dominance and monopoly in political and social power and influence.

Because of the importance of freedom of information and the free flow of information, and because of the relationship between newspapers and politics, it is all too easy to make a special case for dealing with monopoly and undue dominance in the newspaper industry. I declare an interest as one of the few remaining members of the parliamentary Labour party who will admit to having picketed Wapping by candlelight at the beginning of the 1980s.

My point is not an ad hominem point about Murdoch—it is that twice in recent times the Murdoch empire has driven a coach and horses through the clear intentions of monopoly legislation. The first time was when Murdoch acquired *The Times*. Anyone who doubts me needs only to read Harold Evans's book about that acquisition. Harold Evans is one of the legion of ex-Murdoch executives. He makes it perfectly clear in his very carefully documented book—as one might expect from one of the leading journalists of our generation—that the way Murdoch acquired *The Times* was wrong, was in breach of the legislation, and was based on a phoney presentation of statistics and undue pressure on the politicians of the time. Murdoch drove a coach and horses through the clear intentions of politicians when he acquired *The Times*.

The second time was Murdoch's acquisition of Sky, on top of his control of the newspaper and magazine market. I served on the Committee that shaped the regulations covering Sky and other outlets. It was clear to me that, for a second time, Murdoch was being allowed to get away with it—through his power, through politicians' fear of him and through the need not to be seen to cross Rupert Murdoch.

Now, at the beginning of this Administration, we have a Competition Bill and an opportunity to deal with the issue of undue dominance and monopoly in the media. Many people outside the House will not understand if we

do not do something. We do not need to look in the crystal ball; we can read the book. Time after time, in Britain, Australia and America, Murdoch has driven his way through the intentions of the people and the legislators on the issue of monopolies. We have an opportunity, which will not come again, to deal with the issue. I urge my hon. Friend the Minister to consider accepting the amendment, even at this late hour.

**Mr. Beard:** It must make bad legislation first to find a villain and then to find the legislation by which to condemn him. We are in danger of doing just that if we follow some of the arguments that have been deployed in this debate. The real issue is whether the rules that apply in a vast range of industries to abuse of a dominant position—or anti-competitive behaviour—apply also to the newspaper industry, or whether that industry requires special treatment.

The Standing Committee considered the clause that had been included by the other place—which deemed that special treatment was required—and removed it from the Bill for very good reasons. The first reason was that the clause did not meet certain of the Bill's principles—such as that it should be universally applicable right across industry, thereby giving it greater clarity. The second was that the Bill should be consistent with European legislation, so that the two legislative regimes could evolve in harmony. The third was that the clause introduced absurdities. The fourth was that the clause introduced a test for predatory pricing that was completely inappropriate and at odds with European precedent.

Each of the proposals in this group falls for one or more of those reasons. New clause 1—taking the proposals in reverse order—like the clause from the other place, speaks of any activity that reduces diversity. Applying that definition produces some absurd examples. Is a newspaper that recruits many gifted writers and attracts readers towards it and away from another newspaper, thereby endangering that other newspaper's existence, to stop recruiting talented writers? Of course not. Many other examples can be concocted to demonstrate the absurdity of the definition.

Amendment No. 8 would reduce the threshold in distinguishing whether there is a dominant position. However, when the matter is analysed and considered within the European context, it is doubtful whether there is such a distinction to be made. The European regime introduces a definition of dominant position that can catch abuse of dominant position in the newspaper industry if there is such a dominant position. In many of the examples cited in this debate, there seems to be an assumption that there is a dominant position for *The Times*, although very few facts and figures have been quoted to demonstrate it.

Currently, a dominant position will be interpreted as one in which anyone can operate without regard to competition or customers. That definition may very well apply to someone who is using cross-subsidisation from another business to operate predatory pricing. The solution for such practice is for the Director General of Fair Trading to investigate the matter according to the precepts that are already included in clause 18, to reach a conclusion and to operate accordingly. There is no evident reason why newspapers require a special definition of dominant position that is any different from that applying to any other part of industry.

Amendment No. 1 is very close to the likely definition in European legislation of dominant position. The weakness of including that specific definition in the Bill is that we would freeze the definition at the time when the legislation is passed, whereas European definition of dominant position might evolve and diverge from the Bill's definition. There is therefore a weakness that we will end up with two divergent pieces of legislation, whereas the intention was to have them in close harmony.

I do not think that any of the cases that have been cited in this debate justify a belief that clause 18 cannot deal with abuses and anti-competitive behaviour in the newspaper industry. The amendments are also in danger of introducing absurdities and breaking from some of the Bill's very basic principles—such as its universality and consistency with Europe.

I do not believe that the situation has changed since the Committee considered the Bill. I therefore believe that all three proposals in this group should be rejected, and that the principles applying in the newspaper world should be those stated in clause 18.

**Dr. Ladyman:** Some of my hon. Friends have railed against Mr. Murdoch and that is fine by me. I hold no candle for Mr. Murdoch and—short of my growing mammaries—I doubt whether he will ever say anything nice about me. I certainly hold no brief to defend his position. Nevertheless, I do not believe that my hon. Friends have shown that the Bill does not deal unamended with the position as they perceive it.

Let me reiterate how the Bill works. Clause 18 defines what cannot be done and who cannot do it. Clause 60 pulls in all European case law in order to define what is not allowed and who cannot do it. As a result of clause 60, anything that we can scrape out of European case law can be used. The provision is not optional. It does not say, "You may," or "You can if you want to." There is no choice in the matter. The Bill provides that European case law must be used in interpreting the Bill.

9 pm

As my hon. and learned Friend the Member for Medway (Mr. Marshall-Andrews) said earlier, that includes the Tetra Pak judgment, which provides a mechanistic definition of what predatory pricing involves. Under a mechanistic definition it is not necessary to prove intent. Previous investigations into what Mr. Murdoch and *The Times* have been doing failed because at the moment it is necessary to prove intent. When that is no longer necessary, as my hon. and learned Friend said, given what everyone is alleging about Mr. Murdoch's predatory pricing activity, if the figures can be demonstrated to prove that, he will be found guilty and prevented from predatory pricing. I do not know whether the figures will prove that or whether the arguments used by *The Times* are true and the newspaper is not selling below cost. If it is selling below cost, it will be dead meat.

The only question arises in respect of dominant position. As I said earlier, European case law in United Brands *v.* the Commission says that organisations or individuals may be acting from a dominant position if they can influence the market and have the power from other sources to act independently. It uses almost identical language to amendment No. 1, so in my view amendment No.1 is superfluous. If that is the case and my hon. Friend

*[Dr. Ladyman]*

the Minister confirms my interpretation when he replies to the debate, I assume that my hon. Friend the Member for North Durham (Mr. Radice) will not find it necessary to press the amendment to a vote as the provision is already in the Bill.

Amendment No.8 seeks to introduce a new definition of dominant position in respect of newspapers, including the word "substantial". Under European case law, it is not necessary to have 80 per cent. of a holding in a marketplace to be dominant. European case law specifically says that a holding of 40 to 45 per cent. is almost certainly dominant and that a holding of as little as 20 per cent. might be dominant given the right circumstances. If we interpret "substantial" as being different from "dominant" and representing a lower threshold—otherwise the amendment would have no purpose—the amendment is saying that a holding of less than 20 per cent. of the market might represent a "substantial" position and could therefore result in anti-competitive practice. I am sorry to say that that would bring in not only *The Times* but all the other broadsheet newspapers that would be in a "substantial" position.

**Mr. Mullin:** My hon. Friend makes my point for me. The amendment is not an anti-Murdoch amendment, as it would apply to anyone—including *The Daily Telegraph* or the *Daily Mirror*—who attempted to engage in predatory pricing.

**Dr. Ladyman:** My hon. Friend is certainly right, but if the definition of predatory pricing according to the Tetra Pak judgment is selling below the cost of production and making a loss on a consistent basis, that is doubly the definition of *The Independent*. The day we knock on Mr. Murdoch's door and say, "You must stop doing this because you are breaking the law," he will say, "If you bring me to court, I want *The Independent* taken to court with me because it is also making a loss. It has a substantial holding in the marketplace and is every bit as covered by amendment No.8 as I am." That is why amendment No.8 is dangerous as well as unnecessary.

My hon. Friend the Member for Bexleyheath and Crayford (Mr. Beard) described the absurdities that the new clause would introduce. Under new clause 1, an attempt by *The Independent* or *The Guardian* to hire new and better journalists to improve their newspapers could be defined as acting to try to close down competitors. That makes a nonsense of the Bill. The Bill, as the Government have defined it, is strong enough to deal with Murdoch and *The Times* if it can be shown that Murdoch is selling below the cost of production. If my hon. Friends who fear that that is what he is doing are right, the Bill as it stands is already perfectly adequate to deal with such behaviour. I call on my hon. Friends to reject the amendments and the new clause.

**Mr. Boswell:** I rise with some diffidence on behalf of Her Majesty's Opposition to intrude on what is clearly the Labour party's private grief. This has certainly been an interesting and illuminating debate, perhaps characterised more by heat than light. It has been characterised more precisely by hon. Members' vain attempts to distil their dislike of a particular individual—Rupert Murdoch—and his empire into a series of penal measures that would be imposed on that empire.

I should make it clear from the start that the Conservative party is not against competition. Indeed, we Conservatives favour vigorous competition. Our reservations about the Bill more generally reflect the fact that it does not always achieve the objectives that it claims to seek. As a party, we are not in favour of predatory pricing or the abuse of a dominant position. As the hon. Member for South Thanet (Dr. Ladyman) made fairly clear, the issue is whether the measures proposed in the clutch of amendments are appropriate to the ills that are seen.

I should like to make it clear, as my right hon. Friend the Member for Wokingham (Mr. Redwood) did in Committee, that we accept that, in certain specific cases, competition legislation, as it has operated in this country over the years under different Governments, may be required to address some specific problems concerning the newspaper industry. It is clearly appropriate to legislation on mergers and the allocation of titles.

Although I do not have a detailed knowledge of the genesis of legislation, it is fair to say that one of the major concerns was that titles might disappear or be bought for the purpose of closing them down. Regardless of whether that is the intention of any individual in the present scene, we have clearly not failed to secure vigorous competition among broadsheets and tabloids—as well as, increasingly, dare I say, between them—and a wide range of differing titles. That may change. One reason for such a change, to pick up a point made earlier, may be the falling away of the propensity of persons to buy titles that are making losses, in order to advocate a particular position. At the moment, however, we have a very lively newspaper scene and must therefore identify what specific ill the amendments address.

We look forward to the Minister's remarks. I agree with recent comments that a case has not yet been made that any problem can be tackled in the way that is suggested. I apologise to the hon. Member for North Durham (Mr. Radice) for picking up only a few of his latter remarks. I turn particularly to the remarks of the hon. Member for Sunderland, South (Mr. Mullin), who clearly dislikes Murdoch—an opinion to which he is entitled. He moved round several different ways in which the Murdoch problem, as he sees it, could be addressed. It could be predatory pricing, the abuse of a dominant position, something done in the past, motive or effect. It was difficult to pin down how it was to be tackled.

I wish to refer to the most likely of the candidates—the predatory pricing test. As my right hon. Friend the Member for Wokingham pointed out in Committee, it is very difficult in practice to differentiate that consideration from ordinary commercial pricing and keen marketing. As has been mentioned—I declare an interest in this—many of us benefit from subscription arrangements, either to daily newspapers or periodicals which are priced at a considerably lower figure than would apply if we were to buy them day-by-day at the newsagents. Other people may be able to intercept a copy given away on their way to work. There is a wide variety of effective pricing arrangements.

How on earth can we find what is predatory and what is not? That is still not clear to me. It is clear that if one seeks a remedy along those lines, it could be encompassed by the Bill as drafted and it should be possible to do so by generality, rather than by a specific case.

Another possibility would be to look at predatory pricing in terms of cost, and that was addressed. However, it is clear that most national newspapers, by definition, price themselves at below the cost of production or at an uneconomic level. They make that up by advertising, or they may run at a loss from time to time. One should look at another test, which is that of a formerly dominant position, I was interested in the exchanges that have just taken place, because it is possible to synthesise the situation in which—to take the case of the argument by the hon. Member for South Thanet—a newspaper might have a substantial position in the market; shall we say *The Times*. However, *The Daily Telegraph*, which sells many more copies, might have, within the terms of the Bill, a dominant position—so those two newspapers could be subsisting. However, it is not clear whether they would be subjected to the same or different tests.

I mention those examples because I feel that it is difficult to pick our way through to a fungible solution to what I am far from convinced is an actual problem, given the strength and diversity of the press and the weapons that the Bill will give the Government as part of their general approach to competition legislation. This is essentially an argument between the soul and the head of the Labour party as to the way forward. We shall look forward to the Minister of State's effort to wrestle with what are, in the words of the preacher, "doots" among his colleagues.

In conclusion—this is in no sense an attempt to subvert Government Back Benchers, or to discourage them from supporting the Minister; that is a matter for them—in declining to oppose the Government's position, as I anticipate it to be, I would commend the Government on a strange phenomenon. Their characteristic phenomenon is to find a public ill—or, if they cannot find one, to invent one or make a fuss about one—and then to tackle it with a great flourish. People are named and shamed, and action is taken, or threatened to be taken. Something is done about it, particularly if the focus groups say that something should be done.

Quite exceptionally, unusually and, in this case, sensibly, the Government have not bowed to the pressure to produce a specific remedy for a specific ill. They are relying, wisely, on principles of general application. We shall listen to the Minister of State with interest, and I am sure that, his hon. Friends will be listening with even greater interest. We shall—as they say in the history books—then await events.

**Mr. Ian McCartney:** My hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) asked me to find it in my heart to support the amendments. No one can accuse me of being anything but a big-hearted person, but tonight I am not going to let my heart rule my head. We want intelligent decision making.

The Bill is not about ownership; it is about dealing with abuses of dominance and other anti-competitive behaviour. It will provide much stronger powers to deal with such behaviour. The media industry will continue to be subject to the existing merger control and newspaper merger regimes under the Fair Trading Act 1973 and to media ownership regulations under the Broadcasting Act 1990.

The Government have made clear their belief in the importance of a strong, diverse and independent press. That is why we are keeping the special merger provisions for newspapers in the Fair Trading Act, which protect plurality of ownership and diversity of content. The Bill deals with anti-competitive practices, which are wrong wherever they occur. The Government believe that abuses of dominance, such as predatory pricing, should be stamped out whatever the market. Clause 18 clearly covers firms that abuse their dominance by predatory pricing, which is vital.

9.15 pm

The principles established in European case law will apply under the Bill by virtue of clause 60(2) which makes it clear that there must be no inconsistency between the principles applied by courts in applying a domestic prohibition and those laid down by

"the European Court, and any relevant decision of that Court".

The principles on predatory pricing established in AKZO and Tetra Pak will apply under the Bill.

Hon. Members have referred to briefings sent to them by executives of *The Independent* and *The Daily Telegraph* newspapers and to the opinion of the Queen's counsel that those briefings quote. It is important to distinguish between allegations about *The Times* and questions of principle about the interpretation of the Bill, but *The Independent* and *The Daily Telegraph* executives mix them together to suit themselves. The briefings entirely wrongly imply that what the Government have said about the European Court case law is dubious. I do not accept the assertion that

"many lawyers disagree with this interpretation".

I have seen nothing to back up that assertion, and no hon. Member has said anything tonight to persuade me that it is right. On the contrary, even those who have tabled the amendments have, in their arguments, accepted that the European Court case law is very clear on the relevant points.

The suggestion in the briefings that Rupert Murdoch can operate with immunity from competition law should be treated with the disdain that it deserves. I take exception to the fact that hon. Members have said that the Government are in the pocket of Rupert Murdoch. The socialist Member for Makerfield in Rupert Murdoch's pocket? No one can say that I have ever worn a *Sun* lover's T-shirt.

Hon. Members should consider what the Government have done in the past few weeks: we have introduced automatic recognition, removing Wilson and Palmer—which allowed the newspaper industry to discriminate against employees on the ground of their trade union membership—and permitting those sacked for taking part in lawful industrial action to claim unfair dismissal. Moreover, we have introduced a national minimum wage, against which *The Times* has campaigned, and continues to campaign, vigorously.

This is a Government of fairness, not favours. No one can suggest that a Government in the pocket of Rupert Murdoch could introduce such workers' rights legislation. It is nonsense, and Labour Members should not claim that the Government are in the pocket of a vested interest. The Government are in the pocket of no vested interest. We were elected to tackle vested interests, which is precisely what we are doing in the Bill.

**Mr. Winnick:** I did not say that the Government were in the pocket of Murdoch. I said the opposite: that

*[Mr. Winnick]*

Murdoch believes that he has in his pocket the Government and the Conservative party, which is a highly undesirable state of affairs. That does not in any way mean that the Government, whom I support, are in Murdoch's pocket. Will my hon. Friend say whether he believes that the Murdoch empire has too much power and, if so, what steps should be taken to deal with that?

**Mr. McCartney:** I thank my hon. Friend for that clarification. I think that I made the Government's position on dealing with vested interests absolutely clear. I accept what I believe was an attempted apology, but it is invidious to give the impression, inside or outside the House, that the Government are treating anyone differently. That is not the case. We are a Government of fairness, not favours.

Much has been said about the actions of News International and *The Times*. It would be wrong of me to comment on whether the actions of an individual undertaking are or are not anti-competitive, as that is a matter for the competition authorities, both under the Bill and under existing legislation. The House should note, however, that the director general has asked News International to provide detailed information about *The Times*, to enable him to assess the impact on its competitors of its trading strategy.

I am surprised that that was not mentioned in the debate, especially by those who spoke in favour of new clause 1. This is the proper way forward. I do not accept the arguments of those who are out to get *The Times* and who say that, if its actions are not caught by the legislation, we must alter it to catch them.

That is not the purpose of the Bill or of the legislative programme. If someone has a case against Murdoch or any other individual, he can pursue that case, but we cannot distort the Bill as has been suggested. That would undermine the concept of the Bill, and our ability to prevent abusive and anti-competitive behaviour in the marketplace. Let us remember that, when such abuse takes place, small, medium and large enterprises suffer, and it is the responsibility of the House to improve legislation to prevent that from happening and to ensure that, if it does happen, we have the capacity to stop it and to take action to ensure that any loss is recognised.

**Mr. Clive Efford** (Eltham): Does my hon. Friend accept that there is a problem in the newspaper industry that should be dealt with in the Bill? If the Bill were to fail to deal with the problem, what action would he take to remedy it?

**Mr. McCartney:** I thought that I made it clear that such matters are for the competition authorities. We are responsible for providing a legislative framework, and we have not only done that but improved on the existing framework. We oppose the amendments and the new clause because we do not believe that the framework is inadequate; we believe that it is rigorous and that it is constituted in the context of European jurisprudence, taking account of articles 85 and 86. It has been recognised from the outset as the only way of ensuring that we have an effective regime to deal with anti-competitive behaviour, including predatory pricing.

I want to make it clear from the outset that I sympathise with the thinking behind amendment No. 1. I entirely appreciate the fact that the object is to clarify what is meant by dominance under the Bill, drawing on the relevant EC jurisprudence. I and other Ministers have defined dominance in similar terms in debates in Parliament. We have no quarrel with the definition itself. I have no objection to the description of dominance set out in the amendment, as far as it goes. It is consistent with the explanations that I and other Ministers have given.

I am grateful to my hon. Friend the Member for North Durham (Mr. Radice) for highlighting these important principles of interpretation. There is common ground between us on the substance, but the amendment itself is unacceptable. It could inadvertently do serious damage to the central policy of the Bill, which is to align the domestic prohibition of abuse with that of article 86.

European jurisprudence is clear that dominance means a position of economic strength that enables an undertaking to hinder the maintenance of effective competition on the relevant market by allowing it to behave to an appreciable extent independently of its competitors, of its customers and, ultimately, of the consumer. That test is laid down in case law, for example in the Michelin case.

Those EC principles of interpretation will apply under the Bill, by virtue of clause 60. Subsection (2) makes it clear that there must be no inconsistency between the principles applied by the courts in applying the domestic prohibition, and those laid down by the European Court, and any relevant decision of that Court.

Market share is not determinative of dominance, but it is an important factor. The Commission has expressed the view that while, in general, companies with market shares below 40 per cent. are unlikely to be regarded as dominant, undertakings with market shares as low as 20 per cent. may none the less be dominant if the nature and structure of the market enable them to act independently of competition.

Clause 60(3) requires our courts to have regard to relevant statements of the Commission, such as this one, in applying the domestic prohibition. Therefore, the assessment of dominance under the Bill will need to have regard to the Commission's statements. In short, the principles of interpretation on dominance, which are established in EC case law, will apply under the Bill.

Either the words of the amendment correctly define what is a dominant position under Community law, in which case they are unnecessary because that definition is already supplied through clause 60, or the words do not set out the test correctly and fully, in which case they should not be included. Where unnecessary provisions are inserted in legislation, they tend to go septic—that is to say that the courts look for some meaning to give them, rather than accept that they were not intended to have any effect of substance. In that way, in time they are likely to have effects that were entirely unintended. That uncertainty could cause business a major problem. If the latter interpretation were to prevail, it could lead to a UK prohibition being interpreted significantly differently to article 86.

The amendment would freeze the position in domestic legislation. That would carry the risk of the application of the domestic law diverging from that of EC law in an

important area. As we stressed many times in Committee, we should not seek to specify or alter how the prohibitions themselves apply, but should rely on the governing principles clause. So, while I sympathise with the thinking behind the amendment, I hope that my hon. Friend will accept that it would be seriously counterproductive in practice. Having heard my assurances on the meaning of dominance under the Bill, and the principles of EC jurisprudence on the matter, I hope that he will be prepared to withdraw the amendment.

Amendment No. 8 tackles the issue by lowering the threshold of what is "dominant" in the national newspaper market. I see no justification for treating newspapers differently in that respect. Frankly, it smacks of fixing the legislation to catch *The Times* regardless of the proper merits of the case.

I have explained carefully what is meant by dominance in the Bill. That is a soundly based test drawing on established European jurisprudence. It would be wrong to replace that with a different test which would in any case be highly uncertain.

**Mr. Redwood:** Is the Minister saying that under the definition that he prefers *The Times* clearly is not dominant?

**Mr. McCartney:** The right hon. Gentleman is trying to be far too clever by half, as is his nature. I set out clearly what the Bill does, which is to provide a legal framework to deal with abuse of dominance in the marketplace, including predatory pricing. Whether someone is abusing the marketplace through predatory pricing is a matter for evidence, which should be taken properly by the competition authorities.

If the right hon. Gentleman has any bottle and if he thinks that the Government's policy is correct, he should go through the Lobby and support us on that basis. I assume that he will not do so, not because he wants to curry favour with News International, but because he believes that the Government's policies in that area are far too tough. He wants to be weak on competition policy and to allow abuses of dominance on occasions. Throughout the passage of the Bill, he has been at great pains to find ways out of dealing with those types of abuses in the marketplace. It is no surprise to me, even at this late hour, that he is still attempting in a few weasel words to place the Government in an unfavourable position. Once again, he has failed spectacularly—well, that got that out of the way.

New clause 1 introduces a press diversity prohibition and is similar to the clause that was thrown out in Committee. The earlier clause was wholly unworkable. I am glad to say that the supporters of new clause 1 have half met the criticisms that I made in Committee. They could have met my criticisms fully by withdrawing the proposed clause altogether. They have replaced the earlier threshold of a substantial degree of market power with the Fair Trading Act 1973 threshold, broadly at 25 per cent. of market share. I have already explained that there is no justification for a lower threshold to apply solely in the newspaper sector.

We said that the previous clause was too wide ranging and that any conduct—legitimate or illegitimate—may reduce the diversity of national newspapers by reducing competition. Now it is suggested that the concept of anti-competitive behaviour should be built in. That might be an improvement, but I have yet to hear a proper justification for applying tests to the newspaper market that are different from the tests in the economy at large. If conduct is anti-competitive and constitutes an abuse, it should be dealt with, whatever the sector. That is what the Bill does, and I urge the House to reject the amendments.

**Mr. Radice:** I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Amendment proposed:* No. 8, in page 10, leave out lines 40 and 41 and insert

"'dominant position" means—

(a) in relation to the national newspaper market, a substantial degree of market power, and

(b) in relation to all other markets, a dominant position within the United Kingdom; and'.—*[Mr. Mullin.]*

*Question put,* That the amendment be made:—

*The House divided:* Ayes 68, Noes 301.

**Division No. 331]** **[9.29 pm**

**AYES**

Abbott, Ms Diane
Allan, Richard
Austin, John
Baker, Norman
Beggs, Roy
Beith, Rt Hon A J
Benn, Rt Hon Tony
Best, Harold
Brake, Tom
Brand, Dr Peter
Breed, Colin
Bruce, Malcolm *(Gordon)*
Burnett, John
Burstow, Paul
Campbell, Menzies *(NE Fife)*
Canavan, Dennis
Chidgey, David
Clwyd, Ann
Cohen, Harry
Corbyn, Jeremy
Cotter, Brian
Davey, Edward *(Kingston)*
Donaldson, Jeffrey
Dunwoody, Mrs Gwyneth
Ewing, Mrs Margaret
Fearn, Ronnie
Flynn, Paul
Foster, Don *(Bath)*
George, Andrew *(St Ives)*
Godman, Dr Norman A
Gorrie, Donald
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hopkins, Kelvin
Hughes, Simon *(Southwark N)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kirkwood, Archy
Lewis, Terry *(Worsley)*
Livingstone, Ken
Livsey, Richard
Llwyd, Elfyn
McAllion, John
McDonnell, John
Marshall–Andrews, Robert
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Mullin, Chris
Oaten, Mark
Öpik, Lembit
Rendel, David
Robinson, Peter *(Belfast E)*
Russell, Bob *(Colchester)*
Sanders, Adrian
Smith, Sir Robert *(W Ab'd'ns)*
Swinney, John
Taylor, Matthew *(Truro)*
Tyler, Paul
Wallace, James
Webb, Steve
Wigley, Rt Hon Dafydd
Willis, Phil
Winnick, David
Wise, Audrey
Wood, Mike
Wyatt, Derek

**Tellers for the Ayes:**
**Mr. Andrew F. Bennett and**
**Mr. Neil Gerrard.**

**NOES**

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Banks, Tony
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Stuart *(Middlesbrough)*
Benton, Joe

Bermingham, Gerald
Betts, Clive
Blackman, Liz
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Stephen
Campbell, Mrs Anne *(C'bridge)*
Campbell–Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Church, Ms Judith
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Colman, Tony
Cooper, Yvette
Corbett, Robin
Corston, Ms Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cryer, John *(Hornchurch)*
Cunliffe, Lawrence
Cunningham, Rt Hon Dr John *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Darling, Rt Hon Alistair
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Galbraith, Sam
Gapes, Mike
Gardiner, Barry
Gibson, Dr Ian
Gilroy, Mrs Linda
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Kemp, Fraser
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Peter
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Meacher, Rt Hon Michael
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mudie, George
Murphy, Jim *(Eastwood)*
Murphy, Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Robertson, Rt Hon George *(Hamilton S)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Ms Joan
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dan *(Stockton S)*
Taylor, David *(NW Leics)*
Temple–Morris, Peter
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Alan W *(E Carmarthen)*
Wilson, Brian
Winterton, Ms Rosie *(Doncaster C)*
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

**Tellers for the Noes:**
**Jane Kennedy and**
**Mr. David Jamieson.**

*Question accordingly negatived.*

**Schedule 3**

GENERAL EXCLUSIONS

**Mr. Nigel Griffiths:** I beg to move amendment No. 69, in page 53, line 38, leave out 'which'.

**Mr. Deputy Speaker (Sir Alan Haselhurst):** With this, it will be convenient to discuss Government amendments Nos. 70 to 72, 11, 16, 26, 15, 28 to 32, and 38.

**Mr. Griffiths:** These are minor and tidying amendments. Government amendments Nos. 69, 70, 71 and 72 tighten the definition of "trading practices" in relation to the European economic area regulated markets, and bring it into line with the definition of practices in relation to recognised investment exchanges in the Financial Services Act 1986.

Government amendments Nos. 11 and 15 tidy up a matter which was dealt with in Committee. Clause 50, which was inserted in Committee, enables the Secretary of State by order to provide for any provision of part I to apply in relation to land or vertical agreements, with such modifications as may be prescribed.

Government amendments Nos. 16, 26, 28 to 32 and 38 are minor, and are part of the overhaul of the transitional provisions. I hope that the House will accept the amendments.

*Amendment agreed to.*

*Amendments made:* No. 70, in page 53, line 39, after '(a)', insert 'which'.

No. 71, in page 53, line 41, leave out '(b)' and insert 'and which'.

No. 72, in page 53, line 43, after '(c)', insert 'which'.—*[Mr. Nigel Griffiths.]*

9.45 pm

**Mr. Redwood:** I beg to move amendment No. 6, in page 53, leave out lines 44 to 49.

**Mr. Deputy Speaker:** With this, it will be convenient to discuss amendment No. 51, in page 54, line 37, leave out from beginning of line to end of line 6 on page 55.

**Mr. Redwood:** It was a pity that the Minister of State, in responding to my intervention in the previous debate, chose to make a crude and inaccurate political point during what was meant to be a civilised exchange to elicit information about whether *The Times* was in a dominant position under different definitions.

The Minister of State alleged that the Opposition are keen to water down the competition legislation, and that, by implication, we favour anti-competitive practices. One of the principal purposes of this amendment is to show that the contrary is true. As we argued in Committee, so we argue on the Floor of the House; we believe that, in several important respects, the Bill is sadly lacking. It does not have sufficient bite to deal with potential abuses of the marketplace by monopolies. Indeed, the Bill could be more accurately called the competition and protection of monopolies Bill, particularly if one looks at schedule 3 and the enormous loophole it contains. That is what we are trying to excise with our amendment.

The House will know that I have declared two interests and my wife's interest in the Register of Members' Interests. The House should know that I am not furthering those interests by anything that I say or do in these debates.

**Mr. Nigel Griffiths:** The right hon. Gentleman must clarify the statement he made in Committee on 21 May. He said:

"The Minister must know that our case against the Bill is that it is either unnecessary or premature . . . we are against it in principle."—*[Official Report, Standing Committee G, 21 May 1998; c. 48.]*

**Mr. Redwood:** That is quite right. We made it clear that we are against the Bill because we do not think that it fulfils what the Government say is a joint aim, which is to have a strong and fair competition policy in our country. We have said that we do not think that the Bill can fulfil the Government's aim of clarifying between European and British law and avoiding double jeopardy. We do not think that it would sharpen the attack of the British competition authorities on those revenue-producing monopolies that are most undesirable.

I am conscious, Mr. Deputy Speaker, that at this relatively late hour you will want me to keep strictly in order. With the Under-Secretary's agreement, I shall deal with the words that we are seeking to excise from the schedule.

We wish to leave out paragraph 4 of schedule 3 on page 53. It might be for the convenience of the House, since not all hon. Members have the schedule before them, to remind the House of the words. It is headed:

"Services of general economic interest etc."

It states:

"Neither the Chapter I prohibition nor the Chapter II prohibition"—

the two effective prohibitions that the legislation is about—

"applies to an undertaking entrusted with the operation of services of general economic interest or having the character of a revenue-producing monopoly in so far as the prohibition would obstruct the performance, in law or in fact, of the particular tasks assigned to that undertaking."

I accept that the last line and a half offers some limitation on what is otherwise a breathtakingly wide definition of exceptions. However, I think that it would be possible for clever lawyers operating for revenue monopolies or even companies with a dominant position who claim that they have a general economic interest that they are delivering through their services, to draw the attention of the courts to the big loophole in the legislation. Some will doubtless use it to good effect.

In Committee, we moved a specific amendment to try to improve competition in the water industry. The Opposition are strongly committed to the idea that water services could be improved, and that water prices could be lowered if proper competition was introduced into the industry. We had an interesting debate in Committee, and I was delighted that the Under-Secretary expressed some sympathy for the general thrust of my argument about the need for more competition in the industry.

It is well known that the Labour Government have been critical of the standards and practices of some in that industry, and of some companies in the industry. The Opposition are no friend of poor services or of

*[Mr. Redwood]*

anti-competitive practices. We would like to see rapid progress in the case of water. It is one very big example where we think that paragraph 4 of schedule 3 would make the Under-Secretary's task more difficult in the courts, and perhaps in persuading his colleagues in the Government that some action should be taken. Indeed, with the Bill before the House, this is the obvious time, and the Bill is the obvious vehicle, to make the water industry more competitive, but the Government seem to want to throw away that heaven-sent opportunity, and they voted against our amendment accordingly.

I urge the Under-Secretary, even at this late stage, to see the wisdom of removing the words that we seek to excise from the Bill, or tabling another amendment so that the words will not be as damaging as I fear they could be. We must think again.

**Dr. Ladyman:** How nice it is to be arguing with the right hon. Gentleman again, rather than with my hon. Friends. The right hon. Gentleman said that the last line and a half of paragraph 4 provide some limitation. If he means the words beginning "in so far as", they provide an absolute limitation on the schedule. Why does he not believe that?

**Mr. Redwood:** There is nothing absolute about those words. They provide limited circumstances for the competition authorities to counter-argue that a monopoly is going too far. They are limited, because the monopoly could always say that, if it were not allowed to continue with its price fixing or special agreement or deal, it could no longer fulfil the tasks assigned to it.

If a water company wanted to defend a particular agreement or pricing practice, it would argue that it could no longer supply clean water in the required quantities to all households. That would be a serious threat, and the court might believe the company, because it is the monopoly producer. It presumably has some credibility, and knows whether it can provide water on different bases. The court might judge that the company was right, and allow it to continue its anti-competitive practice.

How much better it would be if there were a market test for that practice. If another company could enter the market and provide a better service without such a restriction, it would be allowed to do so, and it would not be possible to argue through the courts in defence of the restrictive practice or the special agreement.

I was pleased, after my recent discussion of the subject in Committee, to discover that some leading companies in the water industry agree that more competition could be introduced, and that they might benefit because they are active and innovative. They believe that if there were more freedom in the market, they might be beneficiaries. That is a good sign that there would be an entirely positive response to more competition. In that case—I could think of many others—we should like the words in the amendment removed, or modified by the Government's statements, so that there is scope for introducing competition.

Before the House votes on whether to retain the words, we should also learn a little from the Government about what services they have it in mind to exempt under this wide-ranging paragraph. They must have had something in mind when they drafted it.

In Committee, it was suggested that such words are found in the treaty, so they had to be found in the Bill, but I am sure that the Government have done a little more research and thinking than that. The Bill creates a British law for British markets, as we have often argued, so we need the Government to tell us what would be permissible by way of a general economic interest service or a revenue-producing monopoly to exempt companies from the otherwise sensible provisions of the Bill and earlier competition legislation.

I am sure that my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) will eloquently argue the case on his amendment No. 51, which attempts to test out or achieve something similar on the Bill's other substantial loophole, which relates to public policy. The House is owed an explanation of how often the public policy rubric would be used, and why we need it as well as the conditions of revenue-producing monopoly and general economic services, which might cover similar cases. Certainly the cases that I have in mind could be covered by either of those conditions.

I am sure that my hon. Friend has tabled his amendment partly to test out the exclusion and how wide it will be. The competition authority and the Bill will be very weak if those large loopholes remain and are generally used, so we shall urge the House to vote for the amendments.

**Mr. Lansley:** I am grateful for the opportunity to support my right hon. Friend the Member for Wokingham (Mr. Redwood) on amendment No. 6, and to speak briefly to amendment No. 51, which would delete from schedule 3 paragraph 7, relating to issues of public policy. I want to add a few points in relation to paragraph 4, which relates to services of general economic interest.

My right hon. Friend is right to say that, in Committee, there was speculation about the purposes for which the Government were proposing paragraph 4. It was suggested—I confess that I cannot remember by whom—that the paragraph was inserted at the request, or at the behest, of the Post Office, which, in United Kingdom circumstances, may be regarded as both a service "of general economic interest" and "a revenue-producing monopoly". That raises the question whether, in any case, the Post Office would be allowed to carry on its activity without infringing a chapter 1 prohibition by virtue of paragraph (5), which relates to a legal requirement, as, if the Post Office is obliged by legal requirement to provide a universal service at a uniform tariff, it might be exempted for that reason.

My right hon. Friend is right to say that the Government have taken that path ostensibly, as argued in Committee, because there is parallel text in the treaty on European Union: article 90. However, we should reconsider the matter, not only to repeat the argument that my right hon. Friend eloquently made about the desirability of promoting competition and not giving the Government a let-out to protect monopolies when it suits them, but to question in this context—as I believe was not done in Committee—whether, even in their terms, the Government have gone about the process of introducing article 90 into the UK context appropriately. I question that, for three reasons.

First, it is obvious that the Government have not gone about the process appropriately in the context of article 90, which consists of three limbs. Limb 1 makes it clear

that one is talking about public undertakings and undertakings to which member states grant special or exclusive rights. That rubric, which introduces article 90 and makes clear the circumstances in which article 90 and questions of services of general economic interest are to be interpreted, is not carried through into schedule 3 or paragraph (4).

As a result, it is not obvious, in the context of the language used in paragraph (4), that we are dealing with essentially public undertakings, or those that exercise public functions. We are simply talking about services of general economic interest or revenue-producing monopolies, entrusted—the paragraph does not say by whom—with the operation of those services, and where the "particular tasks" are "assigned to that undertaking." Again, the paragraph does not say who assigns those particular tasks. It is all implied that it is the state that assigns those tasks. In the context of the treaty, it is perfectly clear, under article 90, that the tasks are assigned by the state, but that is not carried through into the Bill.

The second problem is the manner in which the Bill is constructed. It would be tedious of me to go on about the form of the language, but essentially there is a difference between the form of article 90, which effectively applies the rules except in so far as that would obstruct the performance of the duties, and that of paragraph 4, which disapplies the rules except

"in so far as the prohibition would obstruct the performance"

of those tasks.

It is not simply a case of asking whether the bottle is half full or half empty. It is important in law that the prohibitions are applied, but with limits—as distinct from the prohibitions being disapplied, except in so far as they could be reapplied, as it were. That may, in practice, come to be quite a different distinction, and the Minister did not address that in Committee.

A third matter is that, in the context of article 90, the paragraph has a final sentence, which is not carried through into paragraph 4. That sentence reads:

"The development of trade must not be affected to such an extent as would be contrary to the interests of the Community."

I understand why the Government have not tried to carry that sentence through into the Bill: it would not make sense, in the context of UK domestic legislation, to talk about the interests of the Community. They could have left that out, and said that the development of trade must not be affected to an extent that would be contrary to the public interest. They could apply an overall public interest test.

In the Community context, the protection that is offered to member states should not be allowed to go so far as to hinder trade unduly, but the Government have not taken that important factor into account. I appreciate that the Government should not look at the widespread application of the measure in the way that, for example, the EU contemplates the protection of tobacco or alcohol monopolies in some member states. However, it is important to know under what circumstances the Government wish to proceed.

Amendment No. 51, which deals with public policy, is more straightforward. By their own admission, the Government have introduced paragraph 7 as a catch-all, or perhaps I should say a catch-nothing, because in Committee—

## BUSINESS OF THE HOUSE

*It being Ten o'clock, the debate stood adjourned.*

*Motion made, and Question put forthwith, pursuant to Standing Order No. 15 (Exempted business),*

That, at this day's sitting, the Competition Bill *[Lords]* may be proceeded with, though opposed, until any hour.—*[Mr. Betts.]*

*Question agreed to.*

*As amended (in the Standing Committee), again considered.*

*Question again proposed,* That the amendment be made.

**Mr. Lansley:** In Committee, Ministers said that they had no intention of using the paragraph 7 provision, and two questions arise in relation to that. First, if there is no intention to use the provision, why have it? Secondly, if it is intended to be used, under what circumstances will it be used?

I was struck by the debate on "exceptional and compelling". Ministers took great pains to stress how high the test of exceptional and compelling would have to be before Ministers were convinced that it would be right to use the provision—and they said that they had no intention of using it. About two weeks ago, during debate on the Human Rights Bill, there was a question about the circumstances under which Ministers should use a statutory instrument to amend primary legislation rather than waiting for an opportunity to change it by primary legislation.

There were two competing arguments about the circumstances in which Ministers should resort to this Henry VIII measure. The first was under compelling reasons, and the second was under exceptional reasons. As we had recently debated "exceptional and compelling", I told the Home Secretary that Ministers in the Department of Trade and Industry had used the phrase "exceptional and compelling" and regarded it as the appropriate high test. I asked whether it would be an appropriate test in that context.

The Home Secretary has no function to defend Trade and Industry Ministers and, with his customary perspicacity, asked why, if their intention was not to use it, they were proposing it. That is precisely the question. The paragraph 7 provision has no parallel in the treaty on European union, so under what circumstances do Ministers propose to use it? If they do not intend to use it, why not accept the amendment and delete it?

**Mr. Nigel Griffiths:** I cannot accept amendment No. 6 to delete paragraph 4 of schedule 3, which contains a limited exclusion that is drawn from article 90 (2) of the EC treaty. Including article 92 will mean that the activities that benefit from that article in relation to articles 85 and 86 will not be put in a less favourable position with respect to domestic prohibitions.

It is important to appreciate that article 90 (2) has been interpreted as providing only a limited derogation from the competition rules, and that its definitions are to be strictly interpreted. By virtue of clause 60, we are applying that jurisprudence, which means that the same will be true of the exclusion in paragraph 4 of schedule 3.

Revenue-producing monopolies are undertakings that have been granted monopolies by the state to raise money for the state. When this matter was raised in Committee,

*[Mr. Nigel Griffiths]*

we mentioned some European countries that have such monopolies, and we agreed with the hon. Member for Daventry (Mr. Boswell) that tobacco was one instance and alcohol was another. In that instance, it is clear that the application of the exclusion will be limited. In such circumstances, we believe that it is entirely right that the prohibitions should be disapplied. Otherwise, the purpose of the act of public authority that entrusted the undertaking with the service would be frustrated.

Let me give some examples of the services that a vote on the amendments would put in jeopardy. They include not just some of the public utility networks, but uniform letter pricing. Is it the real intention of the Opposition to threaten uniform postal pricing and to make it very difficult for many people living in rural and remote areas to post a letter at the same price that people enjoy in the capital city and in major conurbations? That is the effect of amendment No. 6.

I hardly think that that can have escaped the notice of the right hon. Member for Wokingham (Mr. Redwood). I believe that that is a hidden way in which to try to drive a coach and horses through uniform letter pricing and to open it to the private sector, which could greatly damage rural and other areas that require uniform letter pricing. It must be a viable service. I wish just that he had come clean on that.

On amendment No. 51, by its nature the power in paragraph 7 could be exercised only in rare circumstances. Before its exercise, the Secretary of State must be satisfied that there are "exceptional and compelling" reasons of public policy for her to act. That is a high hurdle to surmount. The power is, in that sense, a "reserve" power.

Not surprisingly, we have no present plans to exercise the power. However, if there are grounds to exercise the power, it should be available to us. The hon. Member for South Cambridgeshire (Mr. Lansley) may at some point feel that there are exceptional and compelling reasons of public policy why the prohibitions should not be applied, but this amendment would ensure that they would nevertheless apply. That cannot be right.

The power in paragraph 7 is a necessary safeguard. I note that the previous Administration also considered the power necessary, as it was included in the draft Bill that they published in August 1996. I urge the right hon. Member for Wokingham to withdraw his amendment.

**Mr. Redwood:** The Minister should know that the Opposition's policy is to maintain a uniform tariff for a national postal service. We have made that clear, and we have no intention tonight of undermining or destroying that. We believe that it is possible to guarantee that system, which I believe is favoured by hon. Members on both sides of the House, by a director general exemption, or even perhaps by using the public policy power; I am sure that my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) will not wish to press his amendment to a vote.

It is our case that having both the public policy power and this rubric about services of general economic interest weakens the Bill too much, and that this could be handled easily by one or the other. The Minister has to agree that if the postal system cannot be accommodated under other parts of the Bill where we think that it can, it could certainly be accommodated under the public policy power, and should be accommodated as quickly as possible, so that there is no doubt.

**Mr. Nigel Griffiths:** If that is the case, why did the right hon. Gentleman and his hon. Friends not table an amendment that would protect our uniform letter pricing service? They have not done so, and passing the amendment would threaten that vital service.

**Mr. Redwood:** I have just told the Minister how it is very easy to accommodate our mutual wish. He is a member of the Government, for heaven's sake. He is the one who has to sort out all the consequences of our important debates on the big principles of the Bill. I have told him that the Opposition would give a fair wind to anything that did that. Given his majority, I think that he could probably do it even without that Opposition guarantee, but it has been and remains Opposition policy to support the current national tariff for the postal system. There are many ways in which to accommodate it under the Bill—through director general rules or other exemption powers in the Bill—without needing this enormous blockbuster of paragraph 4 to schedule 3.

I am not persuaded by what the Under-Secretary has said. I find it odd that British legislation should be framed to exempt a continental tobacco monopoly. We do not have tobacco monopolies in this country, so there is no need to make special provision for them in British law. However, we do have other types of services of general economic interest or revenue-producing monopolies. The Under-Secretary cannot be sure how the courts will construe these phrases. Despite clause 60, there is always the danger that they will be construed in other ways.

It would be much safer, and would produce better competition legislation, if this very general clause were struck out. If it is only about continental tobacco monopolies, nothing will be lost; if it is there to protect real monopolies in Britain, we do not want it. I have already told the House how the one example that the Under-Secretary has produced, where we are in agreement, can be accommodated in other ways.

With the permission of my hon. Friend the Member for South Cambridgeshire, I suggest that we do not press his amendment to a vote, but that we should vote on this fundamental issue of whether the Bill should be heavily diluted by paragraph 4 of schedule 3.

*Question put,* That the amendment be made:—

*The House divided:* Ayes 117, Noes 291.

**Division No. 332]** **[10.10 pm**

**AYES**

| | |
|---|---|
| Ainsworth, Peter *(E Surrey)* | Bruce, Ian *(S Dorset)* |
| Amess, David | Burns, Simon |
| Ancram, Rt Hon Michael | Cash, William |
| Arbuthnot, James | Chapman, Sir Sydney |
| Atkinson, David *(Bour'mth E)* | *(Chipping Barnet)* |
| Beggs, Roy | Chope, Christopher |
| Beresford, Sir Paul | Clappison, James |
| Body, Sir Richard | Clark, Rt Hon Alan *(Kensington)* |
| Boswell, Tim | Collins, Tim |
| Bottomley, Peter *(Worthing W)* | Cran, James |
| Bottomley, Rt Hon Mrs Virginia | Curry, Rt Hon David |
| Brazier, Julian | Davies, Quentin *(Grantham)* |
| Brooke, Rt Hon Peter | Davis, Rt Hon David *(Haltemprice)* |
| Browning, Mrs Angela | Donaldson, Jeffrey |

Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Green, Damian
Grieve, Dominic
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat–Amory, Rt Hon David
Hogg, Rt Hon Douglas
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
McIntosh, Miss Anne
MacKay, Andrew
McLoughlin, Patrick
Madel, Sir David
Mates, Michael
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Robinson, Peter *(Belfast E)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Shephard, Rt Hon Mrs Gillian
Simpson, Keith *(Mid–Norfolk)*
Spelman, Mrs Caroline
Spring, Richard
Steen, Anthony
Streeter, Gary
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Walter, Robert
Wardle, Charles
Wells, Bowen
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

**Tellers for the Ayes:**
**Mr. Stephen Day and**
**Mr. Nigel Waterson.**

**NOES**

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale)*
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Baker, Norman
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Berrningham, Gerald
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Blunkett, Rt Hon David
Borrow, David
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Burstow, Paul
Butler, Mrs Christine
Byers, Stephen
Campbell, Mrs Anne *(C'bridge)*
Campbell–Savours, Dale
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Church, Ms Judith
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Cohen, Harry
Coleman, Iain
Colman, Tony
Cooper, Yvette
Corbett, Robin
Corston, Ms Jean
Cousins, Jim
Crausby, David
Cryer, John *(Hornchurch)*
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Dawson, Hilton
Dean, Mrs Janet
Dismore, Andrew
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Etherington, Bill
Ewing, Mrs Margaret
Fatchett, Derek
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Gapes, Mike
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keetch, Paul
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lepper, David
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Lock, David
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moore, Michael
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Hara, Eddie
Olner, Bill
Organ, Mrs Diana

Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Rogers, Allan
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Squire, Ms Rachel
Starkey, Dr Phyllis
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stuart, Ms Gisela
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vis, Dr Rudi
Wallace, James
Walley, Ms Joan
Ward, Ms Claire
Watts, David
Webb, Steve
White, Brian
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

**Tellers for the Noes:**
**Mr. John McFall and**
**Mr. David Jamieson.**

*Amendment accordingly negatived.*

## Clause 13

NOTIFICATION FOR GUIDANCE

*Amendment made:* No. 9, in page 8, line 22, leave out from 'with' to end of line and insert—

'such date as may be specified in a notice in writing given to the applicant by the Director when the application has been determined.

( ) The date specified in a notice under subsection (4)(b) may not be earlier than the date on which the notice is given.'.—*[Mr. Nigel Griffiths.]*

## Clause 14

NOTIFICATION FOR A DECISION

*Amendment made:* No. 10, in page 8, line 40, leave out from 'with' to end of line and insert—

'such date as may be specified in a notice in writing given to the applicant by the Director when the application has been determined.

( ) The date specified in a notice under subsection (4)(b) may not be earlier than the date on which the notice is given.'.—*[Mr. Nigel Griffiths.]*

## Clause 26

POWERS WHEN CONDUCTING INVESTIGATIONS

**Mr. Breed:** I beg to move amendment No. 76, in page 14, line 2, at end insert—

'(7) In exercising the powers conferred by subsection (6)(a)(ii) above, the Director shall afford the undertaking under investigation a reasonable opportunity for its legal or other representative to be present when the employee or officer is required to provide an explanation of the document.'.

**Mr. Deputy Speaker:** With this, it will be convenient to discuss amendment No. 77, in clause 66, page 37, line 10, at end insert—

'(5A) In exercising the powers conferred by subsection (5)(a)(ii) above, the Director shall afford the person notified a reasonable opportunity for his legal or other representative to be present when the employee or officer is required to provide an explanation of the document.'.

**Mr. Breed:** I do not want to detain the House too long at this late hour. It is widely accepted that the powers proposed in the Bill are extensive. We ought, therefore, to consider for a few moments amendments Nos. 76 and 77, which seek to introduce a couple of safeguards that are vital to the protection of companies that may find themselves under investigation. Although I fully accept that powers currently available to the director general are insufficient and that the Government feel, as I do, that they should be strengthened, it is important to ensure that companies receive fair treatment when they are under investigation and subject to the Bill's extensive powers.

Powers to question employees and officers both past and present of any company are critical to the effective enforcement of action, particularly if a company has been committing an infringement over a long time. Although it is not disputed that it is appropriate that there should be power to seek information from employees and officers who have since left the company, it is surely sensible and in a spirit of natural justice to afford a company at least a brief—I emphasise brief—opportunity to comment on the role of any employee or officer who is to be questioned and on the appropriateness of so doing, and allow a company to have a representative present at any interview.

The proposed powers are extraordinarily extensive in their force and reach. Before the director or his or her staff exercise any investigatory powers, they should be balanced by some safeguards. Let us consider potential ex-employees or officers who may be interviewed in the process of an investigation. First, an ex-employee or officer may have been made redundant or been dismissed and may have a grudge or be prejudiced against the company personally or through sympathy for a former colleague. Secondly, an ex-employee may be working for a competitor and under contractual agreements that prevent them from disclosing information to anyone. They would find it difficult under such questioning.

Thirdly, an ex-employee or officer may wish not to answer any questions because they feel that it may incriminate them or someone else, or because they are not certain of information. That should not be seen automatically as casting any doubt on the activities or motives of the company under investigation. Finally, an ex-employee or officer may genuinely have forgotten—or at least not remembered well enough—all the facts or information for which they are asked, but may feel obliged to give opinions rather than facts and knowledge.

Those are practical examples. I recognise that the Bill provides a right of challenge, albeit only at the appellant stage, which is rather too late. I also recognise—*[Interruption.]*

**Mr. Deputy Speaker:** Order. There is too much background conversation in the House; I cannot hear the debate properly.

**Mr. Breed:** I recognise that speed is important in such investigations. The Government have made it clear on several occasions that they want the investigations to progress and not be bogged down. In some cases, however, it might be wise to allow a company a brief opportunity to comment and to have a representative present, not to influence, control or make any decision on whether the investigation should go ahead but simply to help avoid the time and expense of future challenges, which can certainly arise on appeal.

If the Government accepted the amendments, they would slightly redress the balance on behalf of companies that find themselves under the significant powers of the investigations, which are heavy and extensive. If the Bill proceeds unamended, companies may well find that those powers are so extensive as to be difficult for them to comply with—even if they want to.

**Mr. Nigel Griffiths:** I have listened carefully to the speech of the hon. Member for South-East Cornwall (Mr. Breed) on a matter to which we have given considerable thought. I hope that he may consider withdrawing the amendment in the light of assurances that I can give him.

The matter of legal advice being available during an investigation has arisen in various ways and has been debated at length in this House and the other place. In relation to clause 27, the Government gave an assurance in Committee that the right to legal advice was an important matter and would be covered by the director's rules under clause 50. Those rules are subject to the Secretary of State's approval and annulment by vote of either House. The amendment, if I have understood it correctly, is rather different. Investigations under clause 26, and under the Fair Trading Act 1973 as strengthened by clause 66, are "off-site" in character—that is to say they will not involve entry to premises.

10.30 pm

The Office of Fair Trading expects generally to exercise those powers by correspondence and therefore will allow time for legal advice to be sought. If the powers are exercised by requiring the production of documents at a specified time and place, the employee or officer concerned could be accompanied by a legal adviser. The right of an employee or officer to be accompanied by a legal adviser should be dealt with in the director's rules, and I am happy to give that assurance.

**Mr. Breed:** I am happy with what the Minister has said so far, but I ask him to clarify one point. If the matter is conducted in correspondence with an ex-employee, will the company be advised that such correspondence is in operation?

**Mr. Griffiths:** In terms of the effectiveness of the investigation, it is for the director general to weigh up whether the employee is likely to be the subject of any undue pressure, but being always mindful that, with an established appeals procedure, any actions of the director general that are not considered to be within the competence of the new Act would give people some recourse to justice and review. It is clear that the director's rule will cover the issue of access to legal advice. I hope that, in the light of my explanation, the hon. Gentleman will feel able to withdraw the amendment. I am grateful to him for raising this important issue.

**Mr. Breed:** The Minister has addressed part of the problem. The amendments seek to ensure that companies have notice that ex-employees are to be approached, thus giving them the opportunity to comment early in the investigation on the appropriateness of the background information concerned with the employee, which would perhaps provide helpful information to the director general and staff anyway. However, I accept the Minister's assurances that the matters will be worked out only in practice as cases happen. On that basis, I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

**Schedule 7**

THE COMPETITION COMMISSION

**Mr. Lansley:** I beg to move amendment No. 49, in page 64, line 8, leave out from 'person' to end of line 16 and insert 'is—

(a) a puisne judge of the High Court;

(b) a judge of the Court of Session; or

(c) a judge of the Supreme Court of Northern Ireland,

and before appointing as a member of the appeal tribunal any person who holds the judicial office mentioned in paragraph (a), (b) or (c) he shall consult the Lord Chancellor, the President of the Court of Session or the Lord Chief Justice of Northern Ireland, as he considers appropriate.'.

**Mr. Deputy Speaker:** With this, it will be convenient to discuss amendment No. 50, in page 64, leave out lines 19 and 20.

**Mr. Lansley:** The amendments work together in the sense that amendment No. 50 leaves out the requirement

*[Mr. Lansley]*

for consultation with the Lord Chancellor and other Law Officers, since that is incorporated into the proposed structure of amendment No. 49. The purpose of amendment No. 49 is to replace the requirement laid upon the Secretary of State in the existing paragraph 4 of schedule 7 to appoint someone with legal qualifications. It would make explicit that the person to be appointed was a High Court judge. In a similar debate in Committee, it was made clear that the Government intended that the person to be appointed would be not a High Court judge, but equivalent to a High Court judge.

The appeal panel will represent the Competition Commission in considering appeals against the decisions of the director general. It was certainly understood in Committee that the Government intended to be free to appoint to the panel members who had not only suitable legal qualifications, but the ability to assess the economic character of the judgments. Those who bring appeals will believe that it is in their interests regularly to go to the courts rather than to rest on the decisions of the panel if they feel that the panel does not have the necessary legal credibility to give robust judgments that are likely only in the most exceptional cases—such as where high principles are at stake—to be overturned by the courts in a further appeal. We were at pains to make that point in Committee, but I do not feel that it was sufficiently taken on board.

To ensure that the appeal panel functions in the best way, the panel and the president of the appeal tribunals should bring the maximum legal credibility to their judgments, but that will not be achieved if the president is appointed on the ground of his or her economic credibility. The director general and other members of the commission are likely to have economic credibility, but those who appeal against the director general's decisions must have sufficient faith in the legal credibility of the system not to make a further appeal or even to circumvent the procedure.

**Mr. Boswell:** I am grateful to my hon. Friend for giving way, as I want to deal with the matter by way of intervention, not in a substantive speech. Does he agree that there is a real risk that there will be a much higher incidence of appeals against a tribunal's decision to a higher court and that it would be counter-productive not to incorporate into the Bill a provision such as the one suggested in the amendments?

**Mr. Lansley:** I agree. Our intention is to make the process work in the best interests of British industry, but industry will not be well served if it finds that, because of tribunals' lack of legal credibility, it regularly has to have recourse to the higher courts. The tribunals must provide a forum in which economically and legally credible decisions can be made straightforwardly and inexpensively. It is difficult to see how that could be achieved without a High Court judge as president of the tribunals.

**Mr. Ian McCartney:** Like the hon. Member for South Cambridgeshire (Mr. Lansley), I am convinced that we need robust decision-making processes that have clarity as their central focus. I also believe that the membership of the panels must be credible in terms of the law, of business practice and of economics. The panels will be similar to the restrictive practice courts, where all three key pillars are consistent throughout the membership.

That is very important. If the process is to work, there must be a clear understanding from the outset that the membership must have a quality and credibility that ensure that people can accept a tribunal's decisions. We can all agree that access to full and independent appeal on the merits of the case is essential in ensuring that the new regime is fair and transparent. The Bill provides for precisely such a right of appeal.

Our proposals provide a clear separation between the body that has the investigative and original decision-making function and the body that hears appeals. Such a separation is essential to ensure a fair, independent and transparent appeals process. We achieve the separation by making the appeals tribunal a completely separate body from the Office of Fair Trading, which has the primary responsibility for investigating and dealing with infringements.

In its response to the consultation document, the Confederation of British Industry said:

> "We are pleased that the Government has taken into account the suggestions put forward by the CBI and has chosen to preserve an independent body with the power to conduct a full review of the DGFT's decisions."

Fairness demands that appeals can be dealt with efficiently and by people with the necessary expertise and experience. We believe that our proposals for a specialised tribunal will best achieve that aim. We are clear that the person appointed to be president of the tribunal will be a senior figure, with status at least equivalent to that of a High Court judge.

The tribunal itself will have equivalent status to the High Court and appeals from its decisions on points of law or levels of penalty will be direct to the Court of Appeal. It is clearly essential that the president should have appropriate legal qualifications, experience and standing, and strict minimum requirements are set out in schedules to the Bill.

We do not think that it would be right to limit further the range of people and expertise available to fill this vital post, as the amendments would do. General legal standing is vital, but so are special knowledge and experience of competition matters. We do not believe that it would be in the interests of the users of the appeal tribunal to limit the field of potential candidates to High Court judges alone, as the amendments propose. Our proposals will open up a much wider range of potential candidates. We believe that that is very important in what is, after all, a complex and specialist field.

I hope that, having heard that explanation of our position, the hon. Gentleman will be prepared to withdraw the amendment.

**Mr. Lansley:** I am grateful to the Minister for that reply. He has made clear the Government's intention to meet the tests of legal credibility that were implicit in the amendment, rather than limiting the tests to other kinds of credibility that will be vested elsewhere, in the activities of the director general and the commission. I therefore beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

## Clause 50

VERTICAL AGREEMENTS AND LAND AGREEMENTS

**Mr. Lansley:** I beg to move amendment No. 41, in page 26, line 4, at beginning insert 'Subject to subsection (1A)'.

**Mr. Deputy Speaker:** With this, it will be convenient to discuss the following amendments: No. 53, in page 26, line 4, leave out

'The Secretary of State may by order provide'

and insert

'The Director may recommend that the Secretary of State by order provides'.

No. 54, in page 26, line 4, leave out 'Secretary of State' and insert 'Director'.

No. 42, in page 26, line 8, at end insert—

'(1A) Subject to subsection (1B), the Chapter I prohibition does not apply to a vertical agreement.

(1B) If the Director is satisfied that there is a vertical agreement which, but for the exemption in subsection (1A) would infringe the Chapter I prohibition, he may issue a notice to each of the parties to the agreement bringing that exemption to an end in relation to that agreement on the date specified in that notice.'.

No. 55, in page 26, line 14, leave out from beginning to 'is' in line 15 and insert

'The Director shall have power to give directions that an exclusion, exemption or modification made under subsection 1'.

No. 57, in page 26, line 15, leave out 'in prescribed circumstances'.

No. 58, in page 26, line 17, at end insert 'or category of agreement.'.

No. 56, in page 26, line 17, at end insert—

'(3A) Prior to making an order in relation to vertical agreements under subsection (1) the Secretary of State shall carry out and publish an assessment of the benefits to consumers of such an order.'.

No. 43, in page 26, line 21, at beginning insert '"connected" and'.

No. 44, in page 26, line 21, leave out 'and "vertical agreement" have' and insert 'has'.

No. 45, in page 26, line 23, at end insert—

'"price fixing agreement" means an agreement which seeks to control the price charged for the goods or services which are the subject of that agreement, whether or not by purporting—

(a) to fix a particular price, a minimum price or a price band, or

(b) to impose a requirement, make a recommendation or offer an incentive,

other than an agency agreement under which the principal establishes the price at which the agent sells the goods or services which are the subject of the agreement or an agreement which relates exclusively to the price of an interest in land.

"vertical agreement" means an agreement between two or more undertakings (other than connected undertakings) under which one undertaking acts as purchaser and another acts as supplier of the goods or services which are the subject of that agreement and includes an agency or distribution agreement but does not include a price fixing agreement.'.

**Mr. Lansley:** The amendments are designed to clarify the characteristics of vertical agreements and to restructure the clause to give effect to the Government's apparent intentions. I think that it is common ground on both sides of the House that, like any other aspect of the activity, one has to judge whether the impact of vertical agreements on competition and consumer benefits is beneficial. Whereas one would judge many other classes of agreement simply on their effects, there is more of a presumption that vertical agreements are benign, and the President of the Board of Trade stated earlier that she would try to find a mechanism by which such agreements could be excluded from the scope of the prohibition.

10.45 pm

The difficulty is that, throughout the passage of the Bill, we have been waiting for the Government to tell us by what means they propose to exclude vertical agreements. We have been awaiting the views of the task force established between the Government, the Confederation of British Industry and other bodies to look into the matter. In Committee, we were told that there was a further reason for delay because we had to take on board the Commission's final view of the matter. When we began to understand the thinking behind the Commission's approach, there was all the more reason to amend the legislation so that the House could lead the Commission to an appropriate definition of vertical agreements, rather than simply wait for what it would tell us.

I will not dwell on all the other incidental matters, but, for me, what gave rise to most concern in Committee was the Under-Secretary of State making it clear that the Commission was considering a definition of vertical agreements that would encompass operations at different economic levels. Rather, therefore, than having an effects-based approach, we would have a narrow, form-based approach to the exclusion for vertical agreements. It seemed an unhappy precedent for the Commission to go down that path as it would be perfectly possible to define such agreements differently. Indeed, the purpose of the amendments is to undertake that definition. For example, price-fixing agreements will clearly be excluded from the vertical agreements that should obtain the benefit of exclusion from the prohibition; one amendment would achieve that.

Clearly, there must be a proper clawback provision. If the director feels that a vertical agreement that has the benefit of the exclusion would infringe the prohibition, he must have the right to take that agreement back under the terms of the prohibition. All that is set out in the amendments, including the requirement that vertical agreements should relate to two or more unconnected undertakings.

There are a number of benefits, on which I will not dwell at great length as they were set out well in Committee. However, it is important to recognise that, the vertical agreements that the Commission seems to be moving towards are necessarily those that operate at different economic levels, whereas those that we meet in practice often have horizontal aspects. One instance weighs heavily on my thinking and that is that, where a franchise agreement forms the vertical agreement, the franchise holder will often have a small number of units in his own control at a particular level to protect the brand, demonstrate the franchise and show how the agreement should be manifested. The sort of definition that the Commission is considering would exclude such vertical agreements. We do not have the benefit of its final

*[Mr. Lansley]*

document, so it is not clear how it will disinter such an agreement to separate out the vertical and horizontal aspects.

If Ministers intend, as they stated at the outset, to provide an exclusion for vertical agreements, we should give effect to that provision, but with suitable safeguards and definitions. The amendments pick up on those points and would give effect to them. In contrast to their stated intention to exclude vertical agreements, all that Ministers have come up with—in months—is a bold enabling power, with no specifics. Nor have they, as yet, given us any clear definition of the terms on which they would be likely to produce statutory instruments to give effect to their intentions.

The amendments have two purposes. They challenge Ministers to tell us, even at this late stage, the basis on which they propose to handle vertical agreements, and they ask the Government to incorporate in the Bill an exclusion and subsequent definitions of the kind they ought to have proposed in the first place.

**Mr. Chidgey:** Amendments Nos. 53 to 58 attempt to address concerns raised in parts of the British music industry. Vertical agreements are vital to the industry, particularly for songwriters, composers, music publishers, record companies and collecting societies. The success of the music business depends on its ability to license musical works effectively and efficiently to parties who wish to use them. The important point is the variety of agreements concerned, and I hope that the Minister can clarify the position.

One-off agreements may allow use of a piece of music in specific circumstances, such as for television advertisements. Agreements may comprise collective licences, allowing frequent music users, such as television or satellite broadcasters, to play a licence holder's repertoire without seeking authorisation for each composition. Vertical agreements concerning copyright are different from other vertical agreements, for several reasons. Unlike transactions involving other types of property, copyright licences do not transfer ownership from one party to another. They merely give permission for use of copyright work. It is right that such agreements should specify the circumstances in which the licensee is permitted to use the work. Anything else would render rights worthless.

European Commission case law already recognises that intellectual property contracts must contain conditions of use. Regardless of specific terms and conditions, licences grant freedom to those who wish to use music. Should the Bill result in uncertainty for rights holders about whether licence agreements are valid, they may choose not to enter into such agreements rather than risk losing control of their work, the source of their income. Members of British Music Rights, songwriters, composers and music publishers need certainty in their business relationships. We want the Government to assure rights holders that they do not consider agreements to be restrictive, and that the Director General of Fair Trading will not regard agreements as falling within the Bill's scope.

The National Consumer Council is concerned about clause 50. A balance needs to be struck between ensuring that the Office of Fair Trading is not overwhelmed by dealing with vertical agreements, and making sure that the director general has adequate powers to act against malign vertical agreements. The NCC feels that that balance is not struck sufficiently in favour of consumers. Broadly, we are concerned that the powers will not be sufficiently robust to deal with vertical agreements and anxious about the use of the clawback power in clause 50(3), which is the key to protecting consumers from malign agreements. We are worried that, unless the director general has sufficient powers to consider all vertical agreements that have been exempted or excluded, the provision will fail.

Our amendments are designed to probe the operation of clause 50. The purpose of amendments Nos. 53 and 54 is to probe why it should be the Secretary of State who makes the relevant order. Why should it not be the director general, or even the Secretary of State on the advice of the director general? Will the director general have any role in making the order?

Those questions have been raised in the context of the other powers in the Bill, particularly the Secretary of State's exclusion powers in clause 3, the director general's power to make individual exemptions under clause 4 and the block exemptions under clause 6 that may be made by the Secretary of State at the director general's recommendation. In clauses 3, 4, and 6, there is a clear distinction between the roles of the Secretary of State and the director general, but it has been lost in clause 50.

In the past, the National Consumer Council has feared that there has been too much scope for unfettered Executive action on competition policy. The director general should have the final say on competition issues while the Secretary of State should have it when broader economic issues must be considered. Clause 50 confuses that distinction. We look to the Minister for clarity.

Amendment No. 56 provides that, before making an order, the Secretary of State should justify why vertical agreements should be excluded or exempted from the prohibition. In doing so, he should assess the benefits to consumers of the order. The assessment should be published as part of the consultation process. That should make the process of making the order as open and accountable as possible.

Openness is important because clause 50(1) does not specify the criteria for making exclusions or exemptions. The situation in the Bill is different from what has been proposed in the European Union document, "Draft communication on the application of the EC competition rules to vertical restraints". The EU proposals, by comparison, are based largely on market share triggering the blacklisting of prescribed practices.

The main thrust of amendments Nos. 55, 57 and 58 is to ensure that the director general's clawback power is not too limited. As currently drafted, clause 50 means that the order will have to specify whether the director general has such a power or not. We believe that he should be able to use it whenever he considers it appropriate and not only when specified in the Secretary of State's order. The worst case scenario is that the Secretary of State could exclude or exempt all vertical agreements under clause 50(1) without empowering the director general to use any clawback power at all. Should that happen, no vertical agreement would be exposed to competition scrutiny. That would be unacceptable and we do not believe that that is the meaning of the legislation.

Amendment No. 57 would ensure that the director general does not have to be too constrained in his use of the clawback power. Clause 50(3) limits the use of the power to "prescribed circumstances". What are the prescribed circumstances likely to be? If such circumstances were confined to a merger inquiry identifying problems, it would be far too restrictive. The director general should have the power to consider any vertical agreement brought to his attention as being potentially malign. He should then be able to assess it, judge its anti-competitive effects and, if necessary, use the clawback power under clause 50(3) to bring it within the chapter I prohibition.

I have set out as clearly as I can our concerns about clause 50 by tabling probing amendments and providing background information on the specific concerns of the National Consumer Council and of the music rights fraternity, in particular British Music Rights. I expect the Minister to address the issues seriously and I hope that he will give some words of encouragement when he winds up the debate.

11 pm

**Mr. Letwin:** I should begin by reassuring hon. Members that I do not intend to dwell on this matter at the length at which I dwelt on a previous matter this evening.

Clearly, at some point after I found myself dislodged from the Committee, my hon. Friends had an attack of extreme moderation, for they have tabled amendments that are minimalist. From an early stage in the Bill's progress, we were assured by the Secretary of State that action of a firm and decisive nature would be taken to remove vertical agreements from the scope of the Bill. We were assured repeatedly throughout the Committee stage—I have checked the *Official Report* of the later part of the Committee's proceedings—that we would be given a judgment of Solomon, if not something better, on the issue as a result of the prolonged deliberations of the Government and their chosen parties that would tell us exactly how that would be done.

Yet what do we find? We find provisions in the Bill that are simply a replication of the Government's general tendency to insert clauses that either are, or bear a striking resemblance to, Henry VIII clauses—clauses that give the widest possible discretion under regulation. My hon. Friends have tabled amendments that would make provisions that might be described as presumptive—they would still allow a considerable degree of discretion. The Minister owes it to the House to explain how he intends to use clause 50 as it stands; and why he would not be prepared to accept amendments that slightly constrain that regulation-making power.

I shall go further, because there is a point here that connects with proceedings earlier this evening. If my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) is right and the reason why the Government have wholly failed to bring forward a clear and concrete definition of the sorts of vertical agreement that will be exempt and those that will not is that they await the views of the Commission on the matter, the Government are once again guilty of entirely failing to distinguish between interstate and intrastate commerce. The views of the Commission on this matter are of exactly the same academic interest as might be the views of a range of economists: if the Commission has superior economists, its views are of greater interest; if inferior, as is all too often the case, its views are of less interest. The Commission has no jurisdictional interest whatever in this matter. As we have been repeatedly assured, it is precisely the purport of the Bill to deal with intrastate commerce. In such matters, the Government cannot hide behind the views of the Commission.

Therefore, we have before us the straightforward spectacle of the Government having spent many months considering an issue only to bring before the House something that they could perfectly well have brought before the House six months ago—provisions that enable the Government to decide in due time what the Government want to do. I would venture to say that my hon. Friend the Member for Daventry (Mr. Boswell) could have drafted such provisions immediately—indeed, his research assistant or secretary could have done so.

The clauses tell us nothing, so, if the Minister intends to reject the amendments, he owes it to the House to tell us exactly why he is doing so. He owes it to the House to tell us how he will go about exercising the wide latitude given to him; and why he would not be able to exercise sufficient latitude if he accepted the amendments tabled by my hon. Friend the Member for South Cambridgeshire. If the Minister cannot give that explanation, we owe it to the country to explain that this is yet another case in which the Government intend to abrogate responsibility over intrastate trade to an external power that ought not to have jurisdiction in that matter.

**Mr. Ian McCartney:** The issue of vertical agreements was considered at length in Committee. Clause 50 was added to the Bill at that stage to allow additional flexibility in the treatment of vertical agreements. Since that time, the CBI has written to hon. Members—and specifically to members of the Committee. The letter was dated 7 July. I shall quote the CBI's views on the clause added in Committee. The letter states:

"The Government amended the Bill at Standing Committee to allow for an exclusion to be brought in at a later stage—the CBI supported this."

The CBI supports the position the Government have taken in respect of these matters.

**Mr. Ian Bruce:** Will the Minister give way?

**Mr. McCartney:** On that specific point?

**Mr. Bruce:** Yes. I had intended to make a speech, but an intervention is simpler. I sat through the debate on Second Reading and tried to find out from the Government what they were trying to achieve with the Bill. Can the Minister give us one or two examples of cases in which he feels that vertical agreements are not working and tell us what the Government intend to do about it so that we can judge whether the clauses will do what they intend?

**Mr. McCartney:** With all due respect, we are trying to achieve a fair and effective competition regime, which includes the capacity to exclude vertical agreements. The vast majority of vertical agreements are benign, but there are circumstances in which a vertical agreement may not be benign. We must have provisions in place to deal with that. That is why the Government, after discussion with

*[Mr. McCartney]*

interested parties, came forward with clause 50. I repeat that that is why the CBI went out of its way to write to hon. Members saying that it supports the way in which the Government are proceeding.

**Mr. Chidgey:** The Minister is quoting a letter from the CBI, dated 7 July, which, as he rightly said, has been circulated to members of the Committee and others. The hon. Gentleman has given the House the impression—I am sure he did not mean to—that the letter contains a complete endorsement of the Bill. The Minister knows that it does not. There are seven points in the letter which express the concerns that the CBI still has. I am not saying that I agree with those concerns, but it is only right and proper that the record should show that, although the CBI welcomes the Bill in principle, it does still have seven specific concerns.

**Mr. McCartney:** With all due respect, I thought that I had made it absolutely clear that I quoted the CBI's view of what has happened on vertical agreements since the Committee stage. I quoted it accurately. I made no attempt, either generally or specifically, to attribute to the CBI any other remark—nor would I attempt to do so. I was trying to be helpful to the House. I have been dealing specifically with the issue around clause 50. I did that because that clause came about as a result of the consultations that took place. I believe that it was legitimate for me to quote the CBI's view. I assume that the CBI sent that note to hon. Members so that they could be clear about the process involved in achieving clause 50.

**Mr. Letwin** *rose—*

**Mr. McCartney:** I cannot think for a moment what the hon. Gentleman wants to add to that. Perhaps he will wait until I get a little further into the body of my speech.

We have said on a number of occasions that we believe that there is significant merit in recognising the special features of vertical agreements as a whole under the chapter I prohibition. The prevailing view among economists is that vertical agreements do not normally give rise to competition concerns, except where one of the parties holds market power or there exists a large network of agreements. In recognition of that, using the powers under clause 50 will reduce the burden on business of unnecessary notification. That will enable the better concentration of regulatory resources on areas of competition concern.

As hon. Members may be aware, the European Commission has been conducting a review of the treatment of vertical restraints. Papers that we have received recently from the Commission contain possible definitions of vertical agreements which could form the basis of a description for the purposes of the chapter I prohibition.

There is, of course, great merit in using the same language as proposed by the Commission, if possible. Many UK businesses are already subject to EC competition law and it might be burdensome to apply two different tests at EC and UK level when deciding how they will fall to be treated under the UK and EC prohibitions. This is a matter we are actively considering with the vertical agreements task force, which includes representatives from the CBI, the Monopolies and Mergers Commission and the Office of Fair Trading.

Nevertheless, we recognise that some vertical agreements can cause serious competition concerns that might not be readily dealt with by reliance on the chapter II prohibition or the complex monopoly provisions of the Fair Trading Act. Clever lawyers—there are a few in the House—may also test the terms of the special treatment and squeeze agreements within it which were not intended to benefit. In particular, we do not propose to give special treatment to price-fixing vertical agreements.

It is essential that the director general is able to claw back individual agreements to examine them. That is a quid pro quo of a wide-ranging exclusion.

We have discussed our approach in detail with representatives of the CBI and it has their support, as I noted earlier when I quoted the body's parliamentary briefing.

I turn now to the specific amendments proposed by the hon. Member for South Cambridgeshire (Mr. Lansley). True to his tradition, he spoke to them in a reasonable and cogent manner. That sounds trite, but he understands what I mean. The definition suggested in amendment No. 45 for a vertical agreement is at odds with that suggested by the European Commission in its papers. As I have said, businesses may find it burdensome to have two different tests that they have to apply. Our approach in this area, as in many others, is to assist businesses by introducing a prohibition that is consistent with article 85.

**Mr. Letwin:** I want to press the Minister on the point about the CBI. Opposition Members entirely accept that the CBI prefers the current position to the original position, in which vertical agreements might have been entirely prohibited. Does the Minister not accept that, if the CBI was offered the alternative of total or possible total prohibition, compared to what is currently in the Bill, it would be very likely to favour the latter? He has not addressed the question whether it might favour over that the amendments in the name of my hon. Friend the Member for South Cambridgeshire (Mr. Lansley).

**Mr. McCartney:** I cannot say what the CBI thinks about the amendments. I suppose that, having read them, it decided to say in its briefing that it agreed with the Government's position on the matter, which would indicate that, on reflection and consideration, and after discussions with others who are stakeholders, it believes that the Government's proposal is the best way forward. If that was not the CBI's view, it would have told hon. Members so in no uncertain terms in its note to us, because this issue is as important to the CBI and its members as it is to other businesses.

Even without the objection that I described, I am concerned that the definition provided in the amendment may allow anti-competitive horizontal agreements to slip through by masquerading as vertical agreements. For example, two parties at the same level of trade could enter into reciprocal agreements for the supply of a particular good, setting conditions that relate to the supply of the good to consumers.

The amendments do not allow flexibility to amend the definition of vertical agreements over time. That is the key difference between the Government's approach and that of the hon. Member for South Cambridgeshire.

Amendment No. 45 would limit our ability to make adjustments to ensure consistency with the European regime. It would also preclude amendments to the definition if it proved to be defective. Some flexibility of that nature is desirable to ensure that special treatment remains of real value to businesses but does not open a loophole in the operation of the prohibition. Hence, clause 50 allows the special treatment to be altered, but only by affirmative resolution.

**Mr. Lansley:** I acknowledge that the route that I suggest might lead, in the initial stages, to a contest between a definition derived here and one proposed by the Commission. I want to tax the Minister on whether he believes that the definition towards which the Commission is moving is one with which he is content. Is it acceptable for the Commission to have a definition that includes operating on different economic levels, since that is more about form than effect and may have a significant adverse effect for franchise holders?

**Mr. Deputy Speaker (Mr. Michael J. Martin):** Ian.

**Mr. McCartney:** Thank you, Mr. Deputy Speaker. You call me that because we have known each other since childhood—I was the child.

I would not have prefaced my remarks on the necessity to provide the opportunity in clause 50 to use the wording of the Commission's proposals as I did if the Government were unhappy or thought that the proposals would not work as we want them to. The fact that we are rejecting the hon. Gentleman's amendments means that, as I have said, we believe that the proposals from discussions in Europe will meet the objectives of the Government and business for vertical agreements. I understand that the hon. Gentleman will not accept that. Although I understand his reasons, there is a genuine disagreement between us. I hope that the judgment that I am making will prove to be correct. I spent a great deal of time discussing it with the CBI and others, to ensure that the decisions that we took, in relation to the principle of clause 50 and in relation to what comes out of it, genuinely met the requirements of business. There would be no point in the Government dealing with the matter in any other way.

The amendments proposed by the hon. Member for Eastleigh (Mr. Chidgey) tackle the issue of vertical agreements from a different perspective. Amendments Nos. 53 and 54 give the Director General of Fair Trading a role in the making of an order for vertical agreements. Amendment No. 58 also gives the director general power in relation to the scope of the prohibition, allowing him to remove the benefits of an order from a category of agreements.

11.15 pm

As my hon. Friend the Minister for Competition and Consumer Affairs said in Committee, where a power extends to the scope of the prohibition, it is right that it be subject to affirmative resolution of both Houses of Parliament. Equally, it is right that a Minister, rather than the director general, is responsible for making orders.

Amendments Nos. 55 and 57 would both give the director general an ability to exercise clawback whenever he wishes to do so. As we have said, we think it right that the director general be able to exercise clawback, but only when he considers that an agreement would, if clawed back, infringe the chapter I prohibition, and that he would not be likely to grant it an unconditional exemption. That test will allow him to exercise clawback when an agreement is seriously anti-competitive, while giving businesses that enter into benign vertical agreements the proper certainty that they require.

By removing a test for clawback, the amendments could undermine the purpose of clause 50. If businesses are not given reasonable confidence that there is an appropriately high threshold before clawback, they may well seek to notify benign vertical agreements that are covered by an order to obtain that greater certainty.

I fully accept the sentiment that gave rise to amendment No. 56, but do not view it as necessary. We intend to consult widely with consumer groups, such as the National Consumer Council, as well as business before making an order under clause 50.

The hon. Member for Eastleigh raised the issue of intellectual property. We do not believe that there is a need to cover such agreements in the special treatment proposed. The licensing of intellectual property rights has been subject to article 85 in the United Kingdom for more than 25 years, and a licence to use intellectual property rights as such is not restrictive; it is granting a freedom. Other copyright issues are covered by the Copyright, Designs and Patents Act 1988 and recent European Community directives. I shall send the hon. Gentleman copies of the recent directive, because discussions of it took place upstairs. I do not think that the hon. Member for Daventry (Mr. Boswell) had quite joined the DTI team from the Treasury at the time—one of his hon. Friends dealt with it—so, if that would helpful, I shall send the hon. Gentleman a copy too, so that both Front-Bench Teams are aware of the position.

Let me return to amendment No. 56. The Department would expect as a matter of course to conduct an assessment of the costs and benefits for all legislation—primary or secondary. That assessment is placed in the Library when legislation is introduced to Parliament. In addition, my right hon. Friend the Chancellor of the Duchy of Lancaster has undertaken to issue guidance requiring Government Departments to publish such an assessment when a proposal is consulted on. That new guidance is likely to be in place by September this year.

On that basis, I invite the hon. Members for South Cambridgeshire and for Eastleigh not to press their amendments.

**Mr. Lansley:** I am grateful to the Minister for the manner in which he responded, although I feel that on this occasion—although not in some of our earlier debates—the substance was not sufficient. It is like trying to grasp a hologram; one looks for the Government's proposals on vertical agreements, and they are just not there.

I am prepared to accept that the objective should be to arrive at a definition of vertical agreements which is workable, consistent and aligned between ourselves and the European Commission, and which, as the CBI proposes, should presume that vertical agreements are excluded in the vast majority of cases with appropriate clawback and definitions. The proposed amendments do that.

*[Mr. Lansley]*

The difference between Conservative Members and the Minister is that we feel that we should be leading the Commission to an appropriate definition, not simply resting upon the proposition that the Commission will, in due course, come up with a definition. Judging by the first accounts that have been presented to us in Committee and in the Chamber tonight, I believe that there may be practical difficulties with the definition when the time comes. Rather than resting on the proposition that flexibility is all and that we must go with the Commission when the moment arrives, it would be better to legislate rationally and in accordance with our objectives, and to press the Commission to come on board. However, I appreciate that the Minister was trying to respond helpfully and, as I understood him, he was not rejecting the definitions in the amendments so much as trying to see whether in due course some of those thoughts about price fixing and so on could be taken on board. On that basis I see no purpose in pressing the amendment. I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Amendment made:* No. 11, in page 26, leave out lines 24 and 25.—*[Mr. Ian McCartney.]*

**Schedule 9**

DIRECTOR'S RULES

*Amendment made:* No. 16, in page 77, leave out lines 12 to 16.—*[Mr. Ian McCartney.]*

**Clause 53**

FEES

**Mr. Boswell:** I beg to move amendment No. 5, in page 27, line 39, at end insert—

'(1A) a fee charged to a business for the discharge of functions by the Director shall not exceed the costs of fulfilling that particular function in that case.'.

I am conscious of a rather unsatisfactory discussion in Committee about the charging of fees, during which the Under-Secretary of State made it quite clear that the Government had not yet decided whether to charge fees or what they would be. As my hon. Friends said, that made it difficult to see whether the fees that might be charged had been taken into the compliance cost assessment, about which we have considerable reservations.

The amendment cannot be contested in principle. It seeks to ensure that in charging fees—we do not at this stage reopen the question whether fees would be charged—the director should not exceed the cost of fulfilling the function for which the fee is charged. That is basic natural justice and proportionality, and I have two points to support it, the first of which is at the macro level. It is important that the competition legislation and the suite of advice and fees to be charged by the director should not be used, to use the phrase in schedule 3, as a revenue-producing monopoly. The idea is not to charge greater amounts than the costs would require.

The second point is at the micro level and, in a sense, it is embodied in the amendment. It would be possible for the regulator to produce a schedule with a discriminatory function. For example, if the director or the Government prompting him were to take against the press or pharmaceutical companies or public utilities, the fees schedule might be arranged in a way that would discriminate between those businesses, or one of them, and other businesses that requested services from the director. Those services could be of more or less the same character and involve approximately the same cost.

As I have said, the amendment seeks to establish the principle that fees should not exceed the costs of the case, although it leaves open the principle that the fees could be lower—they could be rebated—or might not be charged at all. I hope that Ministers will consider those matters and give some assurances on them.

**Mr. Ian McCartney:** When we discussed the issue of the director's fees in Committee, it was recognised that it can be appropriate to charge fees when a genuine service is provided by the public sector. It was also recognised that fees for the giving of guidance and decisions might be a way of managing the director's work load in concentrating resources on where they are most needed and discouraging frivolous applications. However, the Government have not decided whether fees should be charged, still less the basis on which they might be set. I cannot accept the amendment because, if we decide the director should charge fees, it would narrow the range of options for calculating them. In particular, it would contradict subsection(2)(a), which provides that the rules may in particular provide for the amount of any fee to be calculated by reference to matters that may include

"(i) the turnover of any party to an agreement"

and

"(ii) the turnover of a person whose conduct the Director is to consider".

That provision was inserted by an amendment in another place because some respondents to the consultation exercise had argued that it might be appropriate to set differential fees for applicants to the director, based on their ability to pay.

I do not suggest that that is the basis on which any fees will be charged. As I have said, we have not taken any decision on whether fees will be charged, or how any fees would be calculated, but I do believe that it is an option which the Bill should make available. I recall that, in Committee on 11 June, the hon. Members for Eastleigh (Mr. Chidgey) and for Daventry (Mr. Boswell) raised concerns about the burden of fees on small companies, and the hon. Member for Daventry recognised the value of being able to consider the possibility of relating the fees to the size of the undertaking. However, I can give some assurances about the exercise of the power to charge fees.

First, the Bill will enable fees to be set only at a level intended to cover the costs of the director in providing the particular services to which they relate; the fees could not be set at a level designed to generate a profit. Secondly, as any fees would be set by the director's rules, they would have to be consulted on, by virtue of clause 51(3). Business will therefore have an opportunity to consider and comment on the amount of any fees and the basis on

which it is proposed to calculate them. I hope that that helps the hon. Member for Daventry in his consideration of whether to withdraw the amendment.

**Mr. Boswell:** Although I am not entirely satisfied by that response, in the light of the assurances that the Minister has been able to give at this stage, I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

**Clause 54**

REGULATORS

**Mr. Lansley:** I beg to move amendment No. 46, in page 28, line 15, at beginning insert

'Subject to subsections (4) and (5)'.

**Mr. Deputy Speaker:** With this, it will be convenient to discuss the following amendments: Government amendments Nos. 12 and 13.

No. 47, in page 28, line 18, at end insert—

'(4) A regulator shall not exercise any functions under this Part in respect of any matter until he has consulted—

(a) the Director, and

(b) any other regulator who may have jurisdiction in relation to that matter,

and they have jointly determined whether and, if so, the manner in which, any of them are to exercise any functions under this Part in relation to that matter.

(5) In respect of a matter which—

(a) disregarding the concurrent jurisdiction of a Director, is not exclusively within the jurisdiction of one regulator, or

(b) affects or may affect competition outside the jurisdiction of that regulator,

any decision within the meaning of section 46 in relation to that matter shall be made jointly by that regulator, the Director and any other regulator who has jurisdiction to a material extent in relation to that matter.

(6) A regulator shall not exercise both—

(a) his functions under this Act, and

(b) his functions under the enactment from which he derives his regulatory jurisdiction,

at the same time and in respect of the same matter.'

No. 60, in schedule 10, page 78, line 7, at end insert

'if, but for those subsections, regard could be had to that general matter.'.

Government amendments Nos. 17 to 25, 33 to 37, 39 and 40.

**Mr. Lansley:** May I direct attention to amendments Nos. 47 and 60 in particular? It is helpful to have seen Government amendment No. 13. I recognise that it is, in substantial measure, a response to the issues that were raised in Standing Committee. I welcome the amendment in principle for that reason. Therefore, I will focus just on one important difference between amendment No. 13—which tries to create a structure that enables joint working between the Director General of Fair Trading and the other sector regulators—and amendment No. 47.

Subsection (6) of amendment No. 47 is intended to prevent a regulator, who has both Competition Bill powers and sector statute powers, from acting in relation to any given matter using powers from both Acts. To put it in a nutshell, it is intended to prevent a regulator from using Competition Bill powers in the first instance, but giving effect to decisions through regulators' powers.

Of course, not only does the director of the utility sector acquire additional powers, not least in relation to investigation and enforcement, through the Competition Bill, but, by using sector statute, he might be able to avoid some of the due processes that are contemplated in relation to the Bill. Therefore, the mixing of the two is an unhappy situation. Using the two together might lead to an unsatisfactory blurring of the distinctions between the exercise of Competition Bill powers and of regulators' powers.

To cut a long argument to a simple point, we all recognise that regulators have competing objectives. In this particular instance, they are often seeking to meet what are essentially structural objectives in relation to the industry: for example, the reduction of market share on the part of an operator within the utility that they regulate. They may pursue that objective through the exercise of regulatory powers, but they may try to use Competition Bill powers in the first instance, or undertake investigations, and so on. It would be undesirable for there to be a blurring between the two things. There may be circumstances where they want to reduce dominance, but in doing so try to assert abuse where abuse does not necessarily exist.

11.30 pm

The intention of that part of amendment No. 47—which I continue to commend to the Government, and which is not really reflected in Government amendment No. 13—is to take away the opportunity to move between the two jurisdictions in relation to the same matter. I welcome the Government's response to that point.

We could tie ourselves up in discussing amendment No. 60, so suffice it to say that, in Committee, the Under-Secretary took the view that the Government amendments were sufficient to bring the powers of the Director General of Telecommunications directly in line with the other utility statutes. However, my view is that, given that the Telecommunications Act 1984 does not operate in precisely the same way as other sector statutes, that would be true only if this further tailpiece was added on to the relevant part of schedule 10. I hope that the Under-Secretary will reflect on whether he has achieved the objective of trying to bring the powers directly into line.

To save time, I will not dwell on any other arguments. Given that the Under-Secretary has been looking for assistance from industry, I was grateful to receive from the electronics industry—to cite just one example—confirmation that it saw benefit in some of my amendments, especially amendment No. 47. It is concerned to ensure that there is clarity in the manner in which the utility sector regulators use their powers.

**Mr. Nigel Griffiths:** At 11.31 pm, I can offer the House my 18-page briefing or the truncated Griffiths two-page version. I hope that the two-page version will cover the key points. In particular, I want to spend a little time on amendments Nos. 47 and 60.

There are Government amendments in this grouping. They would allow regulators to co-ordinate their activities under the Bill in a more effective manner.

*[Mr. Nigel Griffiths]*

They are a response to the concerns voiced by the hon. Member for South Cambridgeshire (Mr. Lansley) in Committee. It was suggested that the present arrangements imposed artificial constraints. The amendments would replace the present inflexible arrangement with a more flexible regulation-making power.

Amendment No. 60 would add clarification to new section 3(3C), which this Bill inserts into the Telecommunications Act 1984. Section 3(3C) deals with the ability to have regard to the subject matter of statutory duties when the duties themselves are disapplied. I assure the House that no amendment is needed, as section 3(3C) achieves its intended effect. It makes specific provision about consideration of the subject matter of statutory duties in the context of the exercise of the Director General of Telecommunications' concurrent functions under the Bill. However, it makes no change to the ability to have regard to the subject matter of statutory duties, where it is relevant, in respect of other functions in the Telecommunications Act where the statutory duties themselves have been disapplied.

As the hon. Member for South Cambridgeshire was generous enough to admit, amendment No. 47 covers the same ground as the Government's amendment in dealing with the consultation and joint determination on who should exercise functions—subsection (4). However, it would also require joint decision making where jurisdictions overlap—subsection (5)—and it would preclude a regulator from exercising Bill functions and sector-specific regulatory functions at the same time in relation to the same matter—subsection (6).

The effect of the third part of amendment No. 47 would seem to be to import uncertainty about the lawfulness of use by a regulator in particular cases of information that he has obtained under Bill powers when subsequently exercising his functions under the regulatory Act. The amendment, by creating a firm division between the two sets of functions, increases the scope for challenge to the original use of the powers—for example, on the grounds that the chances of being able to take any enforcement action under the Bill were so small that the use of Bill powers to gather information was unreasonable.

I believe that amendments Nos. 60 and 47 would—I put it no stronger—weaken the Bill.

I hope that my explanation satisfies the hon. Member for South Cambridgeshire. However, if he would like me to deal with further points, I shall be more than happy to do so from my 18-page briefing.

**Mr. Lansley:** I am grateful to the Minister for the character of his reply. On that basis, I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Amendments made:* No. 12, in page 28, line 16, leave out 'exercised' and insert 'exercisable'.

No. 13, in page 28, line 18, at end insert—

'(4) The Secretary of State may make regulations for the purpose of co-ordinating the performance of functions under this Part ("Part I functions") which are exercisable concurrently by two or more competent persons as a result of any provision made by Part II or III of Schedule 10.

(5) The regulations may, in particular, make provision—

(a) as to the procedure to be followed by competent persons when determining who is to exercise Part I functions in a particular case;

(b) as to the steps which must be taken before a competent person exercises, in a particular case, such Part I functions as may be prescribed;

(c) as to the procedure for determining, in a particular case, questions arising as to which competent person is to exercise Part I functions in respect of the case;

(d) for Part I functions in a particular case to be exercised jointly—

(i) by the Director and one or more regulators, or

(ii) by two or more regulators,

and as to the procedure to be followed in such cases;

(e) as to the circumstances in which the exercise by a competent person of such Part I functions as may be prescribed is to preclude the exercise of such functions by another such person;

(f) for cases in respect of which Part I functions are being, or have been, exercised by a competent person to be transferred to another such person;

(g) for the person ("A") exercising Part I functions in a particular case—

(i) to appoint another competent person ("B") to exercise Part I functions on A's behalf in relation to the case; or

(ii) to appoint officers of B (with B's consent) to act as officers of A in relation to the case;

(h) for notification as to who is exercising Part I functions in respect of a particular case.

(6) Provision made by virtue of subsection (5)(c) may provide for questions to be referred to and determined by the Secretary of State or by such other person as may be prescribed.

(7) "Competent person" means the Director or any of the regulators.'.—*[Mr. Ian McCartney.]*

**Schedule 10**

REGULATORS

*Amendments made:* No. 17, in page 78, line 23, at end insert—

'( ) In section 4, (4), omit paragraph (c) and the "and" immediately after it.'.

No. 18, in page 79, line 12, after '(5)' insert '—

(a)'.

No. 19, in page 79, line 13, at end insert—

'(b) after paragraph (b), insert "and";

(c) omit paragraph (d) and the "and" immediately before it.'.

No. 20, in page 80, line 9, at end insert—

'( ) In subsection (4), omit paragraph (c) and the "and" immediately after it.'.

No. 21, in page 81, line 4, at end insert—

'( ) In subsection (5), omit "or in subsection (3) above".

( ) In subsection (6), omit "or in subsection (3) above".'.

No. 22, in page 81, line 39, at end insert—

'( ) In subsection (4), omit paragraph (c) and the "and" immediately after it.'.

No. 23, in page 82, line 37, at end insert—

'( ) In paragraph (4), omit sub-paragraph (c) and the "and" immediately after it.'.

No. 24, in page 83, line 26, after '(4)' insert '—

(a)'.

No. 25, in page 83, line 27, at end insert—

'(b) after sub–paragraph (b) insert "and";

(c) omit sub–paragraph (d) and the "and" immediately before it.'.

No. 26, in page 89, line 49, at end insert—

'( ) Omit section 131 (modification of Restrictive Trade Practices Act 1976).'.

No. 52, in page 90, line 12, at end insert—

'( ) In section 21 (duties as to exercise of regulatory functions), in subsection (6), at the end of the paragraph about regulatory functions, insert "other than any functions assigned to him by virtue of section 67(3) of that Act ("Competition Act functions").

(7) The Regulator may, when exercising any Competition Act function, have regard to any matter to which he would have regard if—

(a) he were under the duty imposed by subsection (1) or (2) above in relation to that function; and

(b) the matter is one to which the DGFT could have regard if he were exercising that function."'.—*[Mr. Ian McCartney.]*

## Clause 59

INTERPRETATION

*Amendment made:* No. 14, in page 31, line 31, at end insert—

'( ) The fact that to a limited extent the Chapter I prohibition does not apply to an agreement, because of an exclusion provided by or under this Part or any other enactment, does not require those provisions of the agreement to which the exclusion relates to be disregarded when considering whether the agreement infringes the prohibition for other reasons.'.—*[Mr. Ian McCartney.]*

## Clause 60

PRINCIPLES TO BE APPLIED IN DETERMINING QUESTIONS

**Mr. Lansley:** I beg to move amendment No. 61, in page 31, line 40, leave out from 'concerned)' to end of line 43 and insert

'the provisions of this Part are applied in a manner which is consistent with the application of the corresponding provisions of Community law.'.

**Mr. Deputy Speaker:** With this, it will be convenient to discuss the following amendments: No. 62, in page 31, line 44, at beginning insert

'Subject to the other provisions of this Part,'.

No. 63, in page 31, line 44, leave out 'determines a question' and insert 'deals with a matter'.

No. 64, in page 31, line 45, leave out from 'act' to 'whether' in line 1 on page 32.

No. 65, in page 32, line 4, leave out 'determining that question' and insert 'dealing with that matter'.

No. 66, in page 32, line 6, leave out from 'time' to 'Community' in line 7 and insert

'dealing with a similar matter under'.

No. 67, in page 32, line 13, at end insert—

'(4A) Subject to subsection (4B), where any question arises concerning the interpretation of this Part and, in particular, whether for the purposes of this section—

(a) a provision of Community law is a corresponding provision,

(b) a relevant difference exists between a provision of this Part and a corresponding provision of Community law,

(c) a matter arising under Community law is a similar matter, or

(d) a decision or statement of the Commission is a relevant decision or statement,

any person with sufficient interest in the matter to which the question relates may apply to the relevant court for the determination of that question and the court may determine that question and make such declaration as it considers appropriate.

(4B) Where any question concerning the interpretation of this Part arises in proceedings before an appeal tribunal, an application for the determination of that question by a relevant court in accordance with subsection (4A) may only be made with the leave of that tribunal.

(4C) In subsections (4A) and (4B) "relevant court" means—

(a) in England and Wales, the High Court;

(b) in Scotland, the Court of Session;

(c) in Northern Ireland, the High Court.'.

No. 68, in page 32, line 18, at end insert—

'(7) In this section "a provision of Community law" includes the general principles of Community law and decisions of the European Court.'.

New clause 3—*Decisions on matters subject to a Commission investigation*—

'.—(1) Subject to subsection (3) below, the Director shall not make a decision that—

(a) an agreement infringes the Chapter I prohibition; or

(b) conduct infringes the Chapter II prohibition,

if that agreement or conduct is the subject of an investigation by the European Commission under a provision of Community law relating to Article 85 or 86.

(2) Nothing in this section shall prevent the Director from conducting in respect of that agreement or conduct—

(a) an investigation in accordance with section 25; or

(b) a Director's investigation or Director's special investigation within the meaning of Part II.

(3) If the Director has grounds to believe that the European Commission will conclude that agreement or conduct to which subsection (1) applies will not be found to be within the Commission's competition law jurisdiction, he may proceed to make a decision under sections 14 and 22.'.

**Mr. Lansley:** At this late hour, the House will forgive me if I do not explain the arguments in their full form—the 18-page version. Earlier in the debate, the Minister was at pains to say that the Government believe that it is important to respond to representations—not least from the Confederation of British Industry, for example. He will be aware that, like my hon. Friends and members of the public, the CBI is very concerned that the provisions in clause 60 will have to be better defined in the legislation if the Government's intentions are to be realised accurately. We essentially believe that the issues should be better defined in legislation rather than waiting for the courts to do the job.

The matters of "corresponding question" and "relevant difference", for example, have not yet been defined in the Bill. If the Government's intention is to align UK and Community law as closely as possible, they should be able to tell us what constitutes the relevant differences. Otherwise, over time, the principles may begin to diverge again. For example, clause 60 deals with incompatibilities. Will the Government list them? Where do the Government expect the Bill to depart from European Community law?

*[Mr. Lansley]*

In respect of the purpose of amendment No. 61 and the others grouped with it, I am attempting to do the Government's job for them. If we cannot have the legislation that we want, we may as well amend the Bill to achieve the secondary objective of which industry is seized—clarity and certainty. We will end up with lack of clarity and uncertainty if we proceed with clause 60 without knowing what the corresponding questions are and how they are to be determined. The clause should be amended so that all the provisions in the Bill are treated as corresponding in effect. We should not have relevant differences—those that exist should be specified. Instead of including phrases or provisions from Community law, we should replace corresponding provisions or inconsistency with a much clearer definition.

Amendment No.67 is additional and stands alone. It seeks to provide a better mechanism for determining the issues that arise on clause 60 by permitting a person with sufficient interest in the matter to apply for a determination by the relevant courts so that a declaratory ruling may be obtained.

I have provided an unsatisfactory explanation of a matter on which I could have spent considerable time. I am concerned that so far—even in Standing Committee—Ministers have not examined clause 60 sufficiently. The phraseology used in the clause opens up precisely the differences between UK and EC law to which they objected in other respects. It should have been replaced by a provision that aligned the two systems of jurisprudence instead of one that served the Government's purposes without telling us in what respect they envisaged that the relevant differences and incompatibilities would emerge over time.

**Mr. Ian McCartney:** First, I thank the hon. Member for South Cambridgeshire (Mr. Lansley) for his constructive approach to the matter. I accept that, because of an agreement to complete proceedings on the Bill within an appropriate time, neither he nor I will be able to set out in detail why he feels the amendments should be accepted and why I would resist them. Therefore, I shall write to him setting out the points that I do not have time to make tonight so that he can consider them before the Bill returns to the House. That is inviting opportunities, but it is only fair to the hon. Gentleman and to myself.

Clause 60 is important. It exists to ensure that, as far as possible, UK and EC prohibitions are interpreted and develop consistently with the EC competition law system. That is critical in minimising burdens on business.

Although I welcome the spirit of the amendments, I cannot accept that they would improve the wording of the clause or the operation of the regime and I am happy to explain briefly why that is the case.

Amendment No.67 is significant as it introduces a new and separate step into the operation of the Bill—the right to apply to the High Court, or the equivalent in Scotland and Northern Ireland, to determine questions. The questions include whether a provision of Community law is a corresponding provision; whether a relevant difference exists between UK and European law; whether a matter arising under European law is similar and whether a decision or statement of the Commission is relevant.

The amendment is wrong in principle. It appears to be based on the mistaken view that there is a choice of law between UK and European systems and that the choice should be made even before the substance of a case is addressed. There is no such choice of law. There are not two rival sets of principles. There is but one set of principles. Accordingly, interpretation of the Bill is not a two-stage process. One cannot construe the prohibitions and then compare them. They must be construed from the outset on the basis of clause 60.

The Government have made it clear on a number of occasions that it would be wrong to allow appeals on interim stages of the decision-making process. If we allowed appeal at every step of way, we would end up in an interminable process. The appropriate course is to allow the director to make a decision and to confine appeals to substantive decisions. Those arguments apply in this context.

The hon. Member for South Cambridgeshire also tabled amendments Nos. 62 to 66. We believe that we have followed the right formulation and approach in clause 60. I shall give the hon. Gentleman a more substantive reply on the amendments in writing, and hope that he will feel able, even given this stilted debate, to fight another day.

New clause 3 covers similar ground to the subject of the discussion in Committee of various amendments to clause 42, especially the then proposed new clause 12. The amendments were broadly concerned with avoidance of forms of possible double jeopardy, where agreements or conduct may fall both within the scope of domestic prohibitions under the Bill and European prohibitions under articles 85 and 86 of the treaty. It will probably come as no surprise to the House that we do not see any need to alter the Bill's provisions for dealing with parallel jurisdiction, particularly in investigations.

More particularly, I reiterate that, when the Commission is actively investigating an agreement or conduct, there will be no practical point in the director's starting a separate investigation. The practical assurance of unnecessary duplication of investigation between the Commission and the director is achieved by the alignment of the UK prohibitions with those of articles 85 and 86 and the practical co-operation that will exist between the Commission and the United Kingdom. For those and a number of other reasons, we find the new clause unacceptable. I ask the hon. Gentleman to withdraw the amendment.

**Mr. Lansley:** I was quite fond of new clause 3, and quite sad to forgo the opportunity to explain it in detail. In fond expectation of further communication from the Minister, I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

**Clause 71**

REGULATIONS, ORDERS AND RULES

*Amendment made:* No. 15, in page 39, line 20, leave out 'or' and insert—

'( ) section 50, or'.—*[Mr. Ian McCartney.]*

11.45 pm

**Mr. Peter Brooke** (Cities of London and Westminster): I beg to move amendment No. 59, in page 39, line 20, leave out 'or' and insert—

"( ) section 51, in the case of the first order made by the Secretary of State under that section, or'.

This evening is only the second time that I have played hookey from the proceedings of the Bill. On Second Reading on May 11, I hung on the lips of the President of the Board of Trade during her 52-minute speech. I stayed on the ramparts while what seemed like half the Labour party attacked Mr. Murdoch, and at about a quarter to 9, I made my own plea to serve on the Committee that considered the Bill. It is perhaps forgivable at that late hour that I misquoted an interlocutor of the Duke of Wellington.

The Committee of Selection graciously put me on the Committee, on which I served with constant admiration for my right hon. Friend the Member for Wokingham (Mr. Redwood) and my hon. Friends, and occasional amazement at the ramshackle quality of the arguments deployed by the Government. Until late this evening, I have been serving on the Select Committee on Northern Ireland Affairs, the members of which very properly feel that one cannot make a mature decision until after dusk.

My first absence from the proceedings of the Bill was on the morning of June 23, when I was absent from the Committee on lawful occasions, which, in all piety, I indicated to the Minister. A little after 11 o'clock that morning, the Minister for Competition and Consumer Affairs embarked on the long furrow of moving and speaking to his new schedule, which affected community pharmacies. He concluded the furrow with a passage of the new schedule three and a half hours of debate later at 6 o'clock.

Very early that morning, my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) moved the amendment that served as a jewel-like harbinger to the matter before us. He moved it with the same coruscating clarity that characterised his actions throughout the Committee, which makes it such an honour that his name is attached to mine on amendment No. 59.

I shall not rehearse all the arguments that my hon. Friend the Member for South Cambridgeshire deployed on June 23, which occupy three columns in the *Official Report* of Committee proceedings. The issue related to the fact that, in what was then clause 70, now clause 71, there is a power to make regulations and orders. My hon. Friend sought to make the Secretary of State's orders under clause 51 subject to affirmative resolution.

The Minister resisted the amendment on two grounds—first, the slowness and greater difficulty imposed on the process of introducing any necessary adjustments to the rules, and secondly, that the rules concerned only procedural matters, which fell below the level of primary legislation or matters subject to affirmative resolution.

My hon. Friend the Member for South Cambridgeshire responded by reminding the Minister of the weight that the Government had attached throughout the Committee to the clarificatory rules that the director will make. He said that the rules might be procedural in content, but were substantive in effect. My hon. Friend added that, although he understood the Minister's case—that multiple use of the affirmative resolution procedure might be difficult in practice when the rules were amended—it was still desirable to have the fullest possible scrutiny on the first occasion that the director's rules were made.

The Minister's total silence in response to that reasonable suggestion by my hon. Friend the Member for South Cambridgeshire has provoked him and me to bring the concept back on report. In making this tiny personal scratch on the Government's adamantine front—this is the only time I have bothered the House on report—I remark that, on the Government's other objection, EU experience has shown that the procedural elements of competition law can be of immense importance. In a number of key cartel cases, appeals have turned on procedural points.

In schedule 9, there are matters on which rules may be made which are not merely procedural. If I may give examples where the rules provide for the circumstances in which the director may act, the imposition of conditions or the cancellation of them in relation to parallel exemptions under paragraph 9—and, likewise, in relation to third-party rights on disclosure of information under paragraph 12—will serve.

What will be of particular interest in such matters—the House will be delighted to hear that I am concluding—is the extent to which the rules will depart from EU principles in similar circumstances. Finally, rules under clause 51 are not limited to the matters in schedule 9, and I draw the Minister's attention to clause 51(2). I hope that the Government will look with favour on this small amendment at this late hour.

**Mr. Nigel Griffiths:** I should like to be able to accommodate the right hon. Member for Cities of London and Westminster (Mr. Brooke), whose contributions to the Committee have been entertaining from first to last.

I recognise that the right hon. Gentleman is proposing only that the first exercise of the power to make orders under clause 51 should be subject to the affirmative resolution. Nevertheless, I do not think that the rules under clause 51 are of such significance that they should be subject to affirmative resolution. Lest he does not wish to rely on my judgment, I pray in aid two other important bodies.

We are reflecting the guidance of the then Joint Committee on Delegated Legislation, which, in its second report in 1972-1973, suggested that the affirmative resolution procedure might normally be appropriate for powers substantially affecting provisions of Acts of Parliament. The powers under clause 51 do not fall into any of those categories. Similarly, the House of Lords Select Committee on Delegated Powers and Deregulation did not question the fact that this power was subject to negative resolution when it reported on the Bill.

I want to reassure the right hon. Gentleman that clause 51 (3) requires the director general to consult when he is preparing rules, so those likely to be affected will have the opportunity to make their views known. I hope that that will allow the right hon. Gentleman, on reflection, to withdraw the amendment.

**Mr. Brooke:** I am disappointed by the Minister's response, as is my hon. Friend the Member for South Cambridgeshire (Mr. Lansley). However, the Minister knows the way to my heart. The original Committee set up in the House of Lords to look at delegated legislation was chaired by my late noble father. When it was decided

*[Mr. Brooke]*

that there should be a Joint Committee of both Houses, my father was approached by the Leader of this House, who said how desirable it would be to have at least one member of the House of Lords Committee serving on the Joint Committee, and how helpful it would be if he would chair the Joint Committee. My father did that as well.

Under those circumstances, it would be churlish of me to resist the plea that the Minister is making—although I hope that the Government will not rue the day. I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

**Schedule 13**

TRANSITIONAL PROVISIONS AND SAVINGS

*Amendments made:* No. 27, in page 101, line 31, at end insert—

'( ) The fact that to a limited extent the Chapter I prohibition does not apply to an agreement because a transitional period is provided by virtue of this Schedule does not require those provisions of the agreement in respect of which there is a transitional period to be disregarded when considering whether the agreement infringes the prohibition for other reasons.'.

No. 28, in page 105, line 16, after 'proceedings' insert 'under section 3 or 26 of the RTPA'.

No. 29, in page 106, line 26, at end insert—

'( ) There is no transitional period for an agreement to the extent to which, before the starting date, a person has acted unlawfully for the purposes of section 27ZA(2) or (3) of the RTPA in respect of the agreement.".'

No. 30, in page 106, line 42, after 'period' insert 'for the exempt provisions of the agreement'.

No. 31, in page 106, line 44, at end insert—

'(2) In sub-paragraph (1) "exempt provisions" has the meaning given by paragraph 14(3).'.

No. 32, in page 112, line 25, leave out '(other than section 131)'.—*[Mr. Nigel Griffiths.]*

**Schedule 14**

REPEALS AND REVOCATIONS

*Amendments made:* No. 33, in page 118, line 37, at end insert—

'In section 50(4), paragraph (c) and the "and" immediately before it.'.

No. 34, in page 119, line 16, at end insert—

'In section 36A(5), paragraph (d) and the "and" immediately before it.'.

No. 35, in page 119, line 49, at end insert—

'In section 43(4), paragraph (c) and the "and" immediately after it.'.

No. 36, in page 120, line 22, at end insert—

'In section 31(5), "or in subsection (3) above".

In section 31(6), "or in subsection (3) above".'.

No. 37, in page 120, line 49 at end insert—

'In section 67(4), paragraph (c) and the "and" immediately after it.'.

No. 38, in page 120, line 52, at end insert—

'Section 131.'.

No. 39, in page 122, line 4, at end insert—

'( ) in paragraph (4), sub-paragraph (c) and the "and" immediately after it.'.

No. 40, in page 122, line 40, at end insert—

'( ) in paragraph (4), sub-paragraph (d) and the "and" immediately before it.'.

—*[Mr. Nigel Griffiths.]*

*Order for Third Reading read.*

11.56 pm

**Mr. Ian McCartney:** I beg to move, That the Bill be now read the Third time.

First, I thank the hon. Member for South Cambridgeshire (Mr. Lansley) for his assistance. If he keeps it up, he may be in for a job on this side of the House. *[Laughter.]* This is new new Labour.

The Competition Bill is a major step forward for British consumers, business and competitiveness. It will radically reform and strengthen the laws to deal with anti-competitive behaviour, such as cartels and abuses of a dominant market position.

Both consumers and business deserve a better deal, which the Bill will deliver. The Government have acted swiftly, whereas the Conservative Government dithered for years and did nothing. Anti-competitive behaviour hits ordinary people; it means lower quality, at higher prices. Competition is vital to ensure choice and value. The vast majority of businesses that work so hard to compete also deserve better protection from the few that seek to cheat and bully.

The current competition regime is often bureaucratic, slow and ineffective. The powers for rooting out and dealing with serious anti-competitive behaviour are notoriously weak. In the meantime, customers and competitors suffer. Smaller companies have been driven out of business while complaints were investigated. Even the most blatant cartels can get away with little more than a slap on the wrist. As a result, there is very little deterrence to anti-competitive behaviour, and no recompense for firms and consumers that are on the receiving end of it.

The Bill will put those failings right. The Director General of Fair Trading will be able to act swiftly to stamp out anti-competitive practices. Those on the receiving end of such practices will have new rights to seek damages. Moreover, the Bill will sweep away the

existing bureaucratic restrictive practice laws, which require many thousands of harmless commercial agreements to be registered.

The Bill modernises our competition law to bring it more in line with the prohibition regimes that already operate in the European Union and in many of the Organisation for Economic Co-operation and Development countries. Many UK firms already have to deal with EU competition laws. The Bill will greatly simplify matters for such firms by introducing prohibitions that are modelled on those in the EU rules.

Reform of the current regime is long overdue. The Bill will give us a really modern and effective competition regime at last. The result will be stronger markets, a better deal for consumers and more opportunities for good British businesses to thrive. I commend the Bill to the House.

11.58 pm

**Mr. Boswell:** We have all enjoyed listening to the Minister's press release. The Government have been ambitious, even courageous, in introducing a complex Bill which attempts to merge the European philosophy on competition with British domestic legislation. The attempt is massive in scale, but it has by no means wholly succeeded.

In preparation for tonight, I read my Second Reading speech, and I have never before found that so many queries that I raised on Second Reading remained on Third Reading. Many additional issues of concern arose in Committee. My old philosophy tutor used to say, "Always start your essay with a query, try to answer it, and end with another." The Minister must have been one of his pupils, too.

There are some concepts in the Bill about which industry may be happy, but the CBI and other representative and responsible organisations retain considerable reservations on various aspects. In our haste to consider the Bill, one or two issues were not fully rehearsed. For example, the CBI brought to our attention in its latest letter the interaction of the continuing powers on scale monopoly with the new prohibitions. Much will depend on how the Government and the director general interpret the law.

There is a need for clarity in explanation for businesses, and especially small businesses, at all stages of implementation. As has been clearly revealed tonight, there is a huge, and in my view unhealthy, reliance on the order-making process—for example, in relation to the director general's rules and issues such as fees, of which we know nothing yet. The House will need to give those subjects further detailed scrutiny.

Real concerns remain about the compliance costs, even conceptually. We have not explored tonight, as we did in Committee, the imperfections, inconsistencies and incoherence in the Government's analysis of compliance costs, which does not do nearly enough to acknowledge the problems that businesses will face in seeking legal advice.

Most businesses are legitimate and want to trade fairly, so it is incumbent on the Secretary of State and the director general to proceed whenever possible by exception, and with sensitivity. We move now from press release to implementation, which affects business, whose costs need to be kept to a minimum.

There are still gross imperfections and a tendency to excessive intrusion in the Bill, which has been greatly oversold in its effects, but we do not think it appropriate to divide on Third Reading: like the Minister, no doubt in his case with his fingers crossed, we stand back to see how it will work in practice.

12.3 am

**Dr. Ladyman:** This is the first Bill on which I have served throughout its passage through the House. I apologise to my hon. Friends for irritating them at times, and beg their indulgence. I am grateful to Opposition Members for the challenge that they have offered throughout.

Opposition Members seem on occasions to have minimised the crimes with which the Bill is designed to deal. When people act anti-competitively, they are stealing just as much as someone who burgles or steals from one's house, so it is important that we take the matter seriously. The Government have done so; they have done good work in producing the Bill, and I am proud to have helped with some parts of that process.

12.4 am

**Mr. Chidgey:** I, too, do not intend to detain the House for long—*[Interruption.]*—although I am grateful for the support that I seem to be gathering from all corners of the House; the longer it goes on, the longer I will go on.

The Liberal Democrats have made it clear since Second Reading that we support the main principles in the Bill and welcome the strengthening of competition law by the two major prohibitions: the chapter I prohibition on agreements to prevent, restrict or distort competition, and the prohibition of abuse of a dominant position. We have had many interesting, but not necessarily satisfactory, debates on those. We also agree with the principle of providing for a new regime to be applied and enforced by the Director General of Fair Trading and giving powers to investigate if reasonable grounds for suspecting that either of those two prohibitions have been infringed.

However, it is about the body of the Bill, the substance of the debate and the detail of the arguments that our reservations have remained—reservations which the Government have failed to overcome in spite of extensive debates, attempts to amend the Bill and lengthy probing in Committee.

Hon. Members will recall that the Bill came to the House from the other place with key amendments, which in the main met our fundamental reservations about the Bill. During our debates, the Government have seen fit in every case to overturn those amendments—specifically, measures to clarify the exclusion of vertical agreements, to resolve the issue of retail price maintenance on over-the-counter medicines and the effect that that will have on community pharmacies, and to tackle the dangers of predatory anti-competitive practices in reducing the diversity and independence of our national newspaper press.

The last is the key issue—the Government's refusal to recognise the limitations of the Bill in dealing with predatory anti-competitive practices in the national press. The Government have claimed that the various amendments tabled at different stages were all unnecessary and unworkable, yet they know only too well that independent and highly respected legal advice has

*[Mr. Chidgey]*

argued to the contrary. At the very least, the Government's legal advice is saying one thing and equally eminent, reliable and respected advice is saying the opposite. That means that we may enact a Bill which will be a field day for lawyers and a great benefit to those organisations that intend to pursue predatory practices.

The Government should reflect on that, as this Bill could well be a Pandora's box for the future. I hope that it will not be, and that, through the various processes, we will find some strength in it. If we do not, the Government know where the blame will lie.

12.7 am

**Mr. Brooke:** I shall be exceptionally brief.

In the first debate of this Parliament, I said that the battle of Isandhlwana was over, and the defence of the mission station at Rorke's Drift was about to begin. The Minister of State, who was good-humoured throughout our proceedings, paid me the, perhaps unconscious, compliment of echoing that thought. In Committee, he picked up a reference of mine to faith and bestowed the soubriquet of "Faith, Hope and Charity" on my right hon. Friend the Member for Wokingham (Mr. Redwood) and my hon. Friends the Members for Daventry (Mr. Boswell) and for Westmorland and Lonsdale (Mr. Collins), the Whip.

Whether consciously or unconsciously, the Minister bestowed upon them the names of the three Fairey Swordfish biplanes that, at the start of the world war two assault on Malta, represented the entire British aerial defence of the island available to the Governor. The Government may mock the resources available to this side of the House, but the three Fairey Swordfish successfully defended Malta, and we went on to win the war.

12.8 am

**Mr. Howard Flight** (Arundel and South Downs): As perhaps one of the few Members of the House who have run businesses around the world, I welcome in principle an improvement in competition law. It has been my experience that north America and even Asia have considerably more open and competitive economies than continental Europe or the United Kingdom. However, I am not entirely sure whether the primary objective of the Bill is harmonisation with European competition law or the improvement of competition in Britain.

The Bill has grave weaknesses. We have already heard of the problems of harmonising with European law relating to intrastate versus interstate under article 85. We need to harmonise on whether cases will be heard in one jurisdiction when they could be dealt with in two. Companies will have the problem of requiring clearance both in Europe and in the United Kingdom. There is the problem of whether UK authorities can vary exemptions obtained in Europe, which could add to the muddle.

The Bill will create uncertainty, and it will give too much power to the Director General of Fair Trading, rather than providing democratic accountability through the President of the Board of Trade. It will be a burden on medium and small businesses. I am particularly concerned that those who run oligopolistic companies seem too relaxed. I hope that the Bill will improve competition, but I fear that it tries to do two different things, and that it will fail adequately to achieve either.

*Question put and agreed to.*

*Bill accordingly read the Third time, and passed, with amendments.*

# Economic Development (North Northumberland)

*Motion made, and Question proposed,* That this House do now adjourn.—*[Mr. Pope.]*

12.10 am

**Mr. A. J. Beith** (Berwick-upon-Tweed): The Minister for Competition and Consumer Affairs has been on the Treasury Bench for most of the past seven hours, but I must detain him a little longer. A matter of importance to people in my constituency has arisen from the announcement last week by the Dawson Group of more than 700 redundancies. The group, which owns Pringle, the knitwear company, has blamed the high pound, a reduction in far east markets and general economic conditions, all of which have presented severe obstacles to exporting companies, particularly those producing quality products for the far east. However, the company has had its own failings in the United States and in its marketing strategy.

It is a tragedy for Berwick that so many jobs should be lost in the borders. Pringle has been in Berwick for 50 years, and the factory that is to close currently employs 280 people. The remainder of the 700 jobs are in other parts of the borders. Pringle used not say much about the Berwick factory; I think that it thought that too high a profile for the significant part of its product that was expertly made in England would undermine its claim to be Pringle of Scotland. Privately, however, Pringle recognised how successful that manufacturing unit was.

The shock closure follows many years of job losses in a small town that cannot stand so many losses. Recently, 200 jobs were lost at Pringle. More than 100 jobs were lost when Polychrome left Berwick. About 100 seasonal jobs in the salmon fishing industry have been lost. More than 150 went when the shipyard closed. Other trades, including agriculture and engineering, have also had significant job losses. The latest blow is devastating for the families involved. The loss to the local economy will add up to millions of pounds in wages that passed through the town's businesses and contributed to the welfare of all.

We need help, on both sides of the border, and some of the crisis can be dealt with on a cross-border basis. Reports in London newspapers have referred to closure of two Scottish factories by Pringle, carefully omitting to mention that one of them is in England. That is why the English Minister responsible for industry—Scotsman though he is—is here to answer this debate. His counterpart at the Scottish Office, the Minister for Education and Industry, has also been closely involved in discussions since the redundancies were announced. He said:

"I recognise that a significant proportion of the people working in the Berwick factory are resident on [the Scottish] side of the border."

There are many reasons why the Scottish Office must remain interested in what is happening not only in Scottish parts of the borders, but in Berwick-upon-Tweed, for which the English-based Minister is responsible.

The Minister for Education and Industry, Scottish Office visited Hawick two days after the closure announcement. He announced a package of measures at a meeting arranged before the closure by my hon. Friend the Member for Roxburgh and Berwickshire (Mr. Kirkwood). The package aroused much interest. My hon. Friend described it as the beginning of an answer, feeling grateful that the measures had been announced but that more needed to be done. From the English side of the border, the question that comes to mind is: what is our equivalent of those measures? That is one of the things that I hope the Minister will tell us tonight.

The Scottish Office Minister announced an additional £1 million for Scottish Borders Enterprise immediately; a commitment to best endeavours to find additional extra funding if Scottish Borders Enterprise can bring forward further viable projects; the setting up of a new rural inward investment unit within Locate in Scotland, which will attract investment to areas such as the borders; a commitment to provide the borders with reallocated, unused European structural funds if any become available; and a commitment to keep discussions with the Dawson Group open and to assist it in redevelopment. We are anxious that that may lead to the funding of new factory development on the Scottish side of the border to replace factory capacity still available on the English side. That would make no sense.

The Scottish Office Minister also announced Scottish Office support for an IT link between Heriot-Watt university and the Scottish college of textiles and mentioned other measures already announced, such as the designation of Hawick as a property employment support programme area and the expansion of telecoms infrastructure in the borders. In some parts of the borders, it is even less developed than it is in Berwick. The package must have some English counterpart, and I hope that the Minister will say what it is.

I wish to put to the Minister some other measures that should form part of the response on the English side. On European funds, we are already anxious about the potential loss of objective 5b funds, which have been a source of some help for industrial projects in north Northumberland. Northumberland and Durham's joint bid for objective 1 funding has been jeopardised by the claims of European statisticians that it is not a cohesive area. I contradict that argument. I hope that the Government will continue to press actively for objective 1 status.

I wonder whether the Retex scheme for textile areas still has funds in it that could be made available to help replace lost textile jobs in the area. The loss of jobs in the textile industries is recognised across Europe as requiring special help.

There are employment measures that could be taken. The Government could accelerate the new deal programme for over-25s. On present plans, it will be some time before they become eligible, and redundant Pringle workers would not be become eligible until they had satisfied the 12-month rule. In other areas, I think that measures have been taken to exempt redundant workers from that limitation. It could be done alongside bringing forward the new deal measures for over-25s so that they become available more quickly in Berwick. I hope that the Minister will press his colleagues to pursue that course.

To attract new industry to the area, we want to press ahead with infrastructure projects that make the area attractive to and viable for industry, of which the best known is the need to complete the dualling of the A1, which remains on either side of Berwick an unsatisfactory single carriageway road and a deterrent to industrial development. There is cross-party agreement that dualling

*[Mr. A. J. Beith]*

should go ahead. We await the announcement of the roads review with trepidation. I hope that the news about Pringle has been telegraphed to the Department of the Environment, Transport and the Regions so that it realises that A1 dualling has assumed even further importance as we try to make the area attractive to industry.

Berwick has longer-term plans for a rail freight terminal. We want that development to be encouraged. There are also various local projects in different Government Departments and with other bodies which, in these circumstances, Ministers should try to help along and give a sympathetic nod to. There is a private finance initiative bid by the council for 250 houses to be built by housing associations in the town and the surrounding area; I hope that that will be encouraged. There is a foyer project for young people in the Old Granary in the town centre. There is a heritage lottery bid for completion of townscape work that has already been begun, but has been set back by a change in the national heritage fund rules and system of bidding. I am concerned about that, because we need such work to continue; it provides some continuing employment during the present crisis and helps to attract people to the town.

I emphasise that many of my suggestions go beyond the Department of Trade and Industry. What needs to be done is interdepartmental, involving many Government Departments, and cross-border. We used to have an eastern borders development association that recognised, by its very existence, that the eastern borders had a coherence. Indeed, the borders as a whole, with their shared dependence on the textile industry and agriculture, have many features in common; people travel across the border, and businesses ignore the border as their activities cross it continuously. We have to look at the impact on both sides of the border of measures of this sort.

A practical way forward is to respond to the present crisis by getting the relevant agencies together and knocking heads together so that we can get some co-ordination of possible solutions. That could be done by forming a task group, which could meet in Berwick and draw together all those who have a contribution to make, ensuring that action in Berwick was related to that in the adjoining borders. That group could include the local authorities from both sides of the Border—Northumberland county council, Berwick-upon-Tweed borough council and the Scottish Borders council—the Northumberland training and enterprise council, Northumberland business link, English Partnerships, the Northern Development Company, the Government office for the north-east and Scottish Enterprise. The group would embrace the means to cover local business development, training measures, the attraction of new activities to the town and the provision of the new infrastructure and facilities to support new growth. In addition, it could press the European funding issues I mentioned.

The work would be greatly helped if the Government looked again at Berwick's status for development purposes. Berwick lost its assisted area status in 1984, but, much more recently, the Rural Development Commission excluded Berwick from the areas in which it did economic regeneration work, even though that work was vital to the rural hinterland around Berwick, whose population's prospects depended on what happened in the town. Now that the factory closure has taken place, surely this is the moment to reintroduce the RDC work into Berwick. That work is in the process of being transferred to the regional development agency, but, before that process is completed, a decision should be taken that Berwick should be included within the rural project work that used to be undertaken by the RDC.

All that work can be better advanced if we get the various agencies together, recognise that many Departments, governmental bodies and local government bodies have a contribution to make, and acknowledge that the problem is a cross-border issue. We have to get people moving to draw together the resources that are already available through existing channels and to put in bids for the new funds that will be needed for significant new action.

Over the years, the nominal unemployment rate in Berwick may have appeared low, but, as in much of the borders, that is partly because young people simply give up and go away to find work elsewhere. The actual unemployment rate will be increased by 50 per cent. as a result of the closure of the Pringle factory. The situation has worsened significantly, so action of the sort that I have outlined is now essential.

12.24 am

**The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Nigel Griffiths):** I congratulate the right hon. Member for Berwick-upon-Tweed (Mr. Beith) on securing this important debate. The right hon. Gentleman has represented his constituency for 25 years and he spoke with considerable knowledge. I grew up in the borders and I have always taken a keen interest in the issues affecting Berwick, Galashiels, Hawick and the other conurbations. I am pleased to be able to respond on behalf of the Government.

I worked briefly in a textile mill and I have some first-hand knowledge of the sector. I am sad, but not surprised, that neither the shadow President of the Board of Trade nor any of his Conservative colleagues have appeared in the Chamber to listen to this important debate on the problems facing the textile industry, particularly in the Berwick area. I am afraid that it is yet another example of the Opposition failing to know or care about the problems that have been raised.

The textile and clothing sector is of great importance to the United Kingdom economy, to local employment and to regional economies. The sector is the ninth largest UK manufacturing industry, if we include footwear. Manufacturers' sales total over £17 billion and the value of exports was over £7 billion in 1996, the latest figure available. With employment totalling over 421,000, it is clearly an important and significant employer. That is why my hon. Friend the Minister for Science, Energy and Industry has met representatives of the textile, clothing and footwear industries over the past six months. He has had the opportunity to discuss with them the important issues affecting that sector.

The Government are supporting a range of activities aimed at improving the competitiveness of the textile and clothing industries. These include projects to help improve marketing skills, develop supply chain partnerships, encourage better links with industry and academia and improve environmental performance,

as well as promoting the profile of the industry and assisting young fashion designers, which I know that all right hon. and hon. Members will welcome. My hon. Friend has also initiated a dialogue with the leading trade associations and with the trade unions with a view to reviewing and establishing a national strategy for the textile and clothing industries.

Let me indicate the help that has been given and then go on to deal in more detail with some of the other points raised by the right hon. Member for Berwick-upon-Tweed. In the five years from April 1993 to 31 March 1998, enterprises in Northumberland received 127 offers of financial assistance from the regional selective assistance scheme. That totalled almost £24 million. The projects involve a total investment of £156 million, and they aim to create 3,340 new jobs and safeguard 865 existing jobs.

The right hon. Gentleman told us of some of the ways in which the Scottish Office has been able to respond to the Pringle closure, which demonstrate the value of regional autonomy. That is not yet available in the English regions, but the Government have introduced legislation that will result in the creation of regional development agencies. They will be in operation in April 1999. Until then, the Government's response will be as strong and positive as possible.

A number of steps have been taken so far in response to the local crisis to which the right hon. Gentleman referred. The regional director of the Government office for the north-east has already been in contact with Berwick-upon-Tweed borough council and will be visiting soon to co-ordinate a response group. That group already includes the Northumberland training and enterprise council, the Employment Service, Northumberland county council, Berwick-upon-Tweed borough council, Scottish Border Enterprises and representatives from Pringle. Initially, it is trying to help those affected by the redundancy by improving counselling, careers guidance and advice on retraining opportunities. The group will also examine ways in which to make better use of resources, including the Government's new deal programme and funding from a range of European sources.

The right hon. Gentleman has asked me whether his constituency is eligible for Retex assistance. Berwick-upon-Tweed is eligible for assistance under the EU's Retex II initiative. The purpose of that scheme is to provide assistance to areas affected by the decline in the textiles industry. The closure of the Pringle factory makes the area an obvious choice for funding from the scheme.

Over £500,000 is still available and can be used to provide business support to small and medium-sized enterprises, and for the conversion of former textile buildings to put them to commercial use. Another source of EU funds is the objective 5b northern uplands programme, which provides funding support for four main priorities: economic development and diversification, tourism, community development and environmental enhancement and conservation. Some £2 million of assistance is still available from that resource.

The creation of a response group provides the basis for a robust reaction to the Pringle factory closure. My officials in the Government office for the north-east understand the priority that I attach to ensuring that the group gets all possible Government support. I urge the right hon. Gentleman to liaise with the group to ensure that it benefits from his considerable expertise, which he has built up over a long period.

**Mr. Beith:** Can the Minister assure me that there is no obstacle to the response group drawing in expertise and interest from bodies on the Scottish side of the border?

**Mr. Griffiths:** I can confirm that. Scottish Border Enterprises is a member of the group and is working with representatives of Pringle and the right hon. Gentleman's local council. I hope that their excellent input will ensure that all possible local and national resources are devoted to ameliorating the problems that he has rightly highlighted in the debate.

*Question put and agreed to.*

*Adjourned accordingly at twenty-nine minutes to One o'clock.*

# House of Commons

*Thursday 9 July 1998*

*The House met at half-past Two o'clock*

PRAYERS

[MADAM SPEAKER *in the Chair*]

## PRIVATE BUSINESS

LLOYDS TSB BILL *[Lords] (By Order)*

*Order for Third Reading read.*

*To be read the Third time on Thursday 16 July.*

# Oral Answers to Questions

## EDUCATION AND EMPLOYMENT

*The Secretary of State was asked—*

### Education Action Zones

1. **Mr. John Gunnell** (Morley and Rothwell): What is the timetable for *(a)* applications and *(b)* decisions on the remaining education action zones which come into effect in 1998–99. [48088]

7. **Mr. Phil Willis** (Harrogate and Knaresborough): What plans he has to increase the number of education action zones in the next four years. [48094]

**The Secretary of State for Education and Employment (Mr. David Blunkett):** We had 60 applications for the present bidding round, 25 of which have been chosen to commence from September and/or January 1999, each receiving £750,000 a year for at least three years from public funds and £250,000 from other sources.

**Mr. Gunnell:** I thank my right hon. Friend for that information. Can he confirm that the Leeds local education authority can submit an application in the second phase of announcements for zone status for the inner-south Leeds family of schools, having withdrawn its earlier submission owing to reconsideration of the future for Middleton Park high school in my constituency? Will such an application get equal consideration alongside those remaining earlier submissions?

**Mr. Blunkett:** I am happy to confirm that applications from Leeds on the lines that my hon. Friend outlined would indeed be welcome. I was greatly impressed with the east Leeds initiative when I went to see it earlier this year with Madame Cresson, and I know the excellent work that is being undertaken by the schools, the governing bodies and the local education authority in Leeds. Should we be fortunate enough next week to secure the resources in the spending review to expand the number of education action zones in the remainder of this Parliament as we intend, Leeds will be a welcome bidder indeed.

**Mr. Willis:** I am deeply grateful to the Secretary of State for his final comments. He will know that my former school, John Smeaton community high school, was part of that east Leeds consortium and those words will be welcome there. Does he agree that the Liberal Democrats have strongly supported the introduction of education action zones? Indeed, we welcome their expansion, provided they are successful. Does he also accept that if an education action zone fails, it is the local education authority that has to pick up the pieces, so it is important that LEAs have representatives on education action zone forums?

**Mr. Blunkett:** We see education action zones as a partnership. Sometimes the LEA is the chair, sometimes business, and sometimes the schools have led the bid, as is the case with east Basildon and Croydon. Wherever the leadership comes from, partnership is crucial. The representation of all interests ensures that they can work together. Although I share the hon. Gentleman's sentiments about that partnership approach, the pieces would have to be picked up by all working in and being educated in the zone—the schools, the governing bodies and the LEA would be included, but parents and children would be at the receiving end. Our task is to ensure that education action zones do not fail, but we should learn the lessons from them and spread what works best as quickly as possible to the remainder of the education service.

**Mr. John Cryer** (Hornchurch): Does my right hon. Friend accept that there is some concern about the commercial input in certain education action zones? Can he specify exactly what will be the role and input of companies such as Shell in the zones?

**Mr. Blunkett:** I want to make it clear that I greatly welcome the tremendous commitment and enthusiasm that is being shown by business, in both cash and kind, to education action zones. I deprecate the abuse that some companies received at the hands of the broadcast media when we made the announcement The spectacle of Jeremy Paxman and others attacking those who were giving freely of their time and committing their resources, equipment and materials was a disgrace.

We welcome commitment—whether from Shell, British Aerospace, Marks and Spencer or BT—such as that in Hull, where British Aerospace is linking Hull with Rotterdam, and that in north-east Lincolnshire and Grimsby, where assistance is being given to link every home to schools, so that the network can provide education in the evenings, at the weekend, in the holidays. It is the beginning of a process for the future which will be achieved only if people come together and commit themselves to making it work.

**Mr. Nick St. Aubyn** (Guildford): Schools in education action zones will be buying books, computers and equipment from companies that operate for profit. Does the Secretary of State have any objection in principle to

schools or schemes buying management or teaching services from companies that operate for profit, such as the Edison project in the United States?

**Mr. Blunkett:** I should be extremely careful not to endorse any private enterprise that is engaged in the education system, as I would disqualify it automatically from any future partnership or bidding process. As people buy equipment, design, cleaning and other services, we will expect the education service, not just in education action zones but elsewhere, to buy expertise wherever and whenever it is required. I make it clear again, as I have done publicly before, that education is not for sale. Education action zones are not the beginning of a process of privatisation.

### Further Education Colleges

2. **Ms Beverley Hughes** (Stretford and Urmston): What plans he has to ensure that the members of the boards of corporations of further education colleges are representative of the communities they serve. [48089]

**The Parliamentary Under-Secretary of State for Education and Employment (Dr. Kim Howells):** My right hon. Friend the Secretary of State published on 5 March a consultation paper, "Accountability in Further Education", which addresses the matter. Responses are invited by 24 July.

**Ms Hughes:** I thank my hon. Friend for that answer. May I inform him that, on a recent visit to my local further education college, I discovered that, of the 22 board members, seven represent staff and six represent local schools and business? Another eight—the single largest group—were appointed by the funding council; and of those, only one lives in the area served by the college. The other seven live up to 30 miles away in highly suburban areas, which are very different from the inner city where the students come from. There is no one from a minority ethnic community, despite the composition of the student group, and there are no parental links among that group with the college. Does he think that right?

**Dr. Howells:** I certainly do not think that that is right. We recommended in our Green Paper "The Learning Age" a great deal more accountability for the boards of further education colleges. The changes that we are proposing are designed to assist that process. For example, we shall restore the ability of local authorities to provide governors. Arrangements will be monitored very rigorously by the Further Education Funding Council, and the findings will be available publicly as part of its inspection reports.

### Welfare to Work

3. **Mrs. Linda Gilroy** (Plymouth, Sutton): What steps he is taking to help people who are unemployed and over the age of 25 off benefits and into work. [48090]

**The Secretary of State for Education and Employment (Mr. David Blunkett):** My right hon. Friend the Minister for Employment, Welfare to Work and Equal Opportunities and I launched on 29 June the programme for adult long-term unemployed people, providing £75 a week subsidy, advice and counselling on the lines of the initial gateway for the younger unemployed, and up to a full year's full-time education for those for whom it is appropriate. In pathfinder areas, we are also providing forward funding for the skills initiative, which will help to overcome the skills shortage that has been identified so far by our skills task force.

**Mrs. Gilroy:** I thank the Secretary of State for that reply. Does he agree that, for the 678 people in my constituency who are over the age of 25 and have been unemployed for two years, the new deal represents a good deal to help them back into employment? Is he satisfied with the progress in the pilot employment zone in Plymouth, which has already attached 50 people to personal advisers who are identifying personal barriers to getting back to work and staying in work?

**Mr. Blunkett:** I am very pleased to give the employment zone and those who got it off the ground the credit that they deserve. It is an excellent initiative and we hope to be able to build on it. We are delighted with the progress made in offering the adult unemployed a real opportunity. Major companies right across the board have been prepared to sign up to the programme since 29 June, and an extra £479 million of new money is going towards helping the longer-term unemployed, on top of the £450 million that is already being put in through the Employment Service, training and enterprise councils and local enterprise companies in Scotland. That makes it possible to give hope to the long-term unemployed at the same time as investing in the future of young people.

**Mr. Andrew Rowe** (Faversham and Mid-Kent): Is the Secretary of State aware that some elements of the voluntary sector, especially those with long experience of helping people back into work, have been rather disturbed by some of the language used by his Department, which appears to imply that they have no role in the programme? Will he take this opportunity to say that that is not the case?

**Mr. Blunkett:** Yes, I am happy to do so. In each of our initiatives, as I said earlier in relation to education, there is an emphasis on partnership. The voluntary sector and those with long-standing experience have an essential part to play not only in delivering the programmes but in giving advice on imaginative ways in which we can re-engage with those who, often through no fault their own, have been out of employment for a very long time.

**Mr. John Healey** (Wentworth): Does my right hon. Friend agree that programme centres have proved more successful and more popular among the long-term unemployed, whom they were designed to help, than the Employment Service jobsearch programme? Is he aware that Rotherham is one of the national pilot centres, and that one of our two programme centres, run by QMAT—Quality Management and Training Ltd.—will celebrate tomorrow its 300th client placed in work? Given that the pilot programme centres have already proved their worth, what plans are there to extend the centres throughout the country?

**Mr. Blunkett:** I am delighted to commend the work that has been done in Rotherham, and those 300 people

have clearly benefited greatly from programmes tailored on a modular basis to their specific needs. The same principles are beginning to be applied across the board. Employment zones, with the personal job accounts, are also a new and imaginative way of making progress. My right hon. Friend the Minister for Employment, Welfare to Work and Equal Opportunities and I want to build on the experience that has been gained and develop the programmes more widely.

**Mr. Paul Keetch** (Hereford): Is the scheme under the new deal for unemployed over-25s compulsory? The design document suggests an element of compulsion, but it is not exactly clear. If there is compulsion, does the Secretary of State agree that, to offer no fifth option for the unemployed under 25 might be acceptable, but to offer no third option for the unemployed over 25 is not acceptable?

**Mr. Blunkett:** Attending for interview is compulsory, but taking one of the options available in the programme for the longer-term unemployed is not. When we develop our pilot programme from November, with £129 million of new money and programmes tailored for the 12-month to 18-month unemployed, further options will be available based on the principles set out for the under-25s.

**Mr. Andrew Reed** (Loughborough): I welcome the announcement that the over-25s will benefit from the new deal. In my constituency, the vast majority of the unemployed are over 25. Will my right hon. Friend confirm that one of the pilot projects to be launched later this year will be in Leicestershire; and that we are still on schedule to get the over-25 unemployed in my constituency back to work as soon as possible?

**Mr. Blunkett:** Yes, I can confirm that that will be one of the pilots, with Fernley business services. It will provide a way for us to test out the most effective and imaginative ways of ensuring that we put behind us the scourge of allowing people to languish on the unemployment register without the prospect of being able to earn their living.

## Unemployment

4. **Sir Teddy Taylor** (Rochford and Southend, East): What assessment he has made of the likely trends in unemployment in the UK over the next two years; and if he will make a statement. [48091]

**The Minister for Employment, Welfare to Work and Equal Opportunities (Mr. Andrew Smith):** By long-standing convention the Government do not publish forecasts of this kind.

**Sir Teddy Taylor:** While some of us think that the general outlook is rather depressing, does the Minister accept that the special problems of seaside towns like my constituency, where unemployment is particularly high, deserve his attention? One of my wards has 25 per cent. unemployment, yet we are denied all kinds of grants because we are counted as being in travel-to-work areas where unemployment is much lower.

Would the Minister be willing to have a special look at this problem, particularly over the next two years? Would he discuss with other colleagues in the Cabinet the possibility of changing the travel-to-work area basis for grants, bearing it in mind that in Southend we have lots of unemployment but no grants whatever?

**Mr. Smith:** As the hon. Gentleman will be aware, we have as part of the new deal and our wider welfare-to-work initiative looked at the problems of seaside areas and the particular issues of seasonality as a factor in unemployment, and we have amended the criteria for early entry to the new deal programme to allow personal advisers the discretion to admit people early where seasonality and the pattern of work have been damaging prospects for employment.

I hope that the hon. Gentleman and other colleagues who represent seaside areas will acknowledge that we appreciate their particular needs. The hon. Gentleman referred to definitions of areas for particular help, and the matter is under consideration. It is primarily the responsibility of my right hon. Friend the President of the Board of Trade; I shall make sure that the hon. Gentleman's concerns are drawn to her attention.

**Ms Hazel Blears** (Salford): As my right hon. Friend is aware, the Manchester City Pride partnership responsible for delivering the new deal in Salford has applied to be a pilot project for the extension of the new deal to the long-term unemployed. Would not that be an excellent way to attack the unemployment problem, particularly in inner cities? A key issue for people wanting to become self-employed and to start their own business is access to capital, but in many inner-city areas, that is difficult. What help can the Minister provide to ensure that unemployed people have a real chance to set up their own business and so reduce the unemployment which is the scourge of many inner-city areas?

**Mr. Smith:** As part of the new deal for the young unemployed, help and advice will be available on progress to self-employment, and that will include advice on access to capital. As part of the new deal for the long-term unemployed, which started on 29 June, we shall extend access through work-based training to self-employment help and business start-up support. Where local TECs, like City Pride, can make that available, that will also be a feature of all the pilots which will be starting in November. I cannot endorse any particular pilot because we have to make a selection judged on the merits of the case, but I recognise the high quality of the delivery of the new deal for the young unemployed in Manchester.

**Mr. David Willetts** (Havant): The Minister may not want to forecast unemployment now, but before the election he was happy to promise that he would make savings in benefits to unemployed people in order to spend more on education. Will he confirm that the number of unemployed people claiming benefit is now rising? Is that why the Government are incapable of delivering their pledge to raise the proportion of GDP on education spending?

**Mr. Smith:** The hon. Gentleman would do well to recall that since the Government were elected to office, employment has risen by 300,000, unemployment claimants are down by 270,000, and International Labour Organisation unemployment is down by 265,000.

The hon. Gentleman referred to recent trends. In the first quarter of this year employment increased by 60,000 and unemployment decreased by 35,000.

When the public hear these claims from the Opposition, they will not forget that it was the Conservative Government who took unemployment above 3 million, who condemned more than 1 million young people to unemployment, and who presided over interest rates at 15 per cent., inflation at nearly 10 per cent., and record levels of bankruptcies and repossessions. There can be no return to the boom and bust and the incalculable damage inflicted on the British people by the Conservative party.

## Moral Instruction

5. **Mr. Tony McWalter** (Hemel Hempstead): If he will issue guidance to schools to develop the capacity of school students to reason about moral issues; and if he will make a statement. [48092]

**The Parliamentary Under-Secretary of State for Education and Employment (Ms Estelle Morris):** The advisory group on education for citizenship and democracy has identified moral reasoning and responsibility as a vital component of citizenship in its initial advice and will be making final recommendations in July.

**Mr. McWalter:** I thank my hon. Friend for that answer and for her interest in the question. Does she accept that many people leave school with an elementary or poor grasp of moral concepts and moral reasoning, and that perhaps we should get on with this matter with rather more haste than we have so far?

**Ms Morris:** I am grateful to my hon. Friend for that question. We could not have acted with more haste—we set up an advisory group that has looked at this issue, among others, and reported within the first year of the Labour Government. I look forward to further recommendations from the group and in due time to seeing citizenship, which includes moral reasoning, represent a full part of the curriculum for all our students.

**Mr. Patrick Nicholls** (Teignbridge): Does the hon. Lady agree that denominational schools are well placed to make a contribution in this process? Does she share my concern that, having gone out to public consultation on the issue following a previous outcry, the Liberal Democrat-controlled Devon county council has introduced a charging regime on parents who want to send their children to denominational schools, using figures described by the principal of Cuthbert Mayne school as nonsensical? Is it possible that, in the study that the hon. Lady mentioned a few moments ago, she might consider the question of denominational transport? While it clearly is not her fault that this situation has arisen, she is now in a position to do something about it.

**Ms Morris:** I congratulate the hon. Gentleman on managing to bring denominational transport into a question about moral reasoning. It is for him to deal with what local Liberal Democrats are doing in the area that he serves. I agree with the first part of his question, however. I am greatly persuaded when I visit denominational schools in my constituency and beyond that they have a clear understanding of the shared values of the religious community. Part of the work on this aspect of education involves the encouragement of all our schools to acknowledge the shared values that are so important to every community—both school communities and the wider community.

**Mr. Eddie O'Hara** (Knowsley, South): Does the Minister agree that the way to develop moral reasoning is not only to impart knowledge to pupils but to give them the opportunity to put that knowledge into practice by interacting in curricular and extra-curricular activities? That is a good example of how both didactic teaching and active learning have their part to play. Those who overemphasise passive learning are pointing the route towards moral illiteracy among pupils.

**Ms Morris:** I have some sympathy with what my hon. Friend says. It is important to remember that giving children the opportunity to develop moral reasoning is not about telling them blindly to obey what other people say but about teaching them to become active citizens, to understand shared values and to grasp why there is a need for right and wrong both in school and in the wider society. That is what we aim to do with the extra emphasis that we are putting on citizenship. We want to enable students to grow up to be full and active citizens. That means teaching why we have right and wrong and why moral values are so important to society.

**Dr. Julian Lewis** (New Forest, East): Is it not ironic that politicians should be talking about giving moral guidance to schoolchildren in a week in which the phrases "cash for access" and "Tony's cronies" have passed into the political lexicon? Is it not doubly ironic that this talk should be happening at a time when religious education and religious moral guidance are continually under pressure in schools?

**Ms Morris:** It is interesting that the hon. Gentleman should raise that issue—one that I thought might be raised. One of the reasons why we set up our advisory group on citizenship, including moral reasoning, so speedily was that we saw the lack of ability to develop moral reasoning in the past as one explanation of why the previous Government thought that it was acceptable to receive cash for questions.

## Local Education Authorities

6. **Mr. Mark Todd** (South Derbyshire): What proposals he has to redress inequities in resources allocated to local education authorities. [48093]

**The Minister for School Standards (Mr. Stephen Byers):** We are currently reviewing the education standard spending assessment formula and the additional education needs index with the objective of achieving a fairer system. Decisions will be taken in the autumn.

**Mr. Todd:** I thank the Minister for the time that he spent meeting representatives of two deprived schools in my community, Newhall infants and Church Gresley St. George's. May I draw his attention to comments made by David Hart, the general secretary of the National Association of Head Teachers, who described the current

system for allocating money to schools as grossly unfair? May I also draw his attention to the discrepancy between Derbyshire, where a primary school child receives support to the tune of £1,275 a year, and Kensington and Chelsea, where a child has £2,384 spent on his or her education? Can he explain or justify such a difference?

**Mr. Byers:** I do not intend to justify a system that we intend to change. We inherited from the previous Government a system under which the additional education needs index, which is supposed to measure poverty, lists Torbay as being more impoverished than Sheffield. and Barnsley as being in less poverty than Bournemouth. The system is clearly fundamentally flawed, and we will change it to ensure a fairer system for counties such as Derbyshire so that money can be invested in schools in areas that deserve funding.

**Sir Sydney Chapman** (Chipping Barnet): Do I take it from that reply that the Minister does not deny a report in the *Evening Standard* a week ago that the Government plan to transfer funding from London to other parts of the country? [HON. MEMBERS: "Good idea."] My constituents will be interested to hear that. As the Minister is undertaking a review, will he consider seriously the need to increase funding in London because of huge cost increases exemplified by an alarming increase in vacancies for teachers in the metropolis?

**Mr. Byers:** We will move to a fair and transparent system for allocating resources. The standard spending assessment regime is only one part of the picture, and it must be considered alongside the comprehensive spending review, which will be made known to the House next week. Together, the review and the new assessment regime will put in place financial support so that every school can deliver high standards and the quality of education that our children deserve, both in London and elsewhere.

**Ms Joan Walley** (Stoke-on-Trent, North): I thank the Minister for turning his attention recently to the needs of education in Stoke-on-Trent and Staffordshire. His review of the SSA will be crucial in dealing with the year-on-year cumulative underfunding our schools have suffered. May I refer him to the recent Coalfield Communities campaign report, which will tell him that educational achievement in Stoke-on-Trent averages 30 per cent. whereas the national average is 45 per cent. Will his fair and transparent review take into account the needs of Stoke-on-Trent and Staffordshire?

**Mr. Byers:** My hon. Friend has been a strong campaigner for schools in her constituency and in Staffordshire. I am sure that the steps that the Government have already been able to take to assist schools in her constituency are making a difference at long last. However, that is only a start. Step by step, we must continue to invest properly and effectively in schools in her constituency and other parts of the country. I am confident that the outcome of the comprehensive spending review next week will bring money to modernise our schools system, money for reform and money to deliver the quality of education that our children deserve and our nation needs.

**Mr. David Willetts** (Havant): Does the Minister agree with the Secretary of State, who admitted to the Select Committee on Education and Employment the other day that the proportion of national income devoted to education fell during the Government's first year of office compared with our last year in office? Does he agree that that is the opposite of what Labour pledged to the electorate? Will he say how much it would cost to meet the pledge to increase educational expenditure as a proportion of national income?

**Mr. Byers:** My right hon. Friend the Secretary of State was referring to the budget for 1997–98, which was set by the Conservative Government when the hon. Gentleman was in office. I agree with the hon. Gentleman. I condemn the fact that a reducing proportion of national wealth was going into education, but that is the legacy of his Government. Next week, it will begin to change because we shall have the outcome of the comprehensive spending review when Labour's priorities will be identified. They will include not waste, but education, health and other areas in which people want investment.

**Mr. David Drew** (Stroud): What progress has been made on the stripping out of common costs? It is bizarre that while the cost of employing a teacher in most parts of the country is similar, that factor is not taken into account in the standard spending assessment.

**Mr. Byers:** My hon. Friend raises an important point about the area cost adjustment factor in the education standard spending assessment. The Department of the Environment, Transport and the Regions is the lead Department on those matters, but I confirm that it has begun a review of how that factor works within the SSA. The outcome will be announced some time in the autumn.

## Grammar Schools

8. **Mr. Graham Brady** (Altrincham and Sale, West): How many representations he has received from parents of grammar school pupils in the recent consultation document. [48095]

**The Minister for School Standards (Mr. Stephen Byers):** The draft grammar school ballot regulations were issued for consultation on 3 June. The consultation period is continuing and will end on 31 July.

**Mr. Brady:** I thank the Minister for that answer. Will he accept my warm congratulations on the wisdom that he and his colleagues have shown in selecting Ashton-on-Mersey school in my constituency as a beacon school? Does he agree that that is a tribute to a selective system of education that is working well? The pupils who do not go to grammar schools in the borough of Trafford, far from being consigned to failure at the age of 11 as he and Labour Members suggest, are consigned to beacon schools. Is that not a tribute to a system of education that has some of the best results in the country?

**Mr. Byers:** No, it is a tribute to a Government who are prepared to put dogma to one side in the interests of children. The 75 schools that we announced as beacon schools on Tuesday demonstrate a range of abilities and talents, whether they are selective, non-selective or comprehensive. Wherever they are, if good work is going on, we want them to share the secrets of their success.

We will put the interests of children first and we believe that the interests of all children are best served in a non-selective education system.

**Mr. Damian Green** (Ashford): I am interested by the Minister's comment that he is against dogma, but against selective education as a matter of dogma. Among the 75 beacon schools that he identified this week as providing best practice was Torquay grammar school. Will he confirm that he would not want that school to be changed in any significant way because he has identified it as a beacon school? Will he urge local Labour activists to desist from any attempt to change its status, lest parents, governors and teachers at the school think him guilty of hypocrisy?

**Mr. Byers:** The future of Torquay grammar school is a matter for local parents in Torquay, as is appropriate. I have no doubt that if a school is doing well, it will have parental support and there is nothing for it to fear. Let us be open. The policy of the Labour party and the Government is clear. We are not going to return to the days when at 11, the majority of our children were condemned as failures so that a few could have a superior education. Our goal in government is to ensure that all children have a high-quality education, and we intend to achieve it.

### Family-friendly Employment

9. **Mr. Vernon Coaker** (Gedling): What steps he is taking to promote family-friendly employment practices. [48096]

**The Parliamentary Under-Secretary of State for Education and Employment (Mr. Alan Howarth):** We are working across Government to promote family-friendly employment policies in a range of ways. My Department's contribution includes the national child care strategy and publicising the business case for such policies.

**Mr. Coaker:** Does the Minister agree that this is a most crucial area of Government policy and that, if we are to bring about change in the country, family-friendly employment practices are extremely important? Does he agree also that there is a long way to go in terms of increasing employers' awareness of all that is available and bringing the standards of practice of the poorest employers up to the standards of the best?

**Mr. Howarth:** My hon. Friend makes a fair point. There is much happening through the national child care strategy and the policies set out in the "Fairness at Work" White Paper, which reflect the importance that my hon. Friend and I and the Government attach to family-friendly policies. I appreciate that it is a complex story, and we shall make every effort to explain the case. We have produced a summary version of our Green Paper on child care, which is available on the internet and in a range of languages in accessible formats. We are supporting parents at work by producing a pack for employers. This afternoon, I shall meet Joanna Foster, head of the National Worklife Forum, which is a campaign sponsored by industry to make the case for family-friendly policies. I shall brief business men next week for an hour at breakfast—when I hope that my hon. Friend's alarm clock will not have gone off.

**Mr. Roy Beggs** (East Antrim): Does the Minister accept that more families now depend on the income of both parents to ensure reasonable living standards for them and their children? Does he accept also that, although the situation will be improved by the introduction of the minimum wage, more friendly employment practices would be achieved if employers provided more flexible working hours for mothers of young children and creche facilities for the children of working mothers?

**Mr. Howarth:** I agree very much with the hon. Gentleman. More and more employers are recognising the business case for family-friendly employment practices. Such practices mean that they will be able to recruit from a wider pool of labour and retain workers whom they have trained to skill levels. Productivity will be greater because there will be less stress and absenteeism among the work force. Employers can help in a variety of ways: by supporting the child care costs of staff, sponsoring places in out-of-school clubs and holiday play schemes, linking their employees with child minding networks and operating flexible working hours and term-time working. In all those ways, employers can help their colleagues in work to balance their obligations to the employers with their obligations to their families.

### Child Care

10. **Mr. Tony Clarke** (Northampton, South): What steps he plans to take to ensure the safety of children in child care facilities. [48097]

**The Parliamentary Under-Secretary of State for Education and Employment (Mr. Alan Howarth):** The welfare of children under the age of eight in day care facilities is protected by statute under the Children Act 1989. This Department and the Department of Health jointly published a consultation paper on 27 March which poses a range of questions about the future regulation of early education and day care.

**Mr. Clarke:** Is the Minister aware that only one in three child care workers are subject to police checks and that this is due largely to inconsistencies among local authorities? Some local authorities check only their staff while others check their staff and those in the voluntary sector. In light of the Government's planned increase in child care provision, will the Minister ensure that there is greater consistency and access to police checks, thus affording more protection to our children?

**Mr. Howarth:** The safety and welfare of children is paramount among our concerns. We shall focus on it continuously in the expansion of child care that we are determined to bring about. Part X of the Children Act 1989 requires local authorities to register and inspect day care settings and child minders and, in that context, to satisfy themselves that a person is fit to care for

young children. Many local authorities use police checks, but that is not at present a statutory requirement. That is a key issue in our consultation.

11. **Miss Anne Begg** (Aberdeen, South): What arrangements he intends to introduce for the delivery of the national child care strategy at local level. [48098]

**The Secretary of State for Education and Employment (Mr. David Blunkett):** Local child care partnerships—forums in Scotland—will be established and built on in every area of the country. They will enable us to use the £12 million that we have allocated this year to establish the structures for the development of the child care strategy of the future, building on the Green Paper "Meeting the Childcare Challenge".

**Miss Begg:** I am sure that my right hon. Friend will agree that there is still great variation in both the quality and level of child care, depending on the locality in which one lives. In my own constituency, a play group will not be meeting next year because it failed to find suitable accommodation. What was lacking was co-ordination to make sure that all the different aspects of child care that make up a child care strategy were in place in a locality. May I urge my right hon. Friend to ensure that such co-ordination is present in each locality, to make sure that the different elements required to make up a full strategy are in place?

**Mr. Blunkett:** The local partnerships will ensure not only that there is co-ordination, but that we do a thorough audit of what already exists; that we put in resources to save projects that are viable and popular but are currently threatened; that we build on those by expanding those partnerships to incorporate new child care facilities, including the voluntary and private sector; and that we prepare for the introduction of the working families tax credit child care disregard, which will make it possible for millions more parents to take advantage of satisfactory, high-quality, properly inspected child care—*[Interruption.]*—in a way that has never before been possible in the United Kingdom and was never even thought of by the Conservative Members who are currently barracking me.

## National Music Service

12. **Mr. David Kidney** (Stafford): What standards he will set the national music service for the teaching of music. [48099]

**The Parliamentary Under-Secretary of State for Education and Employment (Ms Estelle Morris):** We have no plans to create a national music service. However, I can assure my hon. Friend that we do recognise the contribution that music can make to every child's education, and its importance in supporting children's cultural, spiritual and social development. That is why my Department's recent consultation paper, "Fair Funding: Improving Delegation to Schools", proposes new funding arrangements to protect existing local music services.

**Mr. Kidney:** In Staffordshire, there is an excellent music service, as I am sure the capacity audience who were at Birmingham symphony hall last Sunday will testify, after hearing 1,000 Staffordshire schoolchildren perform before them. My hon. Friend's consultation on possible central funding of the music service is of concern to areas such as Staffordshire that already have an excellent service. Will she assure me that there will be no dumbing down of music teaching in Staffordshire in the event of moving to central funding? The objective of equal access to music, both learning and performing, is excellent, but will she take the time to ensure that any change in funding leads to effects that are harmonious, not discordant?

**Ms Morris:** I am sure that last Sunday's performance by Staffordshire schoolchildren at the international convention centre, which is a very special hall in Birmingham, was well worth attending. I assure my hon. Friend that the reason for the change is to protect music services, because they have not been protected in the past and year on year, there have been cuts that have damaged what is an essential part of a child's education and development. I can give my hon. Friend the assurance he seeks that the change is not about dumbing down, but about enhancing and extending opportunity, so that never again will music in our curriculum be threatened as it has been in the past.

**Mr. Nicholas Soames** (Mid-Sussex): In endorsing the words of the hon. Member for Stafford (Mr. Kidney) about Staffordshire children's musical ability, may I say that the same is true in my constituency and in West Sussex? I am sure that the Minister knows that anything that she and the Government can do to improve music teaching and the music service in this country will be greatly welcomed. However, does she agree that there is an opportunity to establish regional centres of excellence for music teaching? Perhaps it would be a good idea to select one or two schools in each region that have exceptional musical skills and to channel children to those schools for special teaching.

**Ms Morris:** The hon. Gentleman has raised that question with me before and I have said that we are sympathetic to the idea. That is why we are putting far more resources into the specialist schools initiative, which now allows schools to make bids to specialise in music. One or two weeks ago, I was able to announce the first of the specialist schools that will concentrate on music; I am sure that the hon. Gentleman will welcome that.

I know that the hon. Gentleman will also welcome, as has been welcomed throughout the education and music world, the announcement by my right hon. Friend the Secretary of State for Culture, Media and Sport that we shall launch the youth music trust, which will enhance opportunities to learn and practise music, not only in school, but outside school. We are determined that music will play its part in the exciting programme of out-of-school learning that the Government have launched. Children will have the opportunity to spend extra time on and to have access to extra expertise and resources in learning and practising music, as in many other subject areas.

## New Deal

14. **Mr. Ivan Lewis** (Bury, South): If he will make a statement on the voluntary sector's contribution to the new deal. [48101]

**The Minister for Employment, Welfare to Work and Equal Opportunities (Mr. Andrew Smith):** I very much welcome the important contribution that the voluntary sector is making to the new deal. It has been involved from the initial planning and design stages to the delivery of gateway services and the provision of work and training opportunities. Those are now operating throughout the country, with scores of voluntary sector organisations involved, making places for thousands of unemployed young people.

**Mr. Lewis:** I welcome the central role that voluntary organisations have been given in delivering the new deal programme across the country and in my constituency. Will my right hon. Friend consider the problem that is increasingly experienced by voluntary organisations with existing projects that are working across Employment Service boundaries? They are finding it difficult to gain access to the contractual process because they are not confined to one geographical area, but their innovative projects would give young people the opportunities that they need to gain skills. Will my right hon. Friend clarify how such organisations that work across geographical boundaries can gain access to the new deal so that they can offer opportunities?

**Mr. Smith:** Yes, the new deal is a flexible and pragmatic programme, and we are developing it in response to need and potential. We are currently reviewing the operation of contracting in the new deal. There is nothing to prevent any voluntary organisation from contracting for more than one unit of delivery in the new deal, but I realise that the co-ordination of that might involve complexities that would particularly tax smaller voluntary organisations. I will ensure that the review considers that issue and that appropriate guidance is given, because we want to make the most of the enormous potential offered by the voluntary sector.

**Mr. Don Foster** (Bath): In view of the success in the pathfinder areas of the voluntary sector option in the new deal for the under-25s, will the Minister explain why there is not a similar option for the over-25s? Will he explain in more detail his plans for voluntary sector involvement in the new deal for the over-25s, particularly in view of the answer that he gave earlier to my hon. Friend the Member for Hereford (Mr. Keetch)?

**Mr. Smith:** My right hon. Friend the Secretary of State referred in an earlier response to voluntary sector involvement in the new deal for the over-25s. I underline that the new deal for the long-term unemployed not only fulfils our manifesto commitment to make available subsidies of £75 a week to employers taking on unemployed people over 25 who have been out of work for more than two years, but goes well beyond that commitment in opening up thousands of full-time education and training opportunities. What is more, in the pilots that we are developing for November, which will open up opportunities to 90,000 people who have been unemployed for 12 or 18 months, there will be a specific range of options, including the full involvement of the voluntary sector, for which the hon. Gentleman asks.

**Mr. Nigel Evans** (Ribble Valley): The Minister will remember that a few weeks ago, I mentioned the good work of Skillshare in my constituency, which provides much of the work that Skillshare does in other parts of the country and is under threat of closure because of the withdrawal of funding by Lancashire county council. The Minister has written to me about that, although he offered no hope whatever, but will he today congratulate Skillshare on obtaining funding from a trust set up by Ultraframe, a private firm in my constituency? Its owners, John and Rosemary Lancaster, have today guaranteed funding for the next 12 months. Will he also take a fresh look at ways in which he can assist organisations such as Skillshare to ensure that they will have some hope of life after the 12 months is up?

**Mr. Smith:** I commended Skillshare, along with other voluntary sector providers to the new deal, in my answer to the hon. Gentleman last month. As he says, I have written to him, and I have encouraged those in the field to make contact with Skillshare to find out what help can be made available. This is not, perhaps, the week unreservedly to endorse any commercial sponsorship arrangements without knowing the details, but if Skillshare is able to continue to provide good-quality support to programmes that help the hon. Gentleman's constituents, no one will welcome that more than me.

## GCSE Students

15. **Mr. Barry Sheerman** (Huddersfield): If he will estimate how many students achieving average and above average results at GCSE level do not continue into further education. [48102]

**The Parliamentary Under-Secretary of State for Education and Employment (Dr. Kim Howells):** The youth cohort study of 1996 showed that 44 per cent. of all GCSE candidates in England achieved at least five passes at grades A* to C. Of those, some 2 per cent. did not go on to any form of further education or training.

**Mr. Sheerman:** I am grateful for that information, but it does not exactly square with what I have from the House of Commons Library, which suggests that only 90 per cent. of high-ability students go on to further education and that about 40 per cent. of average students are lost to further education. Even if we split the difference, the situation is serious. Could not my hon. Friend encourage sixth-form colleges and the rest of the further education sector to take a leaf out of the book of the private sector, and to start looking at their supply chain to see what happens to good-quality students who fail to go on to A-levels and university? Saving those kids before it is too late must be the best investment that could be made in the education sector.

**Dr. Howells:** We are revamping the careers service to concentrate on precisely those young people who appear to be dropping out when they should be going on to further study. It was a great pleasure for me this morning to launch a new initiative called the Eagle campaign,

linking St. John's college, Cambridge, with Lambeth local education authority. It will try to construct compacts with schools in the area to encourage children to reach for the sky in their educational attainment. That is important. Far too many of our universities tend to look beyond the towns and wards that surround them and search nationally for students, when they should be looking on their own doorstep and finding out how to encourage young children to raise their aspirations and sense of self-esteem so that they go to university and good further education colleges.

**Mrs. Theresa May** (Maidenhead): If further education colleges are to encourage more students to come through their doors in the innovative way suggested by the hon. Member for Huddersfield (Mr. Sheerman), they need to retain their independence and flexibility in order to innovate and provide the courses that best meet the interests of the local community and local employers. Is the Minister aware of the concern in the further education sector that the Government might reduce independence and impose the dead hand of centralisation on the sector? Will the Minister take this opportunity to give some comfort to the sector by assuring it that at least the Government will not reduce the proportion of business governors on the corporation bodies of further education colleges?

**Dr. Howells:** We are not interested in placing dead hands on anything; we are interested in tearing off the dead hands that the previous Government imposed on so much of the education system. We will open up the accountability of further education college boards so that they reflect the communities that they serve. That means that they will be able to tap the full potential of the community, not just friends of business men who happen to have been placed there by the previous Government.

**Ms Margaret Hodge** (Barking): Does my hon. Friend agree that the previous Government's legacy of the worst participation rate of 16 to 18-year-olds in education of any of our major competitors is disgraceful? Will he give serious consideration to the proposal in the report by the Select Committee on Education and Employment to abolish child benefit and transfer those resources to a means-tested allowance for students as an incentive for young people to remain in education?

**Dr. Howells:** My right hon. Friend the Secretary of State and my hon. Friends in the Department are looking very closely at post-16 provision in this country. In doing so, we shall talk to every other Department in Whitehall about how it might be possible to move towards the optimum in terms of persuading young people to partake in education and training after 16. We shall be looking at every possible means of attaining that; no holds are barred.

**Mr. Tim Boswell** (Daventry): At least the Minister spared us the suggestion that his aspiration is to ensure that all children are above the average, but leaving that aside, will he acknowledge that the most important thing is to cause them to aspire to achievement, and to provide the means of giving them the information to achieve their full potential? In that connection, will he remember the importance of the further education colleges and—despite his somewhat grudging remarks—the remarkable fact that, when a previous Administration gave them their independence and released their energies, the level of participation and of involvement rose with unprecedented speed?

**Dr. Howells:** I would be the last person to begrudge the achievements of further education colleges. I believe that they have done a superb job, especially given the appalling situation in which they found themselves under the previous Government. That is why two thirds of them found themselves in very difficult financial circumstances, and why they must cut their way out of the jungle of absurd bureaucracy that characterises the brokering of education in further education colleges in this country.

## Business of the House

3.30 pm

**Sir George Young** (North-West Hampshire): May I ask the Leader of the House to give us the business for next week?

**The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor):** The business for next week will be as follows:

MONDAY 13 JULY—Opposition Day (17th allotted day). Until about 7 pm, there will be a debate that the Opposition have entitled "The Crisis of Manufacturing and the Deterioration in Industrial Relations". That will be followed by a debate that they are calling "Incompetent Management at the Department of Social Security". Both debates will arise on Opposition motions.

Consideration of a Lords amendment to the Teaching and Higher Education Bill *[Lords]*.

TUESDAY 14 JULY—Estimates Day (2nd allotted day).

There will be a debate on the UK beef industry, followed by a debate on the structure and funding of university research. Details will be given in the *Official Report*.

At 10 pm, the House will be asked to agree all outstanding estimates.

Remaining stages of the Registration of Political Parties Bill.

WEDNESDAY 15 JULY—Until 2 pm, there will be debates on the motion for the Adjournment of the House.

Proceedings on the Consolidated Fund (Appropriation) (No. 2) Bill.

Consideration of any Lords amendments that may be received to the School Standards and Framework Bill.

THURSDAY 16 JULY—Debate on public expenditure on a motion for the Adjournment of the House, which will follow a statement on the White Paper on public expenditure, which will take place on the previous Tuesday, the 14th.

FRIDAY 17 JULY—Debate on NATO enlargement on a motion for the Adjournment of the House.

The provisional business for the following week will be as follows:

MONDAY 20 JULY—Second Reading of the Northern Ireland Bill, which will be published next week.

TUESDAY 21 JULY—Opposition day (18th allotted day). There will be a debate on an Opposition motion, the subject of which is yet to be announced.

WEDNESDAY 22 JULY—Until 2 pm, there will be debates on the motion for the Adjournment of the House.

Consideration of any Lords amendments that may be received to the Government of Wales Bill.

Progress in Committee of the Northern Ireland Bill.

THURSDAY 23 JULY—Consideration in Committee of the Northern Ireland Bill.

FRIDAY 24 JULY—Consideration in Committee of the Northern Ireland Bill, which I envisage will be brought to a conclusion on Monday 27 July.

The House may also be asked to consider any Lords messages that may be received.

*[Tuesday 14 July 1998:*

*Estimates Day [2nd allotted day] Class IV, Votes 1 and 2: Intervention Board-Executive Agency and Ministry of Agriculture, Fisheries and Food in so far as they relate to the UK beef industry. Relevant reports: third report from the Agriculture Committee, Session 1997–98, on "The UK Beef Industry" (HC 474) and the Government's response thereto (HC 720). The Ministry of Agriculture, Fisheries and Food and the Intervention Board departmental report 1998 (CM 3904). The second report from the Welsh Affairs Committee, Session 1997–98, on the "Present Crisis in the Welsh Livestock Industry" (HC 447).*

*Class V, Vote 2: Department of Trade and Industry: Science in so far as it relates to the structure and funding of university research. Relevant reports: the first report from the Science and Technology Committee, Session 1997–98 on "The Implications of the Dearing Report for the Structure and Funding of University Research" (HC 303-I) and the Government's response thereto (HC 799). The Department of Trade and Industry's departmental report: "The Government's Expenditure Plans 1998–99" (Cm 3905).]*

**Sir George Young:** The House is grateful to the right hon. Lady for next week's business and for an indication of the business for the following week.

This morning we had further leaks from the Government, this time on the roads programme. Does that not underline the need for a statement on the much-delayed White Paper? Can the right hon. Lady help the House by saying when that might be?

When might we debate the reductions in the defence budget that were announced in yesterday's strategic defence review? Have we lost the two remaining one-day debates on the Army and the Navy?

Last week, my hon. Friend the Member for South Staffordshire (Sir P. Cormack) asked for an assurance that the Government's proposals on the North sea oil tax would be given in an oral statement. The Leader of the House could not give an assurance at that time, as she had not considered the matter, but there is much uncertainty on that, and it is of great interest in Scotland. Can she give an undertaking that that decision will be announced in an oral statement?

In the light of the difficulties that have confronted the Government over recent days, on which the Leader of the Opposition focused with such effect yesterday, may we have a debate on the new rules of conduct that are being circulated by the Cabinet Secretary, so that the House can judge how effective they might be in disengaging Ministers and their special advisers from the rest of the circle that the Prime Minister built up around him in opposition?

Finally, can the right hon. Lady shed any further light on the likely date of the summer recess? Last week she said that it was clear that the House could not rise before the end of July. I appreciate the turbulence in the programme, but if she could share her latest thinking with the House, we would all be grateful.

**Mrs. Taylor:** I shall try to be as helpful as possible. On the suggestion of a leak on the roads programme, I did indeed hear some of the speculation this morning, all of which concluded with comments to the effect that the

Deputy Prime Minister had all the schemes on his desk and had yet to make decisions, so I do not think that the decisions have been taken, let alone leaked.

I hope that we can have a statement on the White Paper on transport before the House rises. There is great pressure on time, but I am looking to find time for such a statement.

The right hon. Gentleman asked about a debate on the strategic defence review and the days on the Army and the Navy. I believe that it will be possible to have those debates in the spillover period. If so, it will of course be possible for the views of the Select Committee on Defence to be taken into account—I understand that the Select Committee intends to comment on the defence review.

I cannot guarantee the right hon. Gentleman the statement that he requested on North sea oil. There are many decisions still to be made and many demands for a statement. Some judgment must be exercised.

The right hon. Gentleman says that the new rules of conduct are to be circulated by the Cabinet secretariat. Perhaps I may remind him what the Prime Minister said yesterday:

"I have instructed the Cabinet Secretary, therefore, to revise the rules that we inherited that govern such contracts and to strengthen them in any way that he thinks fit."—[*Official Report*, 8 July 1998; Vol. 315, c. 1065.]

We are working to the rules of the previous Government, and if there is a need for strengthening, that will happen.

The announcement of any recess is always subject to the progress of business: that is especially so this year. With that proviso, I hope that it will be possible for the House to rise on Friday 31 July, but I cannot yet guarantee that, as we still have some extremely important business, including the Northern Ireland Bill, which I mentioned in my statement. We must make progress on that and on other outstanding matters that have yet to be debated in the House.

**Mr. Richard Burden** (Birmingham, Northfield): Will my right hon. Friend have further discussions with the Opposition about the timetabling of their business and the issues selected for debate? I ask that in the light of events last Friday, when Opposition Members—one of whom, the right hon. Member for Bromley and Chislehurst (Mr. Forth), I see in the Chamber—talked out the Fireworks Bill. They implied that in doing so, they had the support of the firework industry. However, they had no such support and have been told so by representatives of the firework industry, who said that the actions of the Opposition could contribute directly to an increase in firework-related accidents.

As Opposition Front-Benchers stated that they wished to give the Bill a fair wind, will my right hon. Friend propose to the Opposition that they make some of their time available, so that we can ensure that firework-related injuries go down rather than up as a result of irresponsible actions of Opposition Members?

**Mrs. Taylor:** Many people both outside and inside the House would be appalled at the behaviour of those who sought to prevent that Bill from making further progress last week. Firework-related accidents are an important issue. I hope that those who stopped the Bill will have a clear conscience because they will bear a great deal of responsibility for any further problems that might arise. The Opposition said that they would give the Bill a fair wind. They acted irresponsibly, and I can well understand why my hon. Friend and others say that the whole procedure for private Members' Bills must be considered by the Modernisation Committee.

**Mr. Malcolm Bruce** (Gordon): Given that the timetable is under pressure and that the Leader of the House is anxious, through her Committee, to reduce the number of late sittings, will the right hon. Lady acknowledge that the Government could make a contribution by accepting on Monday the amendment passed by a substantial majority in the other place? Will she acknowledge the comment of Lord Russell that, if the Government do not accept that modest and reasonable amendment, it will raise the question of whether they want a revising Chamber?

When will the Prime Minister either correct or confirm his statement that medical students will be exempt from student fees? Obviously, those students would like to hear him confirm that that is Government policy.

May I endorse the plea by the shadow Leader of the House for an early statement on North sea oil and gas taxation? The Leader of the House may be surprised to hear that *The Press and Journal (Aberdeen)* led on that story this morning. Tens of thousands of jobs are at risk as a direct result of the Government's failure to give a clear statement on something that they promised in April.

**Mrs. Taylor:** I have nothing to add on the last point.

We shall not accept the Lords amendment in Monday's debate. Indeed, I have found that accepting amendments rarely leads to shorter debates, but we shall not support the amendment because we do not think that it is right. The hon. Gentleman quotes Lord Russell; I remind him that Lord Dearing spoke and voted for Labour's position on the matter.

**Mrs. Linda Gilroy** (Plymouth, Sutton): Reference has already been made to the demise of the Fireworks Bill. We spent five hours debating a range of narrow amendments, and at the conclusion of the debate we were discussing a tidying amendment. The Bill has been thoroughly scrutinised in both Houses and has been through both Houses' full procedures. May I seek discussions with the Leader of the House about what opportunities might be available to bring back the most essential parts of that measure? I know that the CBI's explosive industry group has written to my right hon. Friend to say that it considers the consequences for firework safety in the millennium celebrations to be extremely grave.

**Mrs. Taylor:** My hon. Friend makes an extremely serious point. Many of us were pleased when she decided to introduce that private Member's Bill on such a serious safety issue. As she points out, the CBI and many others are extremely concerned that we should make progress. I can make no promises about future progress, but I am certainly willing to meet her and to discuss the matter.

**Mr. Nicholas Soames** (Mid-Sussex): In view of the unfortunate connotations of the way in which the Labour party's ridiculous campaign on cool Britannia has gone,

*[Mr. Nicholas Soames]*

will the Leader of the House try to make time for the House to debate the British Council, which does invaluable and remarkable work for this country overseas? To my shame, its budget was cut under my Government and it needs more resources to enable it to carry forward its remarkable work of promoting British culture throughout the world.

**Mrs. Taylor:** I am not sure about the hon. Gentleman's reference to cool Britannia, but I endorse what he says about the good work of the British Council. Many hon. Members on both sides of the House have been happy to help the British Council from time to time and we appreciate the good work that it does. There will be an Adjournment debate on the issue next Wednesday morning, so perhaps the hon. Gentleman could catch Madam Speaker's eye then.

**Mr. Paul Flynn** (Newport, West): Will my right hon. Friend arrange a debate on early-day motions 6 and 318?

[*That this House should impose new restrictions on the activities of potentially-corrupting commercial lobbyists in influencing parliamentary decisions, in order to improve access to Government and honourable Members by those groups and individuals who cannot afford to employ lobbying organisations.*]

Both were tabled more than a year ago; the first calls for a new, rigorous system for controlling lobbying in the House, and the second draws attention to the dangers of insider information being supplied to lobbying firms by new employees who were previously employed by political parties.

Although a great deal of humbug has been spoken over the past few days, it is worth recalling that, only two years ago, many Conservative Members were described as having their snouts so deeply in the trough that all that could be seen of them was the soles of their feet. We have a serious problem: we have failed to control lobbyists whose main work is to ensure that their rich and powerful clients become richer and more powerful, to the detriment of other clients and other people who cannot afford their services.

**Mrs. Taylor:** I agree with my hon. Friend that a great deal of humbug has been spoken on this topic in the past few days. He will recall that Lord Nolan considered controlling the activities of lobbyists and decided that there were important restrictions in terms of taking further action. Many of us would be concerned if it was suggested that the House of Commons should license lobbyists and give a seal of approval to certain ones, which is one of the proposals that has been made. I accept that there is concern about certain activities; the House should make it clear that the allegations have been about the way in which lobbyists conduct themselves, not about the way in which Members of Parliament or Ministers conduct themselves.

**Mr. Michael Colvin** (Romsey): The right hon. Lady confirmed that there will be a debate on the strategic defence review when the House resumes after the recess. Will she confirm that it will be a two-day debate? To assist the House, I can confirm that the Select Committee on Defence will have a report ready on the strategic defence review. The dates of the recess are immaterial to us, because we shall be working throughout the recess to get the report ready so that hon. Members can take it with them when they visit the beaches. Our job has been made somewhat easier by being able to start on our study four weeks earlier than expected because of the leaks that have taken place.

**Mrs. Taylor:** I hope that the Select Committee on Defence did not waste too much time on the various and conflicting so-called leaks that were circulating in advance of publication. I confirm that I should like to provide time for a two-day debate—obviously that will be subject to further discussions through the usual channels—and I am pleased that the Select Committee will be able to do its work. I am happy to confirm that many Select Committees do extremely good work during the recess, which knocks on the head the idea that the recess is simply a holiday for hon. Members. A lot of work is done, not only by the Select Committee on Defence, but by many others.

**Mr. Dennis Skinner** (Bolsover): Does my right hon. Friend agree that there should be new legislation regarding the activities of lobbyists, especially in the light of the fact that in the past few days there has been an opportunity for us to clean up the Augean stables? Fortunately, that opportunity has come at the beginning of the Parliament, not at the end. Does she agree that the day that lobbyists become more important than Ministers and Members of Parliament will be the day that democracy dies?

**Mrs. Taylor:** I remind my hon. Friend of what I said about the Nolan committee. His basic point about lobbyists being more important than Members of Parliament is very alarming.

**Mr. Elfyn Llwyd** (Meirionnydd Nant Conwy): During yesterday's defence statement, I strenuously, but unsuccessfully, attempted to catch your eye, Madam Speaker. I fully realise, being of limited physical stature, why I was not called.

Will the right hon. Lady confirm that there will be no further statements by any Defence Minister before the debates in the overspill? I ask that because I clearly heard the Secretary of State for Defence say yesterday that the Minister for the Armed Forces would be making further statements about the Territorial Army very soon. Will she please clear the matter up? It is extremely important to both Welsh regiments, and I hope that she will be able to give some assurance about this delay.

**Mrs. Taylor:** The hon. Gentleman asks that there be no further statements. I hope that he is not suggesting that no further details should be given, and that no questions should be answered by the Department. We now have the strategic defence review, and hon. Members will be able to read it. The normal decision-making process will continue, and if other information should be made available, that will be done in the usual way.

**Mr. Jim Fitzpatrick** (Poplar and Canning Town): May I bring to my right hon. Friend's attention the fact the Commission for Racial Equality has decided that the

leaflet distributed by Poplar and Canning Town Conservative association in Newham in May this year is in breach of the guidelines to which all political parties signed up, in that it contained offensive material? My local newspaper, the *Newham Recorder*, also regard the leaflet as racist. Despite having written to the Leader of the Opposition three times, I have yet to receive a response with the Conservative party's official view of this literature.

May I also draw to my right hon. Friend's attention the fact that there is a by-election in Custom House and Silvertown ward in Newham? In conflict with the spirit of the Registration of Political Parties Bill, which is going through Parliament at the moment, a candidate is standing in that by-election under the name of Real Labour. Coincidentally, four of the persons nominating the Real Labour candidate had nominated Conservative candidates at the borough elections in May. Should time be set aside to debate the dirty tricks that Poplar and Canning Town Conservative association seems to be playing?

**Mrs. Taylor:** All of us should be concerned if offensive material such as my hon. Friend describes is being circulated. I hope that the Opposition Front Benchers will ensure that the Leader of the Opposition replies to my hon. Friend soon.

As my hon. Friend said, the Registration of Political Parties Bill is before the House. I am not sure whether there will be scope for him to raise this matter on Tuesday. Descriptions of candidates, nominations and the use of terminology are being investigated by the Home Office, and ideas have been sought to ensure, for example, that candidates cannot abuse the names of other political parties. I shall certainly draw my hon. Friend's remarks to the Home Secretary's attention.

**Mr. Stephen Day** (Cheadle): In her statement, the right hon. Lady said that she hoped that the Government would be able to announce the results of the review of the roads programme before the House rises, which is welcome news. It is essential that she is clearer about the Government's intentions and that she guarantees that a statement will be made before the House rises. If decisions about bypasses and major road schemes were to be made when the House was not sitting, and if those decisions were adversely to affect areas such as Cheadle—where we desperately await completion of the Manchester airport eastern link road—the people of Cheadle and elsewhere would be furious with the Government.

**Mrs. Taylor:** I said that I envisaged a statement on the White Paper and that the roads review announcements would follow that. I shall ensure that hon. Members receive proper information, and I expect that to be available before the start of the recess.

**Dr. George Turner** (North-West Norfolk): The Government have made it clear that they intend to replace the existing standard spending support for local authorities with a much fairer system. Will my right hon. Friend assure us that the House will have an opportunity to discuss that issue before decisions are taken, so that we do not whinge afterwards? She will be aware that Labour Members represent the majority of rural constituencies. The history of spending has dominated Government support in the past, and we are frightened that the history of spending in the past 18 years could determine that of the next three. Will she assure me that the House will be given a proper opportunity to influence what happens, and that we will debate the issue before decisions are taken?

**Mrs. Taylor:** My hon. Friend will understand that there is no scope for a debate on this matter in the near future. However, there are many other ways in which hon. Members can influence the decisions of Ministers. The Department of the Environment, Transport and the Regions has published a range of consultation papers, and has invited comments from anyone who wants to contribute to that decision-making process.

**Mr. Eric Forth** (Bromley and Chislehurst): Will the Leader of the House please provide an opportunity, next Thursday and every subsequent Thursday, for the Prime Minister to come to the House to correct the obfuscation and errors of fact that he perpetrates each Wednesday?

**Mrs. Taylor:** There is absolutely no need for such a statement.

**Mr. David Winnick** (Walsall, North): If the situation at Drumcree were to worsen, would the Leader of the House consider arranging a statement that would—I hope—give members of all parties in the House an opportunity to make it clear that the rule of law must prevail? Should it not be made clear that the recommendations of the Parades Commission—which was set up with the authority of Parliament—should not be ignored, that both communities are expected to accept such recommendations and that there must be no repeat of what happened 24 years ago, when the undermining of the rule of law led to action by mobs in the street? In those circumstances, I hope that the Opposition will make it clear that they fully support the Government's attempts to ensure that the rule of law prevails in Northern Ireland. I see the hon. Member for Bracknell (Mr. MacKay), the Opposition spokesman on Northern Ireland, nodding in agreement.

**Mrs. Taylor:** I hope that circumstances will not arise in which such a statement is needed.

I believe that all hon. Members are very concerned about the position in Northern Ireland. We all hope that the progress made so far in the peace process can be maintained, and I think it is incumbent on all of us to do everything that we can to maintain it.

**Sir Robert Smith** (West Aberdeenshire and Kincardine): Is the Leader of the House aware that Ministers promised an oil taxation consultation paper in mid-April?

Will the right hon. Lady find time for a debate or statement on a wider issue affecting the North sea—the Government's position at the conference on the Oslo-Paris convention, involving the removal of oil platforms and discharges of nuclear waste? Surely it makes sense for the House to debate the Government's position before the OSPAR conference, rather than being faced with the rubber-stamping of a decision made at the conference after it is over.

**Mrs. Taylor:** The hon. Gentleman must understand why it is not possible for me to find time for such a

*[Mrs. Taylor]*

debate. It may be appropriate for him to apply for an Adjournment debate; but we shall have the usual three-hour Adjournment debate before the summer recess, at which issues of that kind—along with any others that concern hon. Members—could be raised.

## Royal Assent

**Madam Speaker:** I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified Her Royal Assent to the following Acts:

Registered Establishments (Scotland) Act 1998.

Pesticides Act 1998

Criminal Justice (International Co-operation) (Amendment) Act 1998

I have been extremely remiss. I was going to allow the hon. Member for South Staffordshire (Sir P. Cormack) to catch my eye at the end of business questions. Will the Leader of the House allow me to call him now?

**Mrs. Taylor** *indicated assent.*

**Madam Speaker:** It is my fault; I am so sorry.

**Sir Patrick Cormack** (South Staffordshire): I am extremely grateful to you, Madam Speaker, and to the Leader of the House.

The Leader of the House will have gathered from the comments of her hon. Friends the Members for Newport, West (Mr. Flynn) and for Bolsover (Mr. Skinner) that concern about recent events is not limited to Opposition Members. When my right hon. Friend the Member for North-West Hampshire (Sir G. Young) asked about the new rules of conduct, the right hon. Lady said that new rules were being drawn up; but my right hon. Friend asked for a debate on those rules. May we have a response to that question? If the right hon. Lady cannot promise a debate before the House rises for the recess at the end of this month, may we at least have an undertaking that the rules will be published, and will be widely available?

**Mrs. Taylor:** I cannot see any prospect of a debate on any improvements that we might make to the rules, which we inherited from the previous Government, in the near future. As for publication, it is currently intended that the same procedures should apply.

## National Health Service

*Motion made, and Question proposed,* That this House do now adjourn.—*[Jane Kennedy.]*

3.58 pm

**The Secretary of State for Health (Mr. Frank Dobson):** As you know, Madam Speaker, it is exceptional for the House to devote a whole day's debate to a celebration, but that is what we are doing today, and it is right that we should join the rest of the country in marking the 50th anniversary of the national health service, which has served our country so well for so long, and in thanking all the people working in the NHS and their predecessors for doing such a wonderful job. There have been church services, a royal garden party, major conferences and hospital open days—even a special rose has been produced—for the 50th anniversary.

On a personal note, it has been a great privilege to take part in the celebrations, to have the honour of being Secretary of State for Health at such a time and to have the opportunity to share in the rejoicing over the success of the most popular institution in Britain. It is all the more a privilege to be a Labour Secretary of State for Health at this time, because the national health service was founded by a Labour Government, is based on Labour principles and is our party's greatest contribution to improving the lives of the people of this country. Since it has existed, no one concerned about their health has had to worry about not being able to pay the doctor.

Fifty years ago, our country was emerging from the aftermath of the second world war. That war—the most destructive in the history of humankind—had dealt a series of body blows to our country and our people. It had laid waste to homes, schools and hospitals, destroyed factories, and blitzed harbours, railways, roads and bridges. Yet despite all those huge problems, a new spirit was abroad. To win the war, the people of this country had worked together and had shared its perils. They were determined to share a better and fairer future. A new bargain was struck—everyone accepted a duty not merely to try to provide for themselves, but to help provide for others. Whoever was doing well would pay in to provide for others who fell ill, lost their job, had an accident or grew old. They could do that in the sure and certain knowledge that if they in turn fell ill, lost their job, had an accident or grew old, others would pay in to look after them.

Thus Labour's welfare state, including the national health service, was born. The NHS was founded on the principle that the best health services should be available to all—the best for all, quality and equality. That appealed to the fair-minded people of our country. It still does. No one dares challenge those principles. No one says that the best health services should not be available to all. Of course, it did not appeal to the Tories, who fought tooth and nail against the establishment of the NHS. They did not merely put up a token resistance; they voted against its general principles and its detailed proposals. The Tories voted 51 times against Labour's proposals to establish the NHS—one vote for every year that we are

talking about and, no doubt, one for the pot. They did not merely vote against it, but denounced it—they railed against it. According to them, the NHS

"will destroy so much in this country that we value."—[*Official Report*, 1 May 1946; Vol. 422, c. 232.]

It

"would be a fatal step."

It would sap

"the very foundations on which our national character has been built."

One Tory woman Member predicted:

"bitterness will result"

and even went on to say that it

"may lead to civil war".—[*Official Report*, 30 April 1946; Vol. 422, c. 81-91.]

Another said that it would be

"the death knell of the family doctor"

and another generous spirit said that it was

"a very carefully prepared measure of highway robbery."—[*Official Report*, 1 May 1946; Vol. 422, c. 205–61.]

All those predictions were made by the Tories under the moderating influence of debates in the House of Commons—what they said outside, God only knows. Since then, some Tories have claimed that they did not oppose the NHS. All that I can say is that they had a funny way of expressing their support.

Despite the efforts of the Tories, in Parliament, in the press, and in the more backward parts of the medical profession, my most distinguished predecessor Nye Bevan pressed on with turning his great vision into reality and, despite everything that they could do to obstruct it, the NHS came into being on 5 July 1948. Because of Tory propaganda, it was not particularly popular up to that point, but no sooner was it up and running than it soared in popularity. It has been that way ever since. The NHS is remarkable; it is one of the few examples in history of something that proved more popular in practice than when it was just a nice theory.

**Mr. David Winnick** (Walsall, North): In view of my right hon. Friend's reminder of Tory opposition to the creation of the NHS, would not it be an appropriate moment for the right hon. Member for Maidstone and The Weald (Miss Widdecombe), who speaks on behalf of the official Opposition, to apologise to the British people?

**Miss Ann Widdecombe** (Maidstone and The Weald) *indicated dissent.*

**Mr. Winnick:** The way in which the right hon. Lady dismisses the suggestion demonstrates only too well that, had she been around at the time, she would have been the staunchest opponent on the Tory Benches to a concept such as the NHS.

**Miss Widdecombe:** How does the hon. Gentleman know?

**Mr. Winnick:** It is obvious from the right hon. Lady's attitude.

**Mr. Dobson:** To the best of my knowledge, not a single member of the then parliamentary Tory party rebelled against the Whip, which resulted in 51 votes against the establishment of the NHS. I do not like to demand anything of the right hon. Member for Maidstone and The Weald (Miss Widdecombe); what she does is up to her.

In 1947 and 1948, some said—and some still say today—that we could not afford the best for all and that the principles of the NHS were not practicable and could not be delivered. The past 50 years have proved them wrong; the NHS has served this country well. Most of the time, most people in most parts of our country have received top-quality treatment and care. The NHS has proved to be the cheapest and most cost-effective health care system in the developed world. That is not despite the principles on which it is based but because of them. Fairness and cost-effectiveness have gone together; they are two sides of the same coin.

The NHS is paid for out of taxation, so it is free to people when they use it. That is not just a fine principle; it is efficient. It avoids the need for costly paperwork that is inevitable in systems in which patients must pay. That is one the main reasons why our system is so cost-effective. Our tax-based NHS puts a bigger proportion of resources into patient care, and a lower proportion into paperwork. That is true even after the worst excesses of the Tories' attempted introduction of an NHS internal market.

The NHS works well in practice. It is not just a success story; it is a brilliant bargain. Let us compare our spending on health with that in the United States. The United States spends twice our proportion of national wealth on health, yet women in Britain live as long as women in the United States, and British men live longer than American men. The state of our health compares favourably with other major European countries, although we spend less on health care. I cannot claim that the NHS alone is responsible for our favourable international health rating, but it is certainly responsible for favourable comparisons on cost. That is a vital economic asset.

At any given level of performance, our system consumes less of the national wealth than others. Its benefits do not stop there. Funded from taxation, it imposes little direct cost on employers. Countries with other systems finance their health care in a way that places high non-wage costs directly on employers; ours does not. That keeps down the cost of employment here and helps our businesses compete in world markets. Our low non-wage employment costs are generally recognised as one of the major attractions for foreign company investment.

One can see why, deep down, the Tories do not like the NHS. The national health service is based on a socialist ethic, it is superior in principle, it works in practice, and it is the most popular institution in the country. It is no wonder the Tories do not like it. It is no wonder they tried to introduce competition and left it in such a state. They left us a system that had set doctor against doctor and hospital against hospital—a two-tier system of health care, underfunded, overworked, overstretched—which managed to keep going only because of the dedication of its staff, who had been battered from pillar to post, whose professional views had been ignored and whose commitment had been taken for granted. It is not enough today to celebrate the past. We must plan for a better future. We have to modernise the

*[Mr. Dobson]*

service, and that will take time: a long time. When it takes at least three years to train a nurse and six to train a doctor, shortages cannot be ended overnight.

The new Government have already provided more resources. We have put into the NHS £2 billion more than the Tories planned, and £1 billion more than the Liberal Democrats promised. That is still not enough, which is why we shall shortly announce more money for the NHS for the next three years.

It is not a question only of money. Like everyone working in the NHS, and like patients and carers, we recognise the need to improve and modernise. New hospitals, new plant and equipment, new technologies and new drugs must be provided. New ways of working will be required. New arrangements must be made to enable doctors, nurses and midwives to keep up with ever more rapidly changing technology. Unlike the previous Government, we are consulting the people involved about how best to make the changes that are needed. We have to carry the full support of the professions if patients are to benefit in full from all the new opportunities that modern technology has to offer.

**Mr. Simon Hughes** (Southwark, North and Bermondsey): The Secretary of State links the view of the professions and the cost of the health service. Does he accept that all the consultation has shown that there is general agreement among the professions that, merely to stand still, the NHS needs 3 per cent. real growth per year, and that just short of £9 billion has to be announced next week in order to achieve that over this Parliament?

**Mr. Dobson:** I will save next week's announcement for next week.

**Miss Widdecombe:** The Secretary of State was not asked to prejudge next week's announcement. He was asked whether he agreed that, in order to stand still, the sum required would be just short of £9 billion. He was not asked whether or over what period it would be made available. Is £9 billion required merely to stand still?

**Mr. Dobson:** The Tory sum has increased. The last time Conservative Members asked the question, it was £8 billion, and now it has gone up to £9 billion; if I say that we will find more than £9 billion over the weekend, it will go up to £10 billion, and the Liberal Democrats will come in at £11 billion. People have waited for six months or more for the result of the comprehensive spending review, and when they hear it I hope that they will be satisfied.

**Mr. Dennis Skinner** (Bolsover): Do not leak anything, Frank.

**Mr. Dobson:** My hon. Friend and I are alike: we never leak anything.

The NHS has been underfunded and beleaguered, and change has come to be seen as a threat. Some economists talk about the threat of people living longer, the threat of new technology or the threat of new drugs—strange people, economists. Think about it: how many of us feel threatened by the thought of living longer? It seems a good idea to most people.

Is new technology a threat? As a teenager in the 1950s, I saw my father waste away and die from kidney failure. Today, the new technology of transplants or dialysis could probably have saved his life. Given the resources and the help to cope with it, new technology is not a threat; it is an opportunity and a promise.

New drugs are another new opportunity. With new drugs, we can cure diseases that not long ago were incurable. A short course of tablets can replace painful, dangerous, invasive surgery. New drugs are another opportunity, provided that the people working in the NHS have the resources and the help and guidance on how best to make use of them.

What have we done since we got in? For a start, we have put together the biggest hospital building programme in the history of the NHS. New hospitals are planned for High Wycombe, Calderdale, Hereford, Wellhouse in Barnet, Worcester, Bishop Auckland, South Manchester, South Tees, Swindon, Bromley, Newcastle, Reading, West Middlesex, Dudley, Walsgrave in Coventry, Central Manchester, Gloucester, University College hospital in London, in my constituency, King's College in London, St George's in London, the Royal London in Whitechapel, Sheffield and Hull.

**Mr. Alan Duncan** (Rutland and Melton): Will the Secretary of State give way?

**Mr. Dobson:** Abide a minute. Work has already started on new hospitals at Dartford and Gravesham, Carlisle, Norfolk and Norwich, High Wycombe, Durham, and Greenwich. What a contrast to the Tory record—£33 million paid out to the lawyers and accountants and nothing got started at all.

**Mr. Duncan:** Will the Secretary of State give a firm undertaking to the House today that all those hospital building programmes that he has just listed will definitely go ahead?

**Mr. Dobson:** We certainly intend that they should go ahead—[Hon. Members: "Ah."] It may well be that one or two fall by the wayside, but I have to say that we found them lying on the wayside, left there by the useless lot that we followed. They never got one of them started. The roof has been put on Dartford and Gravesham and I am shortly to do the topping-out ceremony at Carlisle. The only thing that was topped out when the Tories were in was the topping-out of the wallets of the lawyers and accountants whom they got in.

**Dr. Peter Brand** (Isle of Wight): Does the Secretary of State intend to rely on private finance initiatives for that impressive list of hospital building? Is there no concern that he might have to up his £9 billion estimate in future years to pay for the enormous revenue tail that the PFI contracts will create for the NHS?

**Mr. Dobson:** I do not know where people dig these figures up from. Certainly, a substantial number of the ones that I have read out are PFI schemes. I am confident that, whatever else, the hospitals will get built, they will be built on time, they will be built to price, they will come into operation and they will provide a service for people. That is what people want.

**Lorna Fitzsimons** (Rochdale): My right hon. Friend does himself a disservice and hides his talent under a

bushel. He forgot one very important development. I had the honour to cut the first sod of my hospital in Rochdale, to celebrate the 50th anniversary of the NHS. Would my right hon. Friend like to take this opportunity to rectify his mistake and add Rochdale to his list?

**Mr. Dobson:** I am delighted to stand corrected and discover that I am not guilty of exaggeration or hyperbole—litotes, I think, is the proper description. I apologise to my hon. Friend and to the people of Rochdale for leaving out their hospital. So we have seven hospitals started, which is a rather better record than that of the mob opposite.

**Mr. Elfyn Llwyd** (Meirionnydd Nant Conwy): While the Secretary of State rolls out the achievements of the Government in the past 12 months, will he comment on why waiting lists in Wales have risen from more than 67,000 when the Labour Government took over to 73,000?

**Mr. Dobson:** They certainly rose in England, but they have stopped rising. I trust that they have stopped rising in Wales, but I cannot give the hon. Gentleman that assurance.

We said that we would help the hard-pressed staff in the NHS and social services cope with the pressures of last winter. And so we did. Over 1,500 special schemes were put in place, funded by the extra £300 million that we found. The result was a brilliant success. The people in social services and the health service worked together and put on the best winter performance in recent times. They dealt with more emergencies than ever before without the chaos and indignities of people waiting for treatment for days on trolleys and mattresses on the floor in what used to be called Bottomley wards.

**Dr. Evan Harris** (Oxford, West and Abingdon): Much of the winter pressures money was given direct to social services to help to unblock jams. It would have been better to give money directly to social services in the spending round rather than make cuts of 1.1 per cent. in 1997–98 and 1.1 per cent. in 1998–99. Those cuts, measured in real terms, and before demography, meant destruction of social services in Oxfordshire and more bed blocking than will ever be undone by extra money for winter pressures.

**Mr. Dobson:** I am fascinated by the concept of a world before demography, but I must get on. No is the answer. No, no, no. Funding the social services part of the winter pressures effort through the NHS meant that I could guarantee that the money was spent on what it was intended for. If it had been handed out to local authorities, I could not have guaranteed that. I find my relations with the Chancellor of the Exchequer easier if I can guarantee that when he gives me extra money for X, Y or Z, it is actually spent on people in hospitals.

We said that we would get waiting lists down. With the help of the extra £500 million that we found this year, the NHS is doing just that. The lists stopped rising in May, and started to come down in June. I understand that the right hon. Member for Maidstone and The Weald will press me "hot and strong"—her words, not mine—about a suggestion that waiting lists are being fiddled in Worcester. I have checked, and the people concerned tell me that they are doing nothing different from what they have done with waiting lists for the past 10 years. I assume that the presence of the right hon. Members for Charnwood (Mr. Dorrell) and for South-West Surrey (Mrs. Bottomley) implies that the right hon. Lady has followed the convention of warning her colleagues to be in the Chamber when she makes her personal attack on their integrity.

What the right hon. Lady does not know is that waiting list figures for Worcestershire have not been reduced by the recent validation process. In fact, the reverse is true. The figures for March include, for the first time, more than 2,000 people who had simply been left off the lists previously. Some of those people should have been put on the list before the general election. I am still trying to find out why they were not.

Waiting lists are coming down, and will continue to come down, as will waiting times. Our waiting lists initiative is not confined to one year, but is part of our long-term programme to modernise the NHS. We are determined to improve health and health care in the most deprived parts of the country, and that is why we have set up health action zones in the South Yorkshire coalfields; Bradford; the east end of London; Lambeth, Southwark and Lewisham; Luton; Manchester, Salford and Trafford; North Cumbria; Northumberland; Plymouth; Sandwell; and Tyne and Wear.

To test out the effectiveness of using modern technology, we have set up three pilot schemes for NHS direct—a 24-hour nurse-led helpline—in Milton Keynes; Preston, Chorley and South Ribble; and Newcastle, North Tyneside and Northumberland. The pilots have been such a success that the scheme is being extended to cover more than 10 million people, and that will include Greater Manchester, Birmingham and Cornwall. It will cover the whole country by the end of 2000.

**Mr. Richard Burden** (Birmingham, Northfield): May I welcome the choice of Birmingham for one of the new NHS direct schemes? Does my right hon. Friend agree that making good-quality advice available 24 hours a day, seven days a week, is a lot better than having market madness and a two-tier health service available 24 hours a day, seven days a week? Does he further agree that NHS direct will help to boost primary care, and will he look with favour on plans soon to come forward from Birmingham for primary care improvements that will ensure that the people of the city receive the health care that they need and deserve?

**Mr. Dobson:** I am sure that NHS direct greatly benefits the people concerned. It has another merit, in that it will provide job opportunities for trained nurses who because of injury, often back injury, find that they can no longer use their nursing skills to deal with patients. It has many merits. It is clear that many people are willing to ring the 24-hour helpline knowing that it is there for 24 hours. Some of them, because they are considerate of others, are reluctant to go to accident and emergency or ring for a doctor or ambulance. In some cases, people who clearly would not have rung for an ambulance have rung NHS direct and ambulances have been sent round straight away because the cases were urgent. In many cases, nurses have given immediate reassurance to concerned parents, the children of elderly parents and people worried about their neighbours. It has been a great success and I commend the people who have been carrying it out.

*[Mr. Dobson]*

We also promised at the general election that we would conduct an independent review of health services in London. We established the Turnberg review. The report was published and we accepted all its recommendations. With the exception of one or two—far from all—Conservative Members in London, there have been no substantial criticisms of the report or our implementation of it.

As part of our programme to get rid of the divisive arrangements that we inherited from the previous Government on primary care, we have made much progress towards the establishment of primary care groups involving GPs, community nurses and social services. Contrary to Tory propaganda, we reached amicable agreement with the GPs and everyone else concerned.

**Mr. Simon Hughes:** You gave in.

**Mr. Dobson:** It is giving in now, is it? The representative of the Liberal Democrats does not believe that the reasonable points that the British Medical Association made on behalf of its members should have been conceded. We should not have given in. We should have stuck it out, behaved like the Tories and ignored the representatives of the profession. That is not the way we operate.

**Mr. Hughes:** The Secretary of State knows what happened. His Minister of State was faced with the prospect of the GPs making a large protest last week. He negotiated with them the week before and has now delivered primary care groups with seven GPs and a GP in the chair. The groups are meant to represent all the professions and the community. Effectively, they will be run by GPs.

**Mr. Dobson:** For the first time in the history of our health care, nurses will have a say in what happens in primary care.

**Mr. Hughes:** The Tories introduced that.

**Mr. Dobson:** No, they did not. They did not introduce primary care groups in every part of the country. The hon. Gentleman should not reinvent history. He will be claiming that the Liberals invented the national health service next.

**Mr. Hughes:** We did. *[Laughter.]*

**Mr. Dobson:** I have been practising with that fly for some time.

We have other main tasks. We have to provide the staff of the NHS with the education, training and retraining necessary for them to cope with the ever increasing demands of their jobs. We must put in place new arrangements to set and deliver high-quality performance standards across the NHS. We must give more priority to public health and to reducing the inequalities in health that leave poor people ill more often and dying sooner. Once the outcome of the comprehensive spending review is published, I shall be able to spell out our new arrangements for continuing professional development for all NHS staff.

Let me give a simple example of what is needed. We all still expect nurses to provide tender loving care. These days, we also expect them to cope with using highly complex, high-tech equipment. They cannot be expected to do that without the necessary training and time for training, including training specific to new equipment. When we took office, we discovered that there is no machinery in the NHS to set performance standards or ensure that they are delivered. Without those arrangements, things go wrong. Nothing is done; people die. That is what happened with the children in Bristol, with breast cancer screening in Devon and Exeter, and with cervical cancer screening in Kent and Canterbury. We are determined to change the NHS, so that such systematic failures never arise again.

Today, the Government are putting quality at the heart of the NHS. We are doing something that no Government have done for 50 years: implementing new mechanisms to set standards, deliver standards and monitor standards. The Government are not prepared to leave quality in the NHS to chance, as occurs at present. Patients deserve a first-class service wherever they are treated.

We shall establish a professional-led National Institute for clinical excellence, to provide authoritative guidance to all health professionals on the latest technologies and drugs. There is no such organisation at present. We shall introduce national service frameworks to lay down what treatment and care should be provided for patients suffering from particular conditions. Except for cancer and children's intensive care, there are no such arrangements at present. We shall place on all local hospital boards the duty of clinical governance, to make sure that standards are met. They have no such duty at present.

We shall establish a Commission for Health Improvement to monitor the performance of every part of the NHS, carrying out a rolling programme of spot checks and troubleshooting. There is no such organisation at present. We shall require all hospital doctors to participate in national external audits. There is no such requirement at present. We shall give all GPs and their patients the right to get information on the success rates of treatments in their local hospitals. They have no such right at present. We shall carry out annual independent surveys of the experience of patients and carers in the NHS, to ensure that their voices are heard and heeded. There are no comparable national surveys at present.

I emphasise that all those proposals have been welcomed by representatives of the professions, which reflects both their commitment and the practical common-sense nature of what we propose. They are some of the practical steps that we have been taking to improve the NHS. We are equally committed to improving the health of the public and reducing inequalities in health. Under the Tories, the gap between rich and poor widened, as did the gap in health. That is true, and I shall give just one example.

In the early 1970s, there was scarcely any difference in the number of deaths from heart disease among men in social class 1 and those in social class 5. Today, men in social class 5 are three times more likely to suffer from heart disease. That constitutes a widening of the

health gap. We are determined to reduce that gap, and the NHS has much to contribute to that process. However, other Departments' programmes will help even more.

Unemployment makes people ill. Our investment of £3.5 billion in the new deal for jobs will help improve the health of the people involved. Bad housing makes people ill, so our £900 million investment in new housing from the takings from the sale of council houses will provide decent homes and improve the health of the families concerned. Low pay makes people ill. Our national minimum wage will improve the health of the worst-off workers. Those and other measures are geared to helping the most deprived families and most deprived neighbourhoods—both have been neglected for far too long.

All those changes simply apply the basic socialist principles of the national health service to modern circumstances. Some people do not like that. Some so-called experts make a living travelling around the world attacking the principles of the NHS and demanding that we abandon its principles and charge everybody for everything. When they are in Britain, they ignore the evidence of the intrinsically cost-effective NHS. When abroad, they ignore the evidence of the intrinsically more expensive systems in the countries that they visit. They are a group of self-perpetuating ignoramuses. However, they are wasting their breath and whoever is paying their travel bills is wasting his or her money.

At the general election, the British people voted for the NHS—free when they need it, paid for by the taxpayer. The Government accept the verdict of the British people. Tories may argue, as some do, for a different system, but the Government are committed to the one we have. Today, we salute the people who work in the NHS—people of all colours, of all races, of all religions and of none. For every minute of every hour of every day of the past 50 years, they and their predecessors have bound up the wounded, healed the sick, cared for the afflicted, comforted the dying and consoled the bereaved. Frustrated by lack of resources and obstructed by archaic systems of organisation, they have never thrown in the towel. They have fought the good fight, but they have seldom received rewards to match their contribution to the well-being of our country.

Fifty years ago, our fathers and mothers—in some cases, our grandfathers and grandmothers—made an act of faith: they agreed to found the national health service. They had faith in the future, faith in the health care workers and faith in the principles of the welfare state. Today, as a country, we are rich beyond the wildest dreams of people in 1948. It now falls to us to renew and modernise the NHS, so that it is fit to face the challenge of the new century and the new millennium. We must not flinch or falter now.

Fifty years ago, people could only hope that the NHS would work. Fifty years later, we know that it works. We have experienced its benefits. We know that Nye Bevan was right when he wrote:

> "Society becomes more wholesome, more serene, and spiritually healthier, if it knows that its citizens have at the back of their consciousness the knowledge that not only themselves, but all their fellows, have access, when ill, to the best that medical skill can provide."

It is our job now to make sure that we renew the national health service, so that future generations experience the benefits that he gave to us. Nothing less will do.

4.36 pm

**Miss Ann Widdecombe** (Maidstone and The Weald): The Opposition welcome the debate. We are especially glad because, on this occasion, for once, the subject has been raised by the Government. Hitherto, to get the Government to account for their stewardship of the national health service, the Opposition have had to demand the debates. To this moment, we have still not had the debate that we have consistently demanded on the White Paper.

The 50th anniversary is indeed a time for celebration. It is a time to remind ourselves that our health service is a service for the whole nation, conceived and planned by the wartime coalition Government—[HON. MEMBERS: "Oh!"]—and developed beyond the original scope of its founders by a succession of Governments spanning half a century. The original plans for a universal health service, free at the point of delivery, are in fact more than 50 years old. A White Paper was published by Mr. Churchill's coalition Government in 1944, containing proposals for a comprehensive, free health service.

Our health service is the property of the whole nation, not merely of particular sectional interests, or professions, or political parties. Our health service serves the whole nation, and individuals do not serve our health service by trying to claim sole moral ownership of it, or a monopoly of concern for its best interests.

Our health service is now infinitely more comprehensive than the plan envisaged by its founders. That is its greatest triumph, but it also poses some of the greatest problems. The demand for resources resulting from new technology, pharmaceuticals and changes in society has increased exponentially.

**Mr. Winnick:** The right hon. Lady mentioned briefly the White Paper produced in 1944, but she sort of skipped the next few years. Will she explain why her party was strongly opposed to the conception of the national health service and why it voted against the measure at every possible opportunity? After all, some explanation would be useful.

**Miss Widdecombe:** If the hon. Gentleman cares to consult our manifesto of 1945, he will find that the Conservatives were in favour of a universal health service. The difficulties that we had with the detail of the setting up of the health service were reflected in changes that the Labour Government of the day subsequently made. I suggest that he re-research that history, and he will find that what I have just said is true. Until today, I did not know that Beveridge was the property of the Labour party. The hon. Gentleman will find that the national health service is the property of all political parties and the entire nation, and we should be grateful for that.

The previous Conservative Government, contrary to the present Government's propaganda, increased spending in real terms by an average of 3.1 per cent. per annum. By 1997, health spending was three quarters more again than in 1979. We treated 4 million more patients; 6,000 more every day since 1991 than in 1979. Most crucially, those patients waited a much shorter time than their predecessors. The number waiting for over one year was

*[Miss Widdecombe]*

cut from 200,000 in 1987 to just 15,000 in 1997. Four out of 10 patients on waiting lists were treated within one month and over 50 per cent. within six weeks.

**Mr. Bob Blizzard** (Waveney): How then would the right hon. Lady explain the fact that every possible gauge of public opinion—every survey, poll and questionnaire—during the previous Government's time in office clearly showed that very few people thought that the national health service was safe in the hands of the Conservative party? Was that fact not reflected in the general election, in that so few Conservative Members are now on those Benches?

**Miss Widdecombe:** The disillusion, if there was disillusion, with the degree to which the health service could deliver services was as nothing compared with the disillusion in 1978 when the Labour party completely wrecked the health service by making enormous cuts, causing industrial action, slashing the capital spending programme and reducing the pay of medical staff. We had to rebuild the health service. The Labour party has not delivered on the propaganda pledges that it consistently churned out before the last election.

Furthermore, the last 10 years of Conservative government saw the largest capital building programme in the history of our health service. The Secretary of State read out some schemes today which are very commendable, but more than 750 schemes, worth over £1 million each, were completed in the last 10 years of Conservative government. The capital stock of our health service was modernised to a level unimaginable in 1979.

We have never tried to claim that our health service was perfect, but two thirds of its life has been spent under Conservative Governments, and we can feel proud of its achievements during that time. The Secretary of State has come to the House and, rightly, praised the health service and what it can do now compared to what it could do when he watched his father suffer, praised the new technology that was not available a few decades ago, and praised all those who have worked in the health service delivering the range of care that he described. After giving so much praise, it would have been generous of him, on a day of national celebration of the health service, to give credit where it is due and say that two thirds of the credit should go to us and one third to Labour.

We should be aware that many challenges that face our health service over the next 50 years will be met not by simple, comfortable and neatly packaged solutions, but by resolving very difficult questions, the complexity of which the Secretary of State underestimates, and by the care and dedication of everyone who is a part of the service.

Last May, we were led to believe that our health service was about to enjoy a golden period. It was, apparently, to be "saved". That now seems a very long time ago. Far from being saved, our health service has entered a period of crisis: record waiting lists, fiddled figures, clinical freedom under threat, hospital cuts and closures, GPs forced into collectives, spending cuts, bureaucracy on the rampage and Tony's cronies packed on to trust boards, all against the backdrop of the slickest, spin-doctored public misinformation campaign since the formation of our health service 50 years ago. It is now time to strip away the sugar-coated sophistry that threatens to suffocate the life of our health service and to expose the dark truths that lurk behind the Government's insidious propaganda, revealing the damage that they are inflicting on the very foundations of the service.

Before the election, the Labour party, deliberately and in its own interests, raised expectations to whip up public discontent with the health service. It did not mention the excellent work that we had done on reducing waiting times, but instead promised to reduce overall waiting lists by 100,000, using £100 million. That was an early pledge. The 100,000 reduction was to be, in Labour's words, "a first step". People could naturally be forgiven for inferring that Labour really meant that and for imagining that early meant sooner, rather than later, as it usually does. They could be forgiven for thinking that, by the time of the next election, waiting lists would have fallen by more, possibly many more, than 100,000, because that was, after all, a first step.

One would not expect the public to think that, within a year of Labour taking power, waiting lists would rise to record levels of almost 1.3 million—a queue for beds which would stretch more than twice the way around the M25. One would not expect the public to welcome the fact that even the Secretary of State for Health believes that it will take five years of Labour government to reduce waiting lists to 1.06 million, falling at a miserly rate of slightly more than 900 a week. One would not expect the public to imagine or understand that routine operations, such as for varicose veins, lipomas and sebaceous cysts, would be cut from general availability in different areas to remove, at a stroke, the possibility of waiting for such procedures.

**Mr. Dobson:** Will the right hon. Lady tell me—not necessarily now, but in a letter—where the availability of those operations has been withdrawn? She has made that accusation for about a fortnight, but she has not specified anywhere. Her accusation is slightly at variance with her equally misleading suggestion that we are urging hospitals to do varicose vein operations instead of heart transplants.

**Miss Widdecombe:** I shall indeed give the right hon. Gentleman examples, starting with Lambeth—I have just talked to a consultant who says that he can no longer perform such procedures. A gentleman in the north-west of Manchester was given a date in May 2003 for treatment of his varicose veins. He will have to wait for the next Conservative Government before he can have his varicose veins operation.

**Mr. Dobson:** He had to wait only until I knew about his position. Now he has an appointment in two weeks. Unlike the right hon. Lady, that gentleman thanked me for my help, in front of two television cameras at Trafford general hospital.

**Miss Widdecombe:** I am sure that he did because if he was put on a waiting list for an appointment in 2003, when the Secretary of State has been calmly telling the House that nobody is waiting for more than 18 months, he must have been extremely thankful to find that he would not have to wait until 2003.

**Mr. Dobson:** The 18-month wait is, as the right hon. Lady knows, for in-patients, and she should remember

that this gentleman is an out-patient. Even so, his situation was ludicrous and had to be dealt with. If other people are being given out-patient waiting times of that length, they should get in touch with me and I shall sort out their problems too.

**Miss Widdecombe:** What those incidents prove is that those people should get in touch with us because every time we have raised a problem in the House, the Secretary of State has rushed out and taken action on it. He is now consulting his pager—does he want to correct the information that he just given me?

**Mr. Dobson:** My message is that, just before the general election, Lambeth, Southwark and Lewisham health authority started restricting access by sufferers of what it described as non-painful varicose veins.

**Miss Widdecombe:** That is quite correct. Before the general election, the authority said that it would restrict access. Access is now virtually impossible except in cases of serious clinical need.

**Dr. Brand:** Will the right hon. Lady give way?

**Miss Widdecombe:** No, I want to make some progress. I have given way four or five times already.

Further, one would not expect the general public to imagine that, to achieve that eagle-like descent of 900 a week, it would cost not £100 million, as Labour promised, but more than £400 million. Any business man who achieved his goal more than three years late and four times over budget would be booted out, with his P45 following by return of post, but the Secretary of State and the Prime Minister tell us that we should be grateful for that masterly piece of mismanagement.

But more than merely hopelessly bungled and inept mismanagement surrounds the Government's dismal failure. We have evidence, previously anecdotal but now documentary, that the Government have been presiding over manipulated waiting list figures. Put simply, they realised that they will not be able to meet their modest pledge by legitimate means, so cheating has started. I shall now give the House an example.

The Alexandra Healthcare NHS trust in Redditch has been told to cut 759 patients from its waiting list. The letter that I have received says:

"The Trust is being put under enormous pressure to remove 759 patients from its waiting list without giving the treatment originally deemed necessary."

**Dr. Brand:** The right hon. Lady has given many historical references. During an earlier waiting list initiative, plastic surgery centres throughout Britain were told to take patients off the waiting list as of then and a series of operations were abolished overnight. I know of 40 of my patients who were denied even an existence on a waiting list.

**Miss Widdecombe:** The Government have put the reduction of waiting lists at the centre of their credibility and we are entitled to ask how they are achieving it. That is what I am now asking.

**Dr. Phyllis Starkey** (Milton Keynes, South-West): Will the right hon. Lady give way?

**Miss Widdecombe:** No, I want to continue my point about the Alexandra Healthcare NHS trust.

It has been decided that it is politically necessary that those patients do not receive the treatment. The Government's health matters more than the health of the patients. But the political pressure placed on the collection of Labour activists and Tony's cronies appointed to trust boards has been immense. A director was dragged out of a board meeting to take a telephone call specifically to ask him to go back in and try to persuade the board to accept the approach of denying patients treatment in order to fiddle the figures. Another was recently told that he had to produce an urgent briefing for the Prime Minister with an excuse for why waiting lists were rising, not falling.

The 759 patients who, presumably, are being told to get on their bikes are not the end of the story—not by a long way. It is proposed than an extra 2,300 waiting list cases will be slashed from Worcestershire health authority's waiting lists by what is innocuously termed an administrative clean-up. In reality, for patients, that means that the list is to be reprioritised. That is, simpler cases will be treated first at the expense of more complex and perhaps more serious ones—patients left waiting in pain to avoid the pain of political embarrassment to the Government.

**Dr. Starkey:** Will the right hon. Lady give way?

**Miss Widdecombe:** In a minute. I want to finish my point on the Alexandra Healthcare NHS trust first.

Perhaps even more serious, however, is that part of that 2,300 clean-up will be removed by reducing the referral rates of general practitioners to the trust. Why do I say that? Do I just imagine it? No, I have here the paper that went to the board:

"The health authority proposed that 2,300 of the 8,000 cases should be removed from the waiting list by a combination of reprioritising the list, administrative clean-up and the reduction of referral rates of GPs to the trust."

Then, with masterly understatement—litotes, I think the Secretary of State called it—the paper states:

"that objective was received by the trust with a great deal of caution and is accepted as, exclusively, a health authority target."

I listened carefully to what the Secretary of State said and I listened to his weasel words. He said that nothing is being done that is different from what was done under the previous Government. Nothing is being done—no. Semantically, that is right. These are proposals for actions to meet his current targets and the pressure that he is putting on chief executives by telling them that they will be sacked if they do not deliver his election pledge.

**Mr. Dobson:** I am accused of being all sorts of things, but weasel is fairly unusual.

**Mr. Deputy Speaker (Mr. Michael J. Martin):** Order. Such terms are not appreciated. Temperate language is preferable.

**Mr. Dobson:** I have no attributions from the right hon. Lady for any of the statements that she has made, other than the paper that went to the board. First, I do not know why the board considered the matter in private, because, under the new rules, it should have been considered in public. Secondly, I have a paper here from the regional

*[Mr. Dobson]*

office from a man called Steve Hilton, about whom I know nothing, which says:

"Validation like this has been common practice for over a decade."

Nothing new is happening as far as I can make out. Nothing different is being done. As I said earlier, in the previous validation exercise in Worcestershire, 2,000 people were added to the waiting list. We are entirely in the hands of this statistical lunacy to which I referred at the previous Health questions.

**Miss Widdecombe:** No, there is no statistical lunacy in the clear statement read from papers to the board, which the right hon. Gentleman has, that one of the means of achieving this is to reduce the referral rates of GPs to the trust. In plain English, that means that, unless patients' conditions are very serious, they cannot even get on to the waiting list. Patients will, in effect, be told that they can pay up and go private or sit and suffer.

The hospital has not even been given enough money by the Government to fiddle the figures properly. The special funding, touted so heavily around the media as a panacea for the waiting list funding, is actually short-changing it to the tune of £1.9 million.

If that fiddle—the Secretary of State might prefer to call it a pattern of behaviour—in private or in public, is repeated throughout Britain, it becomes almost impossible to contemplate the damage that is done to patients' health, and the extent to which the fiddled waiting list figures misrepresent the true picture of the mess that Labour has created.

**Dr. Starkey:** Will the right hon. Lady give way?

**Miss Widdecombe:** I shall finish my point on the Alexandra Healthcare NHS trust. I have remembered the hon. Lady and when I have finished my point I shall come back to her.

The picture to emerge from this sorry tale of sordid deception is of a Government who will commit any act of manipulation, spin any convenient sophistry and break any trust to present what must be seen not only as a deeply misleading picture of their waiting list disaster, but a highly dangerous practice which can only be harmful to the well-being of patients.

Perhaps I am too harsh. Perhaps I have misjudged the Secretary of State. Perhaps he does not know that that is going on, and would not countenance it if he did. Perhaps he would wish to stop it. I shall give him the benefit of that doubt and suggest what he can do to reassure us.

Will the Secretary of State tell the House in terms that he would rather see waiting lists rise than see fiddled falls that will mislead the public and endanger patients? Will he go further and issue a letter to health authorities informing them that waiting lists are not to be cut by using dubious expedients and specify that that includes removing from the list patients who have not received their treatment, placing pressure on GPs to reduce referral rates, removing the general availability of certain smaller operations, and treating simple but less urgent cases before more complex but important ones? If he will offer that assurance, and if he will send such a letter—preferably today, but I shall give him until the weekend if he is busy—we can be less suspicious about the Government's attitude to such foul play.

Will the Secretary of State commend—indeed, praise—the whistleblower on the trust? The Secretary of State is keen on whistleblowing. On this occasion, the whistleblowing has been done on his waiting list figures. Will he commend the whistleblower, and will he write that letter?

**Mr. Dobson:** I do not mind who publishes which of those figures; if the trust had been following the guidance that it has been given, the figures would have been public anyway. I do not know who the whistleblower was. If anyone wants to release such information, he or she should. I am in favour of its being released. I do not think that these things should be done behind closed doors.

In response to the request for an instantaneous letter, most of the things that the right hon. Lady specified are in the instructions to the entire national health service about waiting lists. On the accuracy of waiting lists, when the figures were increasing as a result of tracking down people whose names had not previously been on the list, I have told officials and regional chairmen to get the figures right. The figures need to be right.

The policies of Worcestershire health authority—whose members, I might add, I did not appoint—are, generally, to try to get more people treated, if appropriate, closer to home by their GPs rather than, in some cases, going into hospital. As I understand it, that explains the line in the document about which the right hon. Lady is talking.

If anyone anywhere is fiddling the figures, it should be drawn to my attention and I will stop it. The only purpose of shortening waiting lists is to get people treated, not to do a statistical exercise. I return to the point that, as far as we know, the whole process that Worcestershire health authority is going through is exactly the same it has been for the past 10 years.

**Mr. Deputy Speaker:** Order. May I make an appeal to Front Benchers, as Back Benchers want to take part? This is a debate for everyone, so the hon. Lady should not entice the Minister to come in on an intervention. *[Interruption.]* Order. What I am trying to say is that—

**Mr. Dobson:** I shall try to resist temptation.

**Mr. Deputy Speaker:** Order. The Minister will try to resist and the right hon. Lady will try not to entice him.

**Mr. Duncan:** Why not?

**Mr. Deputy Speaker:** The Government have an opportunity to reply at the end of the debate, and so do the Opposition. The hon. Gentleman asks, "Why not?" I have to look after the interests of Back Benchers as well as Front Benchers.

**Miss Widdecombe:** I have seldom found any of your instructions difficult to follow, Mr. Deputy Speaker, but being told not to tempt the Secretary of State may give me the odd piece of difficulty.

**Dr. Starkey:** Is the right hon. Lady aware that Milton Keynes general hospital, in my constituency, has already

started to reverse the trend, which occurred under the Conservative Government in which she was a Minister, of increasing waiting lists? It held the waiting list increase over the winter to only 29 extra patients; the previous winter, there was an increase of 631. The hospital did so thanks to the £1.1 million of extra money that it got, which allowed it to save more than 4,000 patient bed days. Is the right hon. Lady further aware that the new chairman of that hospital trust is a former official of the Milton Keynes Conservative association, put forward by me and nominated by my right hon. Friend the Secretary of State?

**Miss Widdecombe:** It never surprises me when Conservatives are successful. I must tell the hon. Lady that, of course, none of us has seen the figures, because they have not yet been published. At the moment, the only knowledge that we have of revised waiting lists comes from the Secretary of State's warm and woolly claims. We have not read any detail.

**Mr. Blizzard** *rose—*

**Miss Julie Kirkbride** (Bromsgrove) *rose—*

**Miss Widdecombe:** I shall make progress, because you will get cross with me if I do not, Mr. Deputy Speaker.

Recently, the Secretary of State for Health announced that no patients were waiting more than 18 months, and that the first step in the delivery of Labour's "early" pledge had been delivered. Unfortunately, as the House knows, that did not happen. Even as he was saying that, we produced the case of a young boy of eight years who had been waiting more than 18 months, in considerable discomfort, for a simple tonsillectomy.

On 16 June, I brought that information to the House. The Secretary of State denied all knowledge, but—as if by a miracle, dispatched at the speed of light—a motor cycle courier was sent on his mission of mercy to deliver, posthaste, an in-patient appointment. The Minister of State, the hon. Member for Darlington (Mr. Milburn), told the House that the boy would

"have an operation within the next few days, as the NHS trust had always planned."

Presumably, that is now standard procedure in new Labour's NHS. The appointment card will be delivered by motor cycle courier, on the day of an Opposition debate when they raise an embarrassing case, and we shall be told by the Minister that that had been planned by the trust all along. The mother of the boy says that she had an appointment; it was for several weeks later.

**Dr. Stephen Ladyman** (South Thanet): Will the right hon. Lady give way?

**Miss Widdecombe:** Mr. Deputy Speaker is not looking. Okay.

**Dr. Ladyman:** I also have a constituent who has been told that his son must wait six months for a tonsillectomy. He was also told, however, that he could have it the next day, done by the same surgeon, privately. Will the right hon. Lady join me in condemning that type of queue jumping?

**Miss Widdecombe:** I shall not condemn anyone having a remedy against the present Government's inefficiencies. *[Interruption.]*

**Mr. Deputy Speaker:** Order.

**Miss Widdecombe:** That was not for me that time, was it, Mr. Deputy Speaker? No.

There is something faintly sinister about all this. It is a bit like the miraculous, phoenix-like rebirth of the Trafford general hospital children's unit, which was "reprieved from closure" two days before the Secretary of State for Health was to make a highly publicised visit. The right hon. Gentleman tells us that he did not know anything about it. Well, I wonder whether he will now do me a big favour and instantly arrange for highly publicised flying visits to Kent and Canterbury hospital, Burford community hospital, many community hospitals in Cornwall and various others that he is about to close. Then, perhaps, the need to save his face will coincide with the need to save those hospitals.

**Miss Kirkbride:** On the subject of the closure of hospitals, I hope that my right hon. Friend will urge the Secretary of State for Health to visit Kidderminster, where the Kidderminster general hospital, which serves my constituents, faces closure.

On the wider front of Worcestershire, I wonder whether my right hon. Friend has any advice for doctors in Bromsgrove, who feed patients into the Alexandra in Redditch. I shall meet those doctors tomorrow, and I would welcome her advice on what to say to them about how to resist the cynical bully-boy tactics of the present Government, which are preventing my constituents from having their names put on the waiting list for the medical treatment that they deserve.

**Miss Widdecombe:** It is all right. Now that the subject has been mentioned in the House, I am sure that there will be an instantaneous solution, and that, even now, there will be a rush and a motor cycle will be on its way to those patients. I therefore urge my hon. Friend not to worry too much about it.

**Dr. Ladyman:** Will the right hon. Lady give way?

**Miss Widdecombe:** No; I shall make progress. If the hon. Gentleman has a hospital in his constituency, will the Secretary of State visit that hospital, too?

Because the Government have made their rather modest pledge on waiting lists, and associated propaganda, the fundamental goal of their health policy, subsequent media interest and the Secretary of State's obsession have eclipsed many other issues of great importance to patients and the profession. We can see the extent to which the waiting list panic has come to dominate Health Ministers' every thought and act, at the expense of other areas of our health service.

*[Miss Widdecombe]*

During the 16 June debate on the waiting list crisis, the Minister of State, the hon. Member for Darlington, assured the House:

"The hon. Gentleman asked me for an assurance that no other sector of health care would suffer as a consequence of our getting NHS waiting lists down. I will give him that assurance".—[*Official Report*, 16 June 1998; Vol. 314, c. 187-89.]

However, it appears that the chairman of the British Medical Association profoundly disagrees with the Minister. On the "Today" programme on Monday 6 July, when asked about giving priority, for political reasons, to patients whose need is less, Dr. Sandy Macara said:

"Unfortunately"

this

"*is* happening because the Government have put themselves, and therefore all of us, on a most unfortunate hook."

I ask the Secretary of State who is correct. Is Dr. Macara—a figure for whom I understand the right hon. Gentleman has great respect—factually incorrect, or was his Minister in danger of misleading the House on 16 June? No reply comes.

Other areas of our health service are bound to suffer as the Government become increasingly like a one-eyed man over the waiting lists. The changes that they have introduced will only make matters worse for people in lengthening queues for simple operations. Dragooning GPs into collectives and then preventing a collective from choosing which trust to send its patients to will increase the lists and deter trusts from making the improvements that are necessary to ensure a uniform standard of service throughout the country.

Reductions in clinical freedom, imposed through NICE—the National Institute for Clinical Excellence—and backed with cash-limited GP drugs budgets will cause morale to plummet and patient care to suffer.

**Mr. Dobson:** Will the right hon. Lady give way?

**Miss Widdecombe:** No, I have been told not to do so.

**Mr. Dobson** *rose—*

**Miss Widdecombe:** The Secretary of State gives in to temptation an awful lot. Will he please be tempted to look again at the bureaucracy resulting from the introduction of NICE, the Commission for Health Improvement, the Advisory Committee on Resource Allocation, local education consortia and the co-ordinating bureaucracy between health and local authorities, which will divert money from front-line patient care into administration? GP collectives alone will cost £150 million a year to run. In short, Labour's White Paper is a blueprint for increasing the people's waiting lists.

Perhaps the situation would not have been so dire, had our health service been given the money to meet the high expectations. Under Labour, however, that has not happened. Our health service is now worse off by more than £800 million over and above inflation than if our average spending levels had been adhered to. That does not take into account money squandered through efficiency losses and unnecessary new bureaucracy.

The mantra that Ministers have repeatedly chanted over the past few weeks is that the comprehensive spending review will lead us to the promised land of health service bliss. I wonder. I have calculated that the Government will have to spend at least £8 billion over three years to stand still and to match average Conservative spending levels. People do not have to take my word for it. Every hon. Member has access to the House of Commons Library, which has independently calculated that my figure is an underestimate, that more money will be required, and that the figure cited by the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) is nearer the mark, at £9 billion.

That has been another well-presented, slick PR exercise designed to mislead the public. Now I shall ask the Secretary of State a few simple questions.

**Mr. Dobson:** I am not allowed to answer them.

**Miss Widdecombe:** I will incur the wrath of Mr. Deputy Speaker by allowing the right hon. Gentleman to answer them, if he can. I know that the Government like their questions to be helpful, but we will not have a serious debate on the future of the health service by indulging in the good-news culture of his party.

Critical questions must be asked about rationing—which the Secretary of State denies is happening, but it is—rising demand, clinical freedom, recruitment of doctors and the role of the private sector. Those questions are already being debated by sensible people in the health service, but they are not happy bedfellows of new Britain and the new NHS. Such questions cannot be asked helpfully while the Government remain on-message.

How much, over three years, does the Secretary of State believe must be spent on our health service, simply to stand still? I have asked him before, the hon. Member for Southwark, North and Bermondsey has asked him before, my hon. Friends have asked him before and I still live in hope that he might answer. How much will primary care groups, CHIMP, ACRA, LECs and health authority-local authority co-ordinating bureaucracy cost our health service per annum?

Was the Minister of State making an unsubstantiated statement to the House when he assured us that other areas of the health service were not suffering as a result of the Government's obsession with their waiting list publicity? If not, how does that accord with Dr. Macara's view of the situation?

If the Secretary of State could give us the figures, fiddled or not, for over-18-month waiters before the customary time, why can he not give us the full waiting list figures? We are told by trusts throughout the country that a huge amount of time is taken up with supplying information on a weekly basis. If the Secretary of State has asked for weekly reports, how much is that costing and why is that information not released to the public, who are paying for it? Finally, how widespread throughout the country is the manipulation—I even use a neutral word—that we discovered in Redditch?

The Government are obsessed with their own propaganda, but behind it is a catalogue of incompetence, mismanagement and manipulation. They told us that no one was waiting more than 18 months for an operation. That was not true. They told us of 2,000 new beds, which turned out to be mainly recycled or temporary beds.

The Government enjoyed that one so much that they released the same statement twice. All I can say is that, if some of their announcements were about food, there would have been a prosecution. The Government told us that they did not know how many hospitals they would close. They told us that waiting lists were falling, but they have been caught red-handed chucking patients out of the queue.

This is a fiddling, cheating, gerrymandering, dissembling, spin-doctoring, bullying, arrogant Government and they have finally gone too far.

**The Parliamentary Under-Secretary of State for Health (Mr. Paul Boateng):** The right hon. Lady does not believe that.

**Miss Widdecombe:** I do believe it and, what is more, the people are beginning to believe it. Running our health service for the benefit of their own PR, not for patients, has come to be the defining feature of the Government, for whom getting headlines is more important than getting results.

**Several hon. Members** *rose—*

**Mr. Deputy Speaker:** Order. Before I call the next speaker, may I say that 25 Back Benchers want to speak, on both sides of the House. Hon. Members can draw their own conclusions. Long speeches will squeeze other hon. Members out.

5.16 pm

**Mr. David Hinchliffe** (Wakefield): I am grateful for an opportunity to make a few observations in the debate. There is a common perception that the political agenda of the two major parties has in, recent years, moved closer together in several policy areas—economic and foreign policy, penal affairs and to some extent social policy. It is no secret that I feel uneasy about that process, but I have a great sense of relief that the outlooks of the two parties on the national health service remain as polarised as ever.

I commend the Secretary of State for his work to ensure that that polarisation remains. He has a remarkable record in defence of the basic principles of the national health service. I commend the Government for their excellent work over the past year in various areas. There is to be an announcement next week on the Secretary of State's record of winning new investment in the NHS, which is remarkable. I commend him on the national health service White Paper and on dismantling the internal market.

Primary care has already been mentioned. I commend the Secretary of State on restating in the White Paper the vision of Nye Bevan in respect of primary care—a vision that has never been delivered since the original plans and proposals were drawn up in the 1940s. I commend the restatement by the Secretary of State and his Minister for Public Health of the crucial importance of public health, an issue that disappeared from the agenda during the Tory years because of the political inconvenience of unemployment, bad housing, poverty and other issues about which the Tories never cared, but which had a crucial connection to the issue of personal health and ill health.

I commend the Secretary of State on developing links with social services and on the impact of the winter beds initiative on the difficulties that have been experienced in the past with lengthy waiting lists. Most importantly, I commend my right hon. Friend on returning to the fundamentals of the national health service—to collectivised, socialised provision, and to a co-operative and collaborative national service. He used the term "the socialist ethic" of the NHS. That is what the Government's policies are all about, and I am proud of that fact.

I was waiting for the shadow Secretary of State to give us some idea of what she would do if, God forbid, she ever came to power. She analysed her version of the Labour Government's record, but I want to know what a Conservative Government would do in the current circumstances. Last week, I had the dubious opportunity of doing a couple of interviews with her in celebration of the 50th anniversary of the NHS. One was on the "Today" programme and the other was on breakfast television. I was interested in her lack of response to my hon. Friend the Member for South Thanet (Dr. Ladyman), who told us what happened when his constituent was advised to go private. The right hon. Lady's advice to the nation in those two interviews was that people should take out private insurance. The clear implication was that the country could no longer afford a national health service, so people should go private.

**Miss Widdecombe:** There is a sum of money that goes into the nation's health; some is put in by the state through general taxation and some by individuals and organisations, including trade unions, who take out private insurance. Does the hon. Gentleman accept that, if the private element is removed, the total sum that goes into the nation's health is reduced?

**Mr. Hinchliffe:** What I do accept is that the system that the right hon. Lady offers is very different from what I believe in. I do not believe that, because I am wealthier than someone else, I as a human being have the right to queue-jump over somebody whose needs are greater than mine. I have seen that happen in the context of my family. My father waited for a heart bypass for two years. My predecessor raised the issue with the Minister of State in the previous Government, and my father finally got into hospital after the intervention of the then Minister of State. Having worked hard all his life, my father had retired at 65 and been ill until the age of 67. I vividly remember the man in the next bed telling him that he had gone private and waited for only three months. He had queue-jumped and pushed everybody else back down the queue. That is an immoral system. The shadow Secretary of State professes to be a moral person, but she advocates a profoundly immoral practice. I hope that the Government will do something about that practice because that is the unfinished business of Bevan.

**Miss Widdecombe** *rose—*

**Mr. Hinchliffe:** I have given way once, and I am conscious that many of my hon. Friends wish to speak. The right hon. Lady had a chance to make her point, and I have responded to it.

The Tories regard private insurance as the way forward, but what about those who cannot get it? They should talk to people who are chronically ill, or to those who are fit

*[Mr. Hinchliffe]*

and well, but have in their families illnesses that are passed down from generation to generation. They do not feature on the Tory agenda. The right hon. Lady should deal with the concerns of people who do not believe in the system that she advocates because it is profoundly unfair and immoral.

On this 50th anniversary, the key task is to restore the original ideas and framework of the NHS, which has been so damaged by the Conservatives over several periods in government. The shadow Secretary of State said that the Tories had been in power over many years of the existence of the NHS. In this debate, we shall look at the history of the national health service and at what has happened in the past 50 years. In 1974, the Conservative Secretary of State, Sir Keith Joseph, introduced changes to the national health service. At that time, I was a young councillor serving on a local authority. I also worked in a social services department, so I saw the situation from two perspectives—as a politician and as someone who was professionally involved with the national health service. I hope that the Government will repair the crucial mistake that was made at that time, when public health was removed from the local democratic debate.

As a young councillor in Wakefield, I recall discussing smokeless zones, slum clearance, the sexual health of young people and mortality rates. Those key public health questions should be dealt with at a local level, but in 1974, the Conservatives removed that ability and separated public health from fundamental health-related issues, such as housing, the environment, transport, education and, especially, social services.

That Tory decision caused the start of what my right hon. Friend describes as "the Berlin wall"—the divide between social care and health care. We are still trying to deal with the consequences of that totally false divide. It was the beginning of the bureaucratic explosion, which culminated in the internal market with the establishment of unelected, locally unaccountable health authorities. In the late 1980s and early 1990s, I served on Committees considering health legislation with the right hon. Member for South-West Surrey (Mrs. Bottomley), who was then the Secretary of State, and we spent many hours arguing about the internal market.

In my home town of Wakefield, the functions of one health authority were replaced by four different agencies, which made no sense to me. Most of the time, those agencies were arguing about where the boundaries were, who did what and who was responsible. They were constantly blaming each other. We never saw any real impact of the new money put in by the previous Government because it was wasted in an incredible bureaucratic paperchase, which they introduced because they believed that the national health service should be run on the basis of a market philosophy rather than on the basis of collectivism, in which my right hon. Friend and I believe.

The right hon. Lady will recall that, at the same time, she began the process of the wholesale privatisation of community care, which reinforced the Berlin wall. Elderly people had to pay for services that were previously free at the point of need. That was the Tory Government's record, and people will not forget it easily.

**Dr. Harris:** Does the hon. Gentleman accept that cuts to social services funding, which the House of Commons Library figures show were greater than 1 per cent. in real terms in each of the past two years, mean that local authorities and social services must tighten eligibility criteria and put up charges? Thus the desperate, difficult and unfair situation to which he refers gets more desperate, difficult and unfair when social services funding is cut. Those cuts have been made for the past two years, because the Labour party has adopted Tory spending plans.

**Mr. Hinchliffe:** The hon. Gentleman has been in the Chamber when I have pressed the Secretary of State on the issue of social services. The Select Committee on Health is about to produce a report on that issue, and I am sure that it will help the Government in considering what to include in the White Paper on social care to be published in the autumn. I am optimistic that the Secretary of State will listen to concerns such as the hon. Gentleman and Labour Members have expressed.

I mentioned the pre-1974 structure because I believe that it was a more sensible and effective framework. In a sense, that is the standard by which I judge what the previous Government did and what this Government are doing. I wish to outline some key areas that the Government must address in returning to the framework that we inherited from the Bevan era because they made a lot of sense to people like me when I was working in the system, but they have been destroyed by subsequent Governments and particularly by the Conservatives' internal market.

I welcome the Green Paper on public health and the work by the Minister for Public Health in that direction. I am concerned that the issue of public health is marginalised within health authorities and has shifted away from local democratic debate. We must get it back in the mainstream of democratic debate. I welcome health improvement programmes, smoking initiatives and health action zones, but the Secretary of State will not be surprised to hear me say that I would welcome a more central role for local authorities, which have a great deal to offer. A great deal of progress was made in the past as a consequence of public health being part of their responsibilities.

I want the work that is already done on links with social services to be enhanced. My right hon. Friend knows that I favour moving towards the local government health model; I know that that is not my party's policy, but I support it on the basis of my working experiences. Perhaps I am out of date and have not had his experiences of some rather questionable people in London boroughs whom he would not trust to run the health service—I understand his problems.

**Mr. Dobson:** Lady Porter.

**Mr. Hinchliffe:** I missed that one, so I shall revisit it in *Hansard*.

The organisational split of health and social care is nonsensical; I am sure that my colleagues on the Health Committee would agree that it does not make any sense, whatever solutions we reach when we discuss the matter. I welcome the White Paper's proposals on links with social services in primary care, but we need radically to enhance such links along the lines of those that my colleagues on the Health Committee studied in Northern Ireland.

We went into a primary care centre at which everyone—nurses, midwives, health visitors, care managers and child protection officers—was working in a local GP's surgery, together in one body. That is the system that I experienced before 1974; it was destroyed by the Conservatives, which has taken us so far back in comparison with my career experiences several years ago.

I also want to refer to the continuing concern about the democratic deficit in health, and my discomfort, which I think my right hon. Friend the Secretary of State shares to an extent, at the continuation of the appointments system. I suspect that he has had more difficulties over the past year with who should be appointed and who has been recommended and by whom, and with checking that those people are suitable, than with many other issues. There should be new arrangements giving service users a real voice. Let us get some young mums involved; they are the main users of the NHS, and they should be running it and making the decisions.

That takes me on to my final, local points. Young mums in Wakefield are a concern to me, because a number of policy issues affect them directly in respect of maternity services and gynaecology. I wanted to make a general speech, but it would be wrong not to refer to the serious concerns in Wakefield about proposals in respect of maternity services. I know that I do not look it, but I shall be 50 in October, so I share this anniversary with the NHS. *[Interruption.]* Who said that?

I share this anniversary with the NHS—I came in during 1948 as well. An excellent example of family planning, I was born at Manygates hospital, three months after the NHS was set up. My children were also born there, but Manygates was recently closed by the Tories on the ground that we needed anaesthetic cover, and that little hospital did not have it. Services had to move to Pinderfields district general hospital but, as my right hon. Friend the Secretary of State knows because I have raised the matter with him before, there is a proposal to close the maternity unit at Pinderfields. The central argument is that anaesthetic cover is not adequate, which is why services were moved there in the first place.

We were promised a new unit, but we have never had it. I hope that my right hon. Friend will consider this issue, because I think that we are being sold a pup by the health authority. I have a lot of respect for the difficult work that it is doing, but there are serious questions about some of its arguments. For example, it is proposed to move gynaecology and maternity to Pontefract on the basis that the Calman-Hine proposals on cancer will mean that a large part of the gynaecology work load will have to go to Leeds. I have checked the matter factually, and, over the past 12 months, only 63 of 2,179 new referrals related to malignancy of the ovary, womb, cervix and vulva. We have been given the wrong information, and I hope that my right hon. Friend will consider this issue because the women and the public of Wakefield are facing profound changes on the basis of untrue and misleading statements.

**Audrey Wise** (Preston): Will my hon. Friend also ask the Secretary of State to take another look at how "Changing Childbirth", a useful report based on the Select Committee report to which my hon. Friend and I contributed, is being implemented? It is my strong impression that, having had impetus for five years, we are in danger of forgetting the valuable principles enshrined in "Changing Childbirth". Our right hon. Friend should look again at that issue for the sake of women awaiting childbirth.

**Mr. Hinchliffe:** I commend my hon. Friend for her key role in the report, which was her idea. The conclusions have moved things forward radically, but the direct issue in my constituency, and a key question in respect of "Changing Childbirth", is that women should have choice. My constituents are being denied choice, and I hope that my right hon. Friend will consider that.

The Secretary of State has more than kept the Government's promises nationally. He has an excellent record in his year in the job. The socialist ethic is being restored by the Government, and I warmly welcome that. I look forward to the health service going from strength to strength—in the hands of a Labour Government.

5.35 pm

**Mrs. Virginia Bottomley** (South-West Surrey): I welcome the opportunity to speak in this important debate. The national health service, its achievements and its future, is a subject which concerns us all. Like the hon. Member for Wakefield (Mr. Hinchliffe), I am of the 1948 vintage, and I think that he looks very young indeed.

The hon. Member for Wakefield and I are part of a generation that has a passionate commitment to the health service. I have spent most of my working life working with it, and I should declare an interest: the NHS employs more members of my family than any other employer. The health service is a concern to our constituents, but it is a source of pride to our country as we talk about its achievements and, above all, its culture and ethos around the world.

Much has been made of the socialist contribution to the NHS. Dare I say that it has also led the NHS to be cumbersome, bureaucratic, reluctant to change, paternalistic and unresponsive to patients. That contribution led to many of the necessary changes during the past 18 years. For all the lofty rhetoric over the past year, imitation is the sincerest form of flattery. There has been a massive rebadging exercise, and I shall talk through some of the uncomfortable hooks, as Sandy Macara described them, that the Government left for themselves in opposition. They have been working hard to get off those hooks and back on to the programme of evolution and modernisation of the health service.

In opposition, the Government said that they would end the internal market, but they have rebadged the internal market—the distinction between purchasers and providers remains. It would have been strange of them to dismantle a system that the Organisation for Economic Co-operation and Development has been commending to other countries around the world since 1994. The combination of the patients charter, the strategy in "The Health of the Nation" and the establishment of the distinction between purchasers and providers was described by the OECD as putting Britain

> "in the forefront of countries attempting to achieve more coherent health policies which recognise that health care is only one part, but still an important one, in improving health."

I welcome the continuation of the internal market, but I deplore the fact that the Government's political rhetoric about ending GP fundholding has resulted in the introduction of far more cumbersome, bureaucratic

*[Mrs. Virginia Bottomley]*

GP co-operatives. Whoever would have thought that GPs—all of them—would be forced to become budget holders, for that is the effect of the bounce that they have received from the incoming Government? I dare say that we might, in due course, have done that ourselves, but, when in opposition, members of the present Government would have been deeply irresponsible, and hostile to any such measure. They also said in opposition that they were against hospital closures, and that there would be no more. Since then, they have been back-tracking hard.

This is a difficult issue for us as constituency Members of Parliament, because we all know that our own hospital is a more loved and understood institution than almost any other. The dilemma for any Secretary of State for Health is whether to champion the future—changing technology and styles of health care—and whether to follow the Calman-Hine protocols on cancer treatment. I am delighted that Sir Kenneth Calman was appointed when I was in office; I congratulate him on his achievements, and wish him well for the future.

I commissioned and published the Calman-Hine report. The logic of the expert views on the delivery of health care is to change the fabric—the bricks and mortar. Is the health service its values and its treatments, or is it its institutions? I believe that it is the ethos and the service, and it must look to the future rather than the past.

The Secretary of State will have greater and greater difficulties with his socialist instincts. The introduction of protocols, guidelines and centralising techniques will make change and evolution harder and harder. There is a growing concern that the end of fundholding and many of the other new measures will stifle innovation. It is through innovation that we will conquer the diseases and frailties of the future.

In opposition, the Labour party irresponsibly heralded endless individual cases devoid of a context. The case of Jennifer's ear will be with us for ever. In government, it must tackle the underlying challenges. I wish the Secretary of State well, and I hope that he will do at least as well as we did on funding.

We delivered an average real-terms increase of more than 3 per cent. a year. It is nonsense to say that the Government are spending what we would have spent. Any Health Secretary who lived with the figure in the Red Book would have been deeply humiliated. That was the opening of negotiations: the Health Secretary, with the chief executive of the NHS, then went out to bat with the Treasury so that targets could be met. That is why I had hardly any summer holiday for six years—neither did my successor, and nor, I imagine, will the present Secretary of State.

So far, the Secretary of State has not done well enough. I shall welcome it if he gets the three-year funding package. I do not advise mid-year rescue packages, because they result in shroud waving and crises. People become adept at gaining access to sources of funding. We increased NHS funding by a full percentage point of gross domestic product. I wish the Secretary of State well, and hope that he can say the same when he finishes his term of office.

The local effect is dire. My health authority has had a mere 1.3 per cent. increase. It has an acute shortage of nurses. It may, objectively, have little health need, but it has massive health demand. It is having great difficulty recruiting staff, and the position will get progressively more difficult as a result of the changes to the formula that the Secretary of State is introducing.

The Secretary of State's approach of naming and shaming officials is unacceptable. I have always condemned him for criticising health managers. When he was in opposition, no opportunity was resisted to attack health managers—I have a list of quotations, if he would like to see it. I am pleased to say that he has made progress, but the Prime Minister still takes every opportunity to attack what he calls "bureaucrats". The managers in the health service, as much as the doctors and nurses, are committed to the general good and to philanthropy: they believe in the service. It is not fair, and not right, for them always to be the scapegoats.

I am sure that the Secretary of State is aware of the growing unhappiness about late-night calls from the boot boys in the Box. People have spoken out about the telephone calls they have received telling them to keep quiet and not to say what they believe. If the Secretary of State wants me to identify those people, I shall do so later outside the Chamber. There is a bullying atmosphere at the centre. People are excluded from policy making, and there is a loss of confidence in his ability to work with people and not make them scapegoats when difficulties emerge.

**Mr. Dobson:** The only person I named and shamed, so to speak, was the chair of the National Blood Authority, whom I named, shamed and sacked. As I understand it, the right hon. Lady's successor, my predecessor, was broadly sympathetic to my action. Indeed, my announcement was welcomed by the Opposition Front-Bench spokesman.

There is no question of anyone on my behalf trying to prevent people from speaking out. I have made it crystal clear to every health authority and trust that they must dispense with the gagging clauses that were introduced into people's contracts when the right hon. Lady was the Secretary of State.

**Mrs. Bottomley:** I give the House and the Secretary of State my solemn word that I have heard of repeated incidents of intimidation by his office. I do not want to add to those people's discomfort by naming them now, because that would compound their difficulties. If he is not aware of that intimidation, he should know that people are behaving in that way on his behalf.

There are further allegations of cronyism. The Secretary of State appointed Baronesses Hayman, Jay and Dean. New Labour Members have approached me and commented on their experiences as members of a health authority or trust. It is difficult to understand the high-handed, contemptuous manner in which a great number of people who gave many years' service to the NHS were dismissed. Ann Galbraith from Newcastle, the NHS representative on the citizens charter, is a person of impeccable integrity. She first knew that she was being dismissed when she was told by her successor.

The other day, the Secretary of State accused one of my hon. Friends of being too lazy to make nominations for health appointments. I have made a number of recommendations, but he has dismissed the vast majority of my suggestions and has appointed people of his

choosing. Nolan, when he investigated health appointments, commended the steps that had been taken to introduce panels and to achieve a more open system. The Secretary of State's recent announcements have resulted in a loss of confidence, and we have taken many steps back. It may be that it is early days, and that a great number of appointments have had to be made. I hope that that is the case.

**Mr. Dobson:** The Nolan panel still exists. Nominations come to me, as they used to come to the right hon. Lady. I make different judgments in some cases. Conservative Members have thanked and commended me for appointing people they have recommended. The right hon. Lady was appointing people for a long time, so perhaps she should get used to the fact that she is no longer doing so.

**Mrs. Bottomley:** I am much enjoying the fact that I have weekends free and can have a holiday, and that I no longer have the responsibilities of the Secretary of State.

It is interesting that the chairman of the Prime Minister's Labour club, the parliamentary agent of the Chief Whip and the parliamentary agent of the Minister for Local Government and Housing have all been given health appointments. I leave that thought with the Secretary of State. I do not have access to the vast amount of information on each appointment, but those three immediately come to mind, and there are many more.

Ill will in the health service is growing. It is important for people who have to carry out difficult tasks to feel that they have the Secretary of State's support. When they come to the end of their term of office, there should at least be recognition of and gratitude for the steps that they have taken.

**Dr. Ladyman:** The right hon. Lady mentioned a number of Labour party supporters who have been given positions on health trusts. Is she suggesting that, if she were still Secretary of State, they would not have got those positions? If so, is that not every bit as bad as what she is accusing the Secretary of State of doing?

**Mrs. Bottomley:** I am saying that many people who have spent many years serving the NHS are affronted by the shabby manner of their dismissal. A vast number of new people have been appointed whose claim for such recognition is not immediately apparent.

Let me now move from the role of politicians to that of professionals. Over the years, their role has changed. They have consistently resisted new developments. Doctors were initially hostile to the introduction of the NHS, and at each moment there has been further resistance. The Secretary of State has recently experienced difficulties of his own, and no doubt there will be more.

Let me comment on each group of professionals, because this concerns the future. First, there are the doctors. There has been a shortage of medical leadership. There is the British Medical Association, the doctors' trade union, and there are the royal colleges, which are concerned with education and training; but neither body contains the courageous leaders the profession needs. In many ways, the management that emerged did so because doctors did not want to take on such responsibilities.

I strongly believe that the Secretary of State would do well to do all that he can to encourage medical management—the work of Sir Cyril Chantler and others. Doctors cannot simply resist change, because they are the people most trusted by the public to achieve change with public confidence. Their role becomes more and more difficult as the public expect more: they expect to be treated as partners, and people engage in litigation when they do not receive satisfaction.

Secondly, there are the nurses. Mention has been made of the recruitment of doctors, but the recruitment and motivation of nurses is more important still. There are real difficulties in the nursing profession, and I urge the Secretary of State to give priority to considering how we can make nursing a long-term, rewarding career. During my time in government, we joined Opportunity 2000 in an attempt to become a model employer, particularly of women, providing part-time employment and career breaks.

Finally, there are the health managers. Already, there are stories that health managers are leaving the NHS and finding employment elsewhere, because they do not believe that they are being given recognition and respect by the Secretary of State and his team. I commend the award of a knighthood to Sir Alan Langlands, who, as chief executive, has acted with great distinction.

The appointment of my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) as shadow health spokesman has been welcomed—for many reasons, but not least because of her reputation for standing up for officials and not allowing them to be fall guys for politicians' policies. I believe that health managers, and all in the health service, will have a staunch ally in my right hon. Friend.

Let me say a little about patients. We talk of a primary care-led NHS: we share that language. Indeed, in many respects the language that we used in government has been taken over by the Labour party. I made any number of speeches about "co-operation as much as competition" and "progress through partnership". Such phrases are now used as if they were a whole new language, representing a new step forward.

The patients charter represented an important cultural change in the NHS. It meant that patients must no longer be seen and not heard, and put up with a "like it or lump it" service in which doctors spoke disparagingly of them and scarcely attended to their interests. The charter has put great pressure on the service, and has aroused even more expectations in the public.

We now live in a world of increasingly assertive patients. They can call up vast amounts of information about their conditions on the internet, and there are patient self-help groups that encourage them to expect more and more. The challenges faced by the NHS are not due so much to the aging population—which is increasing at only a third of the rate that we have seen over the past 10 years—or to changes in technology, which will lead to savings as well as costs. The real dilemma for the future is caused by a massive increase in expectations. In this consumer society, people want not just their health needs but their health wishes to be met: they feel that they are entitled to more and more.

I am not convinced that the NHS can provide everything for everyone, for free, for ever. The Secretary of State would show more courage if, instead of rebadging

*[Mrs. Bottomley]*

and helping old Labour to accept that new Labour has taken on Tory policies lock, stock and barrel, he re-examined the whole question of priorities. Call it rationing if you will, but I think that priority setting is the right term. We need to know what the NHS will and will not provide: it needs to be more explicit about that.

I was interested in the comments of our former colleague Michael Portillo. If the Government remain committed to low tax, the NHS needs more money. If the NHS is not to become a third-rate service, it will be vital for the Government to meet health wishes and wants as well as providing for health needs. That must come, even if it means more co-payment, more insurance, more charging or a more positive attitude to the private sector. The Secretary of State will serve no one if he keeps his head in the sand.

The issue of prescription charges has become ridiculous. We are talking about higher and higher charges, which fewer and fewer people pay. The exemptions cannot be justified. Before the Secretary of State asks why we did not tackle that when we were in government, let me say that I am not convinced that many people thought that we were short of difficult issues to tackle. Given the patients charter, the health strategy, the health reforms, junior doctors' hours, the research and development strategy and much else besides, I do not think that we could have addressed the issue—but it can be addressed in the first part of a Parliament with a large majority, and I think that the Secretary of State should address it.

I believe that we shall achieve greater understanding, broader co-operation and a more civilised approach to the NHS if there is a wide understanding of what the service is trying to achieve. When it comes to schools, the public understand that exam results are a good outcome measure; the dilemma in the health service is caused by the fact that the public are less aware of what outcome measure they should look for.

The Government have made fools of themselves over waiting lists. In fact, they were the wrong target. We made huge progress on waiting times. If I had been in opposition I would have wanted to move the debate on, because the message had been conveyed that waiting times and waiting lists are an affront to the public. For Labour Members to make so much of the issue, to say repeatedly in the House, "We keep our promises; they broke theirs," and then to make such fools of themselves with such record waiting lists, has done no one any good.

I urge the Government to look for better outcome measures that the public will understand. That will require a greater sense of what I have termed health literacy. The public need to understand the relationship between hospitals and primary care, and the importance of immunisation, screening and other prevention programmes. I commend the King's Fund for setting up citizens' juries, or people's panels, which are trying to bring about more recognition and understanding of what the NHS can realistically deliver.

In the past, there was rationing by waiting list and, frankly, by ignorance. If one knew how to get access to the NHS, it was brilliant, but if one did not, no one was going to make it his or her business to help one find out. Waiting lists are to be tackled in due course, I understand, but the population are generally fascinated by health and are much more knowledgeable, so the rationing that has always existed in the health service will have to become more explicit, which will again require considerable courage on the part of the Secretary of State. Otherwise, the worry is that the articulate will always win over the inarticulate, and the fashionable over the unfashionable.

I am critical of the Government because they have always taken the focus-group-driven priorities. This week, they were rightly condemned by the British Medical Association for focusing on cancer services—they have also focused on paediatric intensive care rather than other services. Those are the priorities of the focus groups, not the community. Yet again, I must point out that the Secretary of State made no mention of the fact that mental illness is one of the greatest causes of suffering and ill health in our community.

**Mr. Dobson:** Obviously, I shall have to withdraw my compliment to the right hon. Lady. When we went ahead formally with the proposals for changes in children's intensive care, I said that she had originally started the changes, which were continued by her successor. If she is now telling me that we were wrong to do so, I had better not make such references in future.

**Mrs. Bottomley:** We all like to be flattered and it is a characteristic of this place that people like the credit for success and pass the buck for failures.

The dilemma is how the Secretary of State can give greater priority to the greatest health needs, not the most fashionable causes of concern. There is no doubt that mental health is the priority that we have to tackle. In "The Health of the Nation", I insisted that mental health should be one of the priority areas. I am pleased that it is included in his document, but there is no mention of it in many of his publications and there was no mention of it yet again today. I urge him to ensure that whenever he considers health priorities mental health concerns are at the top of his list.

**Dr. Harris:** Does the right hon. Lady agree that cuts in social services impact on mental health? That is one of the areas of the NHS that is most sensitive to cuts in social services because of their role, and it is vital that, if the Government allow health and social service authorities to work together, they should be allowed to stress their own priorities instead of having to bid for money for cancer services or paediatric intensive care, for example, when that may not be their priority locally.

**Mrs. Bottomley:** I entirely agree with the hon. Gentleman, and he is well aware of my preoccupation with the fact that the attack on local government has meant that it is ever harder for social service departments to undertake their responsibilities and act in partnership with the voluntary and private sectors and the NHS.

As we face the future, we must accept that there has been extraordinary progress. The changes that we set in motion have left the NHS stronger and the population healthier. I was never able to fathom why the Labour party voted against the introduction of targets for immunisation, cancer screening and the capitation system, which gave more to inner-city areas with the new GP contract. More than any other step, that ensured that the poorest areas received the health care that some of the most prosperous were getting.

I am pleased that the Secretary of State has evolved the London implementation zone concept into health action zones. The National Institute for Clinical Excellence is a good step forward in the establishment of evidence-based medicine, although I do not know how one can justify all the expenditure on the launch, the rhetoric and glamour of NICE when the NHS research and development budget is being cut following the Culyer commitment to a 1.5 per cent. target. That is being widely questioned. So far, under the Secretary of State there has been a triumph of style over substance. For the future, I want him to have a triumph of courage over fashion.

6.4 pm

**Mr. Denzil Davies** (Llanelli): I shall not detain the House as many of my hon. Friends wish to speak. I suppose that it is inevitable in debates on the health service that there should be calls for more money. Most people realise that, even if it is forthcoming—money is never easy when one is in government—it is important to target it and ensure that it arrives at the point at which it is supposed to arrive; in a large organisation, it is never easy to pursue the money to ensure that it arrives at its destination. Also, debates on the health service are inevitably a combination of the general and the particular—the general problems and principles and also particular problems.

I must briefly raise one matter that relates to my constituency among others in south-west Wales. I hope that the problems that I raise will lead to a general inquiry and to concern. In what I am about to say I am not picking a quarrel with my right hon. Friend the Secretary of State or anyone else, and I do not expect the Minister who replies to deal with my points, because the matter relates to Wales, the Secretary of State for Wales has responsibility, and I have no quarrel with him about the health service, either.

Dyfed Powys health authority covers more than my constituency, and encompasses five hospital trusts. Recently, it published a strategic document—a financial recovery plan. The right hon. Member for South-West Surrey (Mrs. Bottomley), a former Secretary of State, talked about language, and when I read the document I detect the language of that ridiculously named and conceived internal market—a fundamental contradiction if ever there was one. Perhaps my points relate merely to language and there is not a problem, but the so-called financial recovery plan—it is actually called the "Financial Recovery Five Year Plan" and I am not sure whether that it is also some sort of contradiction, but I will let it go—properly states that the health authority has sat down with the five hospital trusts and tried to work out income and expenditure for the next five years, adding them all together. That is a commendable effort. However, the figures seem horrendous—they may not be large in terms of national expenditure, but they are quite large for us in south-west Wales.

The figures are not necessarily relevant to my case, and I merely mention them for accuracy, but for the year 1998–99 there is to be a shortfall, for the health authority and/or the trusts, of just over £20 million. Presumably that means that, in April 1999, the people who run those organisations will have a shortfall—they will have no money, which is the simplistic way in which I would have looked at it. My right hon. Friend the Secretary of State is a graduate of the London school of economics and no doubt understands those things better than I do, but a shortfall of £20 million is a lot of money for someone from west Wales.

With commendable clarity, the recovery plan goes on to say that, if certain things are not done by the end of the five years, the shortfall will be around £73 million—it is cumulative. The health authority proposes certain measures and says that certain things will be done to try to reduce the shortfall. I will not comment on those, but they will obviously involve some difficulties.

Even after the five years and the attempts to reduce the shortfall, we read—in curious language, which reflects the odd accounting world in which hospital and health trusts seem to live—that it will still be £62 million. They manage to reduce the shortfall over five years by about £10 million or £11 million.

What happens at the end of years one, two, and three? Does the manager of Dyfed Powys health authority go down the road to the Abbey National or NatWest and say, "I have a shortfall of £20 million. Could I please have an overdraft"? Does he borrow £20 million from the Welsh Office? There used to be something called the Public Works Loan Board. I remember, as a Treasury Minister, very late at night, trying to introduce orders to change the rate of interest that the board charged. No doubt it does not exist in that nomenclature any more; I am sure that it has another name.

I hate to mention something as antediluvian as the public sector borrowing requirement; I believe that it is all cash flow now. Perhaps that is the problem. What do such managers do when they end up with a cumulative shortfall? It is a fair question, which I ask rhetorically, to which, no doubt, the Welsh Office will provide answers at some time. The document is a curious presentation of an accountancy exercise which flies in the face of any basic rules of accountancy. I suspect that that shows the fundamental contradiction in trying to run an NHS internal market and present it in management and accountancy-speak.

On the basis of the document, the health authority and hospital trusts that cover my constituency and my constituents will be £62 million in the red at the end of five years. Perhaps the money will be forthcoming. There is certainly nothing in the document to tell my constituents that it will. I am not saying that the money will not be forthcoming. I am sure that the Welsh Office will do its utmost to ensure that the problem is resolved. I must read the document from my point of view. It came in the post last week, and it seems to cause certain problems.

The document assumes that capital private finance initiative moneys, as they are called these days, will provide £13 million—or whatever—for the health trusts. I do not know the possibility in south-west Wales—its gross domestic product results in a relatively poor area—of grand or, indeed, semi-grand PFI projects. Perhaps such projects are impossible.

**Dr. Brand:** Does the right hon. Gentleman share the concern of Unison, which lobbied the House yesterday, about the effects of the PFI? Will it not have disastrous consequences for the budget in Dyfed Powys, given that up to 30 per cent. of revenue can be tied into private sector contracts?

**Mr. Davies:** I have no idea; I am not arguing for or against the PFI. I am merely saying that one of the

*[Mr. Davies]*

assumptions in the document, which enables the health authorities to arrive at a better figure, is that PFI moneys will be available. I do not know whether that will be so.

The document states:

"The key assumptions included in the plan represent major risks."

It is assumed:

"There will be no underfunding of inflation."

That is curious language. I assume that it is supposed to mean that the Government will link any available money to inflation—the retail prices index, RPI, minus X or Y, or plus Z. I remember that, at one time, there was a special health service inflation, a pensioners' inflation and a Ministry of Defence hyper-inflation, which I suppose is still around. I take the phrase about inflation to mean that, somehow, £62 million will still be required and that inflation, be it 0.5 per cent. or 3 per cent., will have been taken into account.

There is an assumption in the document that there will be no underfunding of cost pressures. I do not live in the world of health professionals; I am not an expert on the health service. Some of these debates tend to be rather inbred. I am not quite sure what underfunding of service developments or cost pressures means—except, I suppose, there are always cost pressures. The document makes very large assumptions, yet, if everything goes right, the health authority will still be £62 million in the red at the end of five years. Perhaps I should look forward to five years' time. Perhaps the figure is unrealistic.

Under the curious sub-heading "Balancing the Recovery Plan", the document states:

"It is obvious that in its current form the Recovery Plan does not balance."

Indeed; perhaps I spent too long trying to point out that fact. There has been lots of work, and we have lots of paper and many figures, yet this curious recovery plan is not a recovery plan at all. Not only will patients suffer: the plan will not recover. I do not know whether most other health authorities release documents in such a form and use such language.

The document does not really tell us where the £62 million will come from—except that the final paragraph says:

"Trusts have indicated that they will require £15–17 million in cash in 1998/99."

We are back to our friend the cash flow. Dairy farmers in west Wales used to think that they were rich when the milk cheque arrived every month, and no doubt bought their wives new clothes or themselves a new tractor. They were not really rich. Now, the milk cheque does not even make them feel rich.

The underlying asset valuations and accountancy in those days was probably pretty wobbly. As far as I can tell, accountancy in the document is pretty wobbly too. Perhaps the matters are not presented in the right way and should be reconsidered. I hope that the money will be available. I make neither claim nor criticism. As an ordinary Back Bencher, I find such a document extremely worrying, to say the least.

To introduce a Welsh note, there will be a Welsh Assembly after 2000. If one discounts the first year and a half of the cumulative deficit—about £30 million—when the Government or the Welsh Office will be responsible, one is left with a debt of £30 million, which will be the Welsh Assembly's responsibility, unless the Government wipe it out. I am sure that this will be considered an esoteric, internal Welsh point. The Welsh Assembly will have a block grant and be able—at least in theory, although in practice it is not so easy—to shift money from one head of expenditure to another. What will happen to my health trust's huge deficit and my hospitals?

I have no doubt that such matters will be addressed and—I hope—resolved. Nevertheless, I have a real problem with them, which I hope my right hon. and hon. Friends will consider. Perhaps they can look at the way in which such matters are presented, and encourage a move away from this crazy world of pretending that we are in an internal market and that the normal rules of accountancy apply. Income, expenditure, assets, recovery plans and such ridiculous jargon does not apply—and cannot be applied—to the national health service.

As I said, I have no quarrel with my right hon. Friend the Secretary of State or anybody else. I am sure that he, like my right hon. Friend the Secretary of State for Wales, will consider the matter.

6.18 pm

**Mr. Simon Hughes** (Southwark, North and Bermondsey): I cannot comment in detail on the Dyfed Powys finances of which the right hon. Member for Llanelli (Mr. Davies) spoke, but the issues that he raised relate to a problem that is endemic in the health service. We have had a tradition of having to budget year by year, when planning of any public service should be for the medium if not the long term. He also said that he was not arguing for more resources, but he must know that if his trust, like many others, has shown a deficit this year and last year, that is because there is a cumulative deficit in the health service generally, which can be addressed only by reducing services or spending, or by additional money.

Over the past week, like many other hon. Members, I have tried to do my bit to pay tribute to the national health service on the occasion of its 50th birthday. I did a loop of visits, starting and ending in my constituency. I started by talking to users of mental health services from Lady Gomm house, which is run jointly by social services and the health authority in Bermondsey. On Saturday, I went up to the Freeman cancer centre in Newcastle, where, on a personal note, one recent patient of that premier cancer centre was the late wife of my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith). I understand that she had good and loving care and attention there.

On Sunday, I went to Stepping Hill hospital in Stockport, near where I was born, with the hon. Member for Stockport (Ms Coffey) and my hon. Friend the Member for Hazel Grove (Mr. Stunell), and looked at paediatric and maternity services. That evening, I came back to Guy's hospital in my constituency, which I visit often and about which I have often spoken to the Minister.

All the staff at those places wanted more resources for nursing, mental health care, night and weekend cover and other services. The Freeman cancer centre needs more plant and buildings. People go there with worrying, often terminal, conditions. Ladies and gentlemen have to use the same toilet facilities, there is no shower and the curtains do not even go round the beds. That is not acceptable in 1998. At Stepping Hill, the paediatric

services are being rebuilt in a new building that staff had been waiting for and greatly welcome. The common, underlying theme is that people in the health service give loving care and attention and nearly always do competent, professional work, as patients almost always acknowledge. They said as much to me in Newcastle, Stepping Hill and at Guy's—although at Guy's people complained that the lunch on Sunday was pretty grim, which is a little matter that I shall take up with the authorities.

This debate is about the achievements and the future of the health service. In a non-party way, I pay tribute to all those who have had responsibility for the health service, for its inception and continuation over 50 years of service to the public. It works; it is cost-efficient, taking only 6.5 per cent. of gross domestic product; it is hugely effective in delivering health improvement: things may not be perfect, and other countries may do better on certain measures, but death rates have gone down and longevity has gone up; and it is the most popular public service by miles.

The Secretary of State for Health, the right hon. Member for Maidstone and The Weald (Miss Widdecombe) and I were in Manchester on Sunday morning for a Granada television programme. A couple of hundred ordinary users of the health service, randomly chosen from around the country, were assembled for the weekend and were given information and given the chance to quiz experts and also the three of us. They were asked several questions both before and after the weekend.

When asked whether the Government should spend more on the health service, 71 per cent. said yes before the weekend, and 76 per cent. after. Before the weekend, 1 per cent. said that the Government should spend less, and nobody said so after. There is a pretty good public consensus that the health service needs more funds.

When asked who should pay, 58 per cent. before the weekend said that the Government should put in money for everybody, but 75 per cent. after. The proportion who said that the Government should pay only for those who cannot afford it went down to 22 per cent. after the weekend. Not a single person after the weekend—down from 2 per cent. before—said that health care should be paid for through private medical insurance.

Before the weekend, 57 per cent. said that they were satisfied with how well the NHS catered for everyone's needs, and after it 70 per cent.

There is a high satisfaction rate, agreement that more money is needed and a widespread belief that funding should be through taxation.

I am sorry that the Secretary of State is not here. I was somewhat offended by his failure to acknowledge that the NHS was not only a socialist idea. Beatrice Webb had the idea in the 1920s, and of course I acknowledge that she was a socialist, but it was taken up by Keynes, and it was Beveridge—a Liberal both here and in the other place—who came up with the plan.

**Mr. Brian Sedgemore** (Hackney, South and Shoreditch): It is ours.

**Mr. Hughes:** It is not the hon. Gentleman's at all.

In his book, "The Five Giants—A Biography of the Welfare State", speaking of Beveridge's description of the five evils that the health service and other services were intended to tackle, Nicholas Timmins said:

> "In that one ringing paragraph Beveridge encapsulated much of post-war aspiration. By seeking not only freedom from want but a national health service, improved education, full employment and an attack upon Squalor . . . he gave the vital kick to the five giant programmes that formed the core of the post-war welfare state: social security, health, education, housing, and a policy of full employment".

I do not either in any way underestimate the work done by Nye Bevan, because I believe that pluralist politics and the recognition that we have all contributed are simply a matter of honesty. But for the Secretary of State not to have mentioned Beveridge struck me as selective amnesia nearly to the point of self-denial.

Over the 50 years, during which, sadly, my right hon. and hon. Friends and I have not been in government, and for much of which the Tories have been in office, there has been significant improvement in the health service, and many measures taken by the Tories over those years have consolidated the service. No Tory leader and no Tory manifesto—just as no Labour or Liberal Democrat manifesto—has ever argued that the NHS should be dismantled. None of the three main parties in the House has ever taken the position that the national health service should be other than free at the point of delivery.

Of course, some individuals, in the Tory party and elsewhere, may have argued differently, but the great commendation of the health service is that, 50 years on, it is still the view of the three great parties of this country that it should be free at the point of delivery. The sooner we can concentrate on the issues on which there is real debate, the sooner we shall serve the public well.

**Dr. Ladyman:** Is the hon. Gentleman aware that two individuals who are now Conservative Members, one of whom is a Front-Bench spokesman—the other one may be, but I am not sure—proposed what they called a pill tax, and a charge for every single NHS service? Those hon. Gentlemen are gaining preferment in their party and may one day be in positions of significant power.

**Mr. Hughes:** I have tried to make the broader point. We could all make nitpicking points. I am not going to do that. The three main parties' positions for 50 years on keeping the NHS have been consistent in their generality. The sooner that the hon. Gentleman and his friends remember that and we start having a debate about how we get the best health service free at the point of delivery instead of artificial debates about things that may interest us in here but do not matter a jot to people out there, the better we shall be serving the public.

**Mr. Gareth R. Thomas** (Harrow, West): Will the hon. Gentleman give way?

**Mr. Hughes:** No, I will not give way for the moment.

I applaud some of the things that the previous Government did, such as the work to advance the importance of research and development and education and training and to develop mental health services, pursued by the two previous Secretaries of State. I applauded them for those policies when the Conservatives were in power, and I applaud them now.

*[Mr. Hughes]*

I applaud some of the things that the current Government have done. They have accepted that we must bring health and social services closer together. My party goes further and argues that they ought to be merged. I strongly believe that in a few years they will be merged. It is a nonsense to have a national health service and locally run social services—one free at the point of delivery and the other charged differently depending on the area. I think that in Great Britain, as in Northern Ireland, we should have merged health and social services soon.

I welcome the Government's announcement the other day of a decision to set up a Commission for Health Improvement. My party's manifesto said that there should be an inspectorate for health and social care. Every doctor's surgery, hospital and health centre should be inspected, as schools are inspected by the Office for Standards in Education. The commission should have teeth and should be able to regulate.

I welcome the fact that the Government are concentrating on clinical excellence. It is nonsense that so many things are done that are not proven to be good for anyone. I welcome the fact that people will be free to speak out when things are going wrong. A restriction was imposed by the previous Government, which we opposed.

I welcome the end of fundholding. The differential between fundholding and non-fundholding GPs allowed some people to jump the queue. I welcome the Minister of State's answer to my hon. Friend the Member for Northavon (Mr. Webb) last week, in which, for the first time that I remember here in this place, he conceded that in effect we have rationing because there is differential service provision in different parts of the country.

I welcome the fact that the Government admit that more money is needed. I have done this job for a few years and I have always been clear that we have rationing. We have rationing now and we shall always have rationing. Bevan was clear from the beginning that not all national health services could be introduced at the beginning. Services depended on the funds. I would far rather that availability decisions were made publicly and accountably than that they were made by the professionals privately. The sooner that we get a system for sorting that out, the better.

I will not rehearse in this debate the difficulties that the Government are in with their waiting list pledge. The Government know my view. They made the wrong commitment. It should have been on waiting times, not waiting lists. In any case, to take 100,000 people off a waiting list of 1,300,000 is hardly radical socialist nirvana. To take one out of 13 people out of the queue for treatment is hardly a revolution. The Government's pledge is modest, weak and rather feeble as well as the wrong one.

We are troubled, as my colleagues demonstrated yesterday, that many community hospitals are under threat. Horncastle hospital in Lincolnshire, which I know because my grandmother used to live in the town, has closed and 27 others are under threat in various ways. I hope that following the comprehensive spending review announcement next week, one of the things that the Government say is that they will review decisions in every part of the country where a community hospital is under threat in the light of the additional money. The point made by the right hon. Member for Llanelli applies very well. It would be nonsense for a hospital to be closed this year to balance budgets, when more money will be in the kitty that might allow it to remain open next year. We really must have a longer-term view.

The Government in the end wobbled and fell over tobacco sponsorship. They promised in the manifesto:

"We will therefore ban tobacco advertising."

That was a promise for this Parliament. That is why parties produce manifestos. Yet we shall not have the ban until the next Parliament. Everyone knows that this has been a bit of a bottling out. I am sorry about that, because stopping youngsters smoking is one of the key health strategy objectives that we should pursue.

The health service is safe not in our hands but in the hands of the professionals who work for it. We are desperately short of professionals. I hope that the Government, with the money that is announced next week, will make it clear that one of their priorities is to retain and recruit the professionals whom we need. We cannot expect the health service to do what we want unless the 8,000 nurse vacancies, the GP vacancies, the hospital doctor vacancies, the consultant vacancies and others are filled as soon as possible. Personnel planning has been very bad in the health service, and we need to remedy it as a priority.

I ask Ministers to consider giving financial incentives to students to go into health and related professional disciplines in return for a commitment to stay with the health service, as the armed services and the private sector often do. We should make sure that never again do we face the problem that a staff nurse in Newcastle and I discussed. When nurses reach a certain grade in the health service, they can gain further promotion only by leaving nursing to become a manager. We must allow people to continue to get more money while continuing to do their professional job.

We must end the system whereby independent pay review bodies recommend that nurses, doctors and dentists are paid more, and the Government say, "Oh no, you can have only half now and half later." That has devastating effects, and Parliament has no say. My party has been clear. Governments may not have the money sometimes, but only this House should overrule a pay recommendation. Ministers should not do it without putting their decision to a vote in the House. We in the House should be accountable if we do not honour a pay recommendation. This year, the nurses were furious. There was plenty of money in the kitty and they could and should have been paid.

We must consider—Ministers are doing so—a more flexible employment system, so that people can stay on the payroll for the whole of their professional life, even if it means that they do 20 hours a week for a period and 10 hours for another period. That would be much more valuable.

**Dr. Harris:** On staging of the pay awards, the Minister looked puzzled when my hon. Friend said that there was plenty of money in the kitty. Surely the point is that, however much money there is in the kitty, it is more expensive to fail to stem the rising tide of disillusionment and loss to the nursing profession and medicine by undermining morale and staging pay awards than to pay

the money up front, thereby avoiding the need to pay for expensive advertisements and to go to Finland, Australia and New Zealand to find nurses.

**Mr. Hughes:** That is certainly the case put to my hon. Friend, to me and to others. I think that Ministers know that that is the truth. I hope that they will never make the same mistake again.

We need a massive programme of capital renewal to improve the plant of the health service. I say to colleagues on the Labour Benches that if they keep going down the road of the private finance initiative, they will have to answer the allegation that they have privatised more of the health service than the Tories ever did. That is the truth of the PFI route. My hon. Friends and I are clear. I have here two medical colleagues who both believe, as do others, that the PFI is inappropriate. It is not strategic. It allows a bottom-up approach rather than strategic planning. At the end of the day, it costs more as well as resulting in a loss of control.

I hope that we shall ensure that we have enough money in the kitty to fund staff and capital programmes. The Minister of State and the Secretary of State derided both me and the right hon. Member for Maidstone and The Weald when we put some figures on the table. I do not intend to play a bidding game, but I shall put a figure on the table. We need £8.8 billion more for the NHS to be announced in the comprehensive spending review next week if the NHS is to stand still. *[Interruption.]* I will show the hon. Member for Crawley (Laura Moffatt) the figures if she does not believe me. They are figures produced by the Library and available to her.

**Laura Moffatt** (Crawley): It is a stupid game.

**Mr. Hughes:** It is not a stupid game. I will tell the hon. Lady. If she thinks that she can go out of here defending something that does not give the NHS a real-terms increase next week, we shall harry her and her colleagues like hell until the next election.

My colleagues who shadow Treasury Ministers have made our position clear in our alternative Budget. We believe that the NHS should have 5 per cent. more in real terms this year, and 4 per cent. in real terms for each of the remaining years of this Parliament. In real terms, that would mean £11.5 billion more in next week's review. I shall happily go through our figures with the Minister of State if he wants. If the Government come up with more, we shall not outbid them or ask for an increase. We have costed what is needed, and we believe that it is £11.5 billion, the figure by which we shall judge the Prime Minister, the Chancellor and the Secretary of State for Health. If they produce less than that, we shall give them a hard time. If it is as low as £8 billion or £9 billion, I promise them that they are in trouble.

**Miss Widdecombe:** The hon. Gentleman is talking much good sense about the amount required for the NHS to stand still. Will he confirm that in addition to the £9 billion needed for that, we should consider the huge extra cost of administrative reforms being set in motion by the Government? That must be removed from any increase announced next week.

**Mr. Hughes:** The right hon. Lady was with me until that point, but I cannot agree with her assertion. Increased bureaucracy was a legacy of her Government. The new Government can reduce the amount spent on bureaucracy, although some items in their programme will add unnecessary bureaucracy, for example, the way in which primary care groups are structured.

I want to conclude, to let other hon. Members speak. I hope that over the next 50 years the NHS becomes more democratic, although I am troubled that that is not happening yet. The Minister has told me that he will not reinstate the democratically elected regional health authorities that we ought to have in England to do strategic planning. There should also be locally accountable health authorities.

Health and social services should merge. We must give more resources and attention to mental health, which, in spite of all our fine words, remains an under-resourced service. Mental health is of equal importance to physical health, as Bevan made clear from the beginning of the health service. We must regulate the unregulated professions allied to medicine, such as psychology, and also those who practise alternative therapies. We must not cut back on research and development. The public health laboratory service has been cut back in recent years, and even with no extra money it does excellent work.

As the Prime Minister said at Earl's Court last week, we must realise the benefits of information technology. The health service is, in many ways, terribly old-fashioned. It is nonsense that we cannot see the information held on us, or transport it to other areas or have it passed from general practitioner to hospital, through information technology. The NHS must get its IT right.

The NHS must continue to exist in the community. It must be where the people are. The doctor on duty at Victoria station should not be from the private sector; he or she should be from the NHS. The NHS should be in the shopping malls, or wherever people are in the evenings, at weekends, 24 hours a day. The NHS must respond to the changing life styles of Britain in the years ahead.

One way to remove unnecessary political argument from the NHS would be to create a forum for debate outside this place among the professions, the patients and the public. I do not pretend that a standing conference for the future of the health service is the only model, but such a conference could come up with ideas and a strategy for the future. We should ensure that the public are as involved in the health service in future as they have been committed to it in the past. The NHS is the best of British institutions. We all have a duty to make it stronger in every year ahead.

6.44 pm

**Jane Griffiths** (Reading, East): I thank my right hon. Friend the Secretary of State for drawing the broad picture of the number of new hospitals being opened or nearing completion after so many years of stagnation in the national health service. The previous version of the private finance initiative in the health service foundered repeatedly. In Reading for example, there were repeated promises that a new hospital would be built under the PFI to replace the antiquated buildings on two sites, which serve a population of more than 200,000. Year after year, the promises came to nothing. Huge sums were spent on consultancy and feasibility studies, but there was no new

*[Jane Griffiths]*

hospital. Finally, last year, under a Labour Government, the PFI was reviewed, and we achieved a hospital building programme.

**Dr. Brand:** That is fascinating. Is the hon. Lady saying that the Labour Government are better at implementing Conservative policy and doing what the previous Government wanted to do?

**Jane Griffiths:** Absolutely not. If the hon. Gentleman allows me to finish my point, he may understand it a little better.

The constituencies of hon. Members on both sides have benefited from that programme, although not only because of the PFI. More than £90 million in NHS finance has at last been found for two hospitals, and those projects are in progress. The Royal Berkshire and Battle hospital in Reading has already achieved a new maternity block and a gynaecological day case unit. I had the privilege of visiting it last Monday, where Joshua Gledhill was born on Sunday, the 50th anniversary of the establishment of the NHS. He can look forward to modern, excellent, local NHS facilities—although I hope, of course, that he will not have to use them often.

If we look back 50 years ago, when the proposal to establish the NHS was being debated, we find that the fine claim that everyone has always supported the NHS was not quite true. The Conservative former coalition Health Minister, Henry Willink, now deceased, was often said to have had his own plans for a national health service before the Labour Government were elected in 1945. Henry Willink is, incidentally, well remembered in Reading, not least because Willink school in Wokingham—I fear that the right hon. Member for Wokingham (Mr. Redwood) is not here—is named after him. As a former Conservative Minister, he described the proposed service as an idiosyncrasy that

"will destroy so much in this country that we value."

He said:

"I could never vote for it or indeed abstain from voting against it."—[*Official Report*, 1 May 1946; Vol. 422, c. 232-42.]

It was said in the debate that if the Bill came to pass, the doctors of the future would be worse than the doctors of the past. We should remember the true state of opinion 50 years ago, and we should look forward.

I am proud to echo my right hon. Friend the Secretary of State's salute to all the authors of the NHS, and to those who work in it today. We must look to the next 50 years. The Government have brought it back from the brink, and it will go on to a better future.

6.48 pm

**Mr. Stephen Dorrell** (Charnwood): The Secretary of State began his speech by saying that the debate had been organised by the Government to provide the opportunity for a national celebration of a national institution. That would be welcome, and I hope that that will prove to be the debate's dominant tone. He had a strange means of launching that national celebration because, having declared that that was his objective, he launched into a party political diatribe that would go down well in Holborn and St. Pancras, or in front of other Labour audiences, but would stretch the credulity of any audience not packed with old Labour Members. It used to be said of Lord Whitelaw that there was a Whitelaw bluster ratio. He believed what he was saying in precise inverse proportion to his bluster at the Dispatch Box. If we apply that principle to the Secretary of State's speech, I think well enough of him to believe that he was convinced by very little of the rhetoric that he was using.

One example of high bluster ratio was the Secretary of State's comments on the private finance initiative. The hon. Member for Southwark, North and Bermondsey (Mr. Hughes) and I have debated the PFI on several occasions. I am a strong supporter of the PFI. I congratulate the Secretary of State on the progress that he has been able to make in implementing a policy that we developed during our period in office, as the hon. Member for Isle of Wight (Dr. Brand) rightly told the hon. Member for Reading, East (Jane Griffiths).

The Secretary of State said that he gone to top out the new Dartford hospital and that a roof was being put on it. He noted that building was proceeding on the hospital in Norwich and that it would soon have a roof. He appeared to be asking the House to believe that that was all done, in the 15 months after the general election and when both projects are well over £100 million in value, from a standing start by the new Labour Government. Life is not like that.

I congratulate the Secretary of State on continuing to implement a policy that will prove to be an important step forward in the development of the NHS. I was associated with it as Secretary of State for Health and before that as Financial Secretary to the Treasury, when I was responsible for pushing through the early development of ideas on the PFI.

I trace some of my interest in the subject to my early days as a junior Health Minister at the start of the 1990s when I was told that I was responsible for what in those days was called "unconventional finance". I inquired what it meant and after a little briefing, it became clear that in the NHS-speak of the time, it meant what the rest of the world regards as conventional finance because it is a more flexible and efficient means of managing a capital programme. I am pleased that over the years we have been able to move the NHS from regarding private finance and the private management of capital developments as a discrete minor interest, dealt with by the junior Minister responsible for unconventional finance, to regarding it as a core part of the NHS capital investment programme.

More fundamentally, the debate allows us to look back at what has been achieved by the national health service and look forward to what it needs to be in future. I regard the NHS as one of the things that we have got right in Britain over the past 50 years. I do not propose to inquire into the words in *Hansard* by various spokesmen in a debate that took place five years before I was born. That is not salient to modern politics. The NHS is a great British success story for which Governments of both major political parties have been responsible. As my right hon. Friend the shadow Secretary of State said, it is statistically true that the Conservative party has been responsible for more of the development of that great British success story over the past 50 years than has the Labour party. I do not seek to draw party political advantage from that but to celebrate a great British success story.

There are two fundamental reasons why I regard the NHS as something of which we should all be proud. The first is the most fundamental reason of all: the social policy objective that the NHS delivers. I do not believe that health care is simply another consumer service. One can examine that with any amount of academic analysis, but I do not find it very useful. There should be something in our bones that tells us that access to health care and the availability of the skills of doctors and nurses to sick people should be decided by a principle different from those that determine access to the majority of other consumer services in Britain.

The national health service has been built to deliver a simple social policy objective. High-quality care should be available to any sick person who needs it on the basis of their clinical need, without regard to their ability to pay. It is a simple, powerful idea on which the NHS has been built by parties of both political complexions throughout the past 50 years. There is virtually unanimous agreement about it among the British electorate. The hon. Member for Southwark, North and Bermondsey rightly said that that principle has not divided the major parties since the earliest days of the NHS. In truth, it is sufficient reason by itself to support the British national health service on the basis on which it has developed.

I said that there were two reasons for supporting the British NHS. The first is by itself sufficient, but there is another reason for supporting our model for the delivery of health care which is also by itself sufficient and compelling. Put together, the two arguments create a knock-out case. Not only does the British NHS deliver equitable access to health care, by international standards—this point is inadequately recognised—it delivers the world's most efficient health care system. That is not the same as saying that there are no inefficiencies in the health service or no opportunities to improve its efficiency. Of course, its efficiency can always be improved, but it is a simple fact capable of relatively easy confirmation that the British NHS is the world's most efficient means of delivering health care to a population.

The World Health Organisation publishes a range of public health indicators: life expectancy, infant mortality, recovery rates from the major life-limiting diseases. It is not my case that Britain is in first position on all those measures. That is not true. Britain is in the middle of the pack for performance on those major public health indicators. Where Britain is in a league of its own is in the efficiency with which we use resources in the delivery of health care to achieve those public health objectives. These are statistics that are perhaps better known than people realise, but their message is inadequately recognised.

Taking public and private health spending together, Britain spends less than 7 per cent. of national income on health care. In France and Germany, perhaps our main European comparators, the figure is roughly 9.5 per cent., and in America 14 per cent. I may be a simple man, but this is a pretty simple test of efficiency. It delivers the same result for a lower cost input, and I know of no better definition of efficiency than that. Whether we consider the NHS as an instrument of social policy or of economic policy reducing the national overhead in the delivery of health care to the population, there is a compelling, convincing, knock-out case in favour of our approach to the delivery of health care.

It is interesting to examine what some people say when presented with the figures that I have cited regarding the proportion of national income spent on health care. I shall identify two reactions so that I can demonstrate why I think that they are wrong. The first reaction is occasionally identified with the British Medical Association and other interest groups that press the Government to spend more money than Chancellors or Health Secretaries feel able to recommend. That argument says, "Look, in Britain we spend only 7 per cent. of national income on health care, but elsewhere in Europe they spend 8 per cent. and, in France and Germany, they spend 9 per cent. Why don't we spend 9 per cent.?"

There are all kinds of arguments in favour of increasing expenditure on the delivery of different parts of the NHS, but that is the weakest of them all. It is simply an argument for driving up costs. Anyone who wants to make the case for increasing health spending must prove the benefits in terms of output and public health gain. We must not simply drive up costs in order to make our health service as inefficient as those on the continent—that is the most stupid argument of all—or as monumentally inefficient as the system in the United States, which spends double the share of a higher national income in order to produce a worse public health outcome. That is not a very strong argument.

I also reject another, more insidious, argument. There are those who make a different comparison using the same international figures. They say that, if we look behind the public and private health spending total in Britain, we will see that the proportion of health spending committed privately is very low by international standards. That is also true. The figures are quite interesting. In Britain, of the total of just under 7 per cent. of national income that is committed to health care, 16 per cent. comes directly from individuals by way of a private spending decision. In other words, that funding does not come from taxation. In France, the figure is 22 per cent.; in Germany, it is 26 per cent.; and, in the United States, the figure is more than 50 per cent.

Some conclude from those statistics that, therefore, we should increase the share of Britain's health expenditure that comprises individual private spending decisions. It is worth pausing for a moment to reflect on that argument. In each of those countries where private money constitutes a higher share of total health spending, the tax-funded health spending is a higher proportion of health spending than in Britain. So the idea that there is a saving to the taxpayer does not stand up to analysis.

However, I have a more fundamental objection to that argument. It seems to me to be the ultimate irony that, although we begin by recognising that Britain has the world's most efficient health care system, we look around the world to see how others are doing it—recognising that their systems are less efficient than ours—and propose changing our system to make it more like those more inefficient systems. I have never heard that argument explained convincingly.

You do not have to take my word for it, Mr. Deputy Speaker. There are other more surprising and less predictable advocates of that point of view. I was struck by a quotation from Lord Lawson on that subject in a book that was widely and favourably reviewed as a thought- provoking and thoughtful retrospective on his time as Chancellor. Speaking, not as Chancellor of the Exchequer, bound by collective responsibility and

*[Mr. Stephen Dorrell]*

unwillingly supporting socialised health care because that was the policy of the time, he told the story of why, as Chancellor, he had concluded that the national health service was the right model for Britain and that it would be wrong to try to encourage more private money to play a part in the delivery of NHS services. He wrote:

"We looked . . . at other countries to see whether we could learn from them; but it was soon clear that every country we looked at was having problems with its provision of medical care . . . They were all in at least as much difficulty as we were, and it did not take long to conclude that there was surprisingly little that we could learn from any of the other systems."

I think that that is an interesting reflection from a source that is less predictable than others quoted in the debate. I agree strongly with Lord Lawson's conclusion.

Ever since its foundation, the NHS has been the subject of virtually continuous re-examinations by those who are convinced that it cannot work. In the year that I was born, Rab Butler—to take another less predictable contributor to the debate—was convinced that the NHS could not work and, as Chancellor, he set up the Guillebaud commission in order to prove it. It is interesting to examine—as I did as Secretary of State for Health—the arguments that led to the establishment of the commission, which finally went public in 1953. It was claimed that pressures would make the national health service insupportable and that it would collapse under the weight of its own contradictions by 1960.

Let us look at what was going to make that happen in the view of 1953—the arguments have a familiar, contemporary ring. In 1953, people were convinced that the NHS would not work because of, first, a rising elderly population and, secondly, the rising cost of modern medicine. With due deference to my predecessor, my right hon. Friend the Member for South-West Surrey (Mrs. Bottomley), the third perceived pressure then was exactly the same as it is now: the rising expectations of the post-war generation.

Those who claim that the NHS cannot work have not only 50 years of history against them—in 1953, at least Rab Butler had the excuse that it was an untried, bold experiment—but 50 years of arguments that have been proved wrong. The pressures—no one who has been Secretary of State for Health would deny that those pressures exist; they are meat and drink to the Secretary of State—are reconciled better in this country through our structures than by any other system so far developed elsewhere.

I believe that those who are concerned about the next 50 years of the national health service would find it more instructive to look at the history of the service under Governments of both political complexions in order to understand how those pressures have been reconciled with an affordable burden for the taxpayer during the past 50 years, rather than speculating in theory without looking at the evidence of how that success story was achieved. There are three specific lessons to learn from that history, which I believe is more instructive than the theory.

**Mr. John Gunnell** (Morley and Rothwell): The right hon. Gentleman's comments encompass the fact that this Government are far more ambitious than he was as Secretary of State for Health. It is very clear that our interpretation of health care includes social care. There seems to be a great difference between the way that this Government approach health and social care—I have seen that in my capacity as a member of the Health Select Committee that studied relationships between those areas—and the proposals that the right hon. Gentleman left us in a social services White Paper, which made it clear that his vision of the health service did not include social care in the way that the Government's vision does.

**Mr. Dorrell:** I have read with considerable care the Government's White Paper, "The new NHS: Modern—Dependable" and I shall comment later on one or two of the points that it contains. However, I have to say that, although the hon. Gentleman might hope that the Government intend to embrace the whole of social services within the national health service commitment of a tax-funded service available on the basis of need to all those with an established clinical need, and that that is to be the idea that underwrites the future development of social services, it is not in the White Paper. I make it clear that I do not agree with the conclusion, but I do not think that the Minister of State agrees with it either.

Turning to the key lessons that I draw from history about how we deliver successful NHS care in Britain, the first concerns the question of the global level of resources. My right hon. Friends the Members for South-West Surrey and for Maidstone and The Weald (Miss Widdecombe) drew attention to the fact that, over the 18 years that the Conservatives were in office, real-terms expenditure grew, on average, by 3.1 per cent. per annum. That is not only the record between 1979 and 1997; it is the record of the previous Government in office between 1974 and 1979; and it has been established on several different occasions as the long-term trend rate at which the real budget of the NHS has to grow in order to accommodate the pressures that exist within the NHS.

In other words, if we are to continue the lesson of our own history and accommodate the pressures within the NHS, what we must expect is that, in the long run, there will be a gentle rise in the share of national income that is committed to the NHS. That rise is not a huge one—nobody should take fright from it; anyone who wants to take fright should simply remind himself of how much all our comparator countries end up spending on health care when they try the different systems that people recommend to us. However, it is true that there is a gentle long-term rise in the share of national income taken by health expenditure. That should not be surprising: society becomes richer and one of the things on which developed countries want to spend more of their money is improving health care delivery, increasing that spending at a rate somewhat faster than the increase in GDP.

One of the challenges I offer to the Secretary of State is that, following the Government's spending review, if they really want to underwrite their commitment to continued development of the national health service on the basis of a model that has proved to work over the past 50 years, they should at least be able to say, as they have said in respect of education, that health will, under a Labour Government as under their predecessors, take a rising share of national income. The Prime Minister has made that pledge in respect of education and, if the Government mean what they say about the continued development of the NHS in line with the model that we have seen work over 50 years, a commitment in words

that the Government will ensure that, over the life of this Parliament, the share of national income committed to the NHS will rise, would be a means of underlining their commitment to continuing to deliver that model.

Frankly, I doubt whether the Government will be able to deliver the model if they do not steel themselves to the commitment to ensure that, by the end of this Parliament, health takes at least 0.1 per cent. more of GDP than it did at the beginning of the Parliament. I remind the Government that, in the period 1979–97, the share of GDP taken by health rose, if memory serves, from 4.5 per cent. to slightly less than 6 per cent.—rather more than one full percentage point over 18 years. The Government cannot do the same over five years, but the least they can do is ensure that they avoid what happened when Labour was in office in the late 1970s, when the share of national income taken by the health service fell. I apologise to the Minister for lowering the tone, but, if he wants his commitment to the continued delivery of the health service to be taken seriously, that must not be allowed to happen again.

Therefore, first, we must make the same commitment to health that the Government have made to education: a rising share of national income. Secondly, comes the question of priorities.

**Mr. Gareth R. Thomas:** The right hon. Gentleman has been making some interesting comments, clearly designed to be a shot across the bows of the right-wingers who currently prevail in the shadow Cabinet. However, before he moves on, may I draw his attention to a written answer that the Minister of State, my hon. Friend the Member for Darlington (Mr. Milburn), gave to the right hon. Member for Horsham (Mr. Maude) on the subject of NHS capital spending? That answer revealed that, on average, between 1978–79 and 1997–98, the percentage net real-terms growth under the Conservatives was minus 0.6 per cent., whereas in the first year of the Labour Government, growth increased by 4.9 per cent. I am not a supporter or a fan of the right hon. Member for Horsham, but I shall warm to him if he continues to elicit such useful information on the Conservatives' record in comparison with ours.

**Mr. Dorrell:** I spoke about the capital programme at the beginning of my speech. As I said on numerous occasions when I was Secretary of State for Health, the capital programme of the NHS, under Conservative and Labour Governments throughout its 50-year history, is an object lesson on how not to manage a capital programme. That is why, as Financial Secretary to the Treasury, I pushed through the changes in the rules on the private finance initiative. It is why, as Secretary of State, I tried to develop the PFI in the national health service. It is why one of my first remarks this evening was to congratulate the Secretary of State on his continued and successful prosecution of a Tory policy.

The second issue that the Government must face and continue to face, if the NHS model is to continue to be delivered successfully, is how the NHS addresses the question of priorities. Every Secretary of State is told, "You must not use the dreaded 'R' word," and every Secretary of State develops his or her own circumlocution—hon. Members can read *Hansard* to satisfy themselves that I am sufficiently wedded to my ways not to use the dreaded "R" word. However, every Secretary of State develops the essential language to ensure that the NHS must address questions of priority in the use of taxpayers' resources. It is simply a rewording of the central founding idea of the NHS: if we say that health care should be available on the basis of need and not the ability to pay, that means that we inquire where need arises, we rate one need against another, we set priorities in the use of taxpayers' resources and we target the resources on need. If the health service does not believe that, I do not know what it believes, for that is what the health service is there for.

The NHS must take a disciplined approach toward deciding what its priorities are and then use the resources available to it to deliver those priorities. The Secretary of State has to give a lead in that process, but it must involve the whole service. There will always be those doctors who say, "That is a matter for politicians. You set up a committee to decide what we should or should not prescribe," but the fact is that the process has to involve the whole service, including the Secretary of State. I commend the Secretary of State on his work on developing ideas for improved assessment of quality and effectiveness in the delivery of health care. I think it fair to say that that work develops some of the ideas in "A Service with Ambitions"—to pick up the point made by the hon. Member for Morley and Rothwell (Mr. Gunnell) about the ambitions for the health service. One of the purposes of "A Service with Ambitions" was to encourage development of new ideas on the measurement and monitoring of quality through the NHS, which is something that we sought to develop when we were in office.

The Secretary of State was kind enough to refer to the development of paediatric intensive care units as being one of the differences of nuance between me and my predecessor, my right hon. Friend the Member for South-West Surrey. I take the strong view that it is hard to think of a higher priority in the delivery of health care than the provision of high-quality intensive care treatment to very sick children. I said that I thought that such care ought to have a very high priority.

It is also necessary to make decisions that are less popular than others. At the end of the previous Parliament, I was responsible for confirming the screening committee's decision that we should not run a national prostate cancer screening programme because the case for that was not as strong as the equivalent case for women on breast cancer screening and it would not have represented a good use of NHS resources on a properly prioritised basis.

Those are two examples of decisions that I made. I am prepared to acknowledge that I left behind unfinished business. One example is in vitro fertilisation. An orthodoxy developed that IVF is a luxury. I never shared that view. If we take the view that health care ought to be available to people on the basis of clinical need, not ability to pay, I do not understand the argument that an infertile couple should be able to have a baby if they can afford private IVF treatment but the infertile couple who cannot afford IVF, but whose clinical status is such that it has a reasonable chance of success, cannot have a baby. I do not agree with that argument. Deciding such priorities is one of the remaining challenges for the health service.

Another example that is increasingly covered in the literature is access to kidney dialysis. Historically, the priority attached by the health service to the development

*[Mr. Dorrell]*

of easy-access dialysis units is not, in my view, as high as the clinical priority would justify. I have offered the Minister of State two less comfortable examples of difficult questions that the Government must face. They must ensure that questions of priority and clinical standards are decided.

I conclude my remarks about priority by underlining the point that we cannot leave the medical profession out of those decisions. We cannot allow to develop the frame of mind that such decisions are for politicians and managers, and that the health authorities must simply provide lists of what resources are available. Of course, guidance can be given and an emphasis suggested, and I have said that that is what the Secretary of State should do, but in the end the judgment of the clinical priority of one patient against that of another must involve the patients' clinicians, particularly their doctors. The overwhelming majority of doctors want to work in a tax-funded service where clinical priorities determine the use of resources, so they must be involved in making those decisions.

Finally, I come to the issue that is critical to the efficient use of resources in the health service: the importance of ensuring that decisions are made as locally as possible. As I have said, I have read the White Paper and I agree with much of its content, but there is some with which I disagree. It builds on the approach that we adopted in government, and I do not deny that some changes still needed to be made when we left office.

I am particularly pleased, since I was given such stick at the time, that the Secretary of State is wholly unpersuaded by the Labour party's rhetoric about the two-tier service. If different primary care groups are making different decisions about their priorities, it is, of course, inevitable that some groups will be more successful than others. Inevitably, the care available to the patients of one group will be, in some respects, different from the care available to those of another group. That is the purpose of having different groups. People in the health service can then find new means of delivering care and order their priorities to reflect those of their patients.

I regret that fundholding is to end. Primary care groups would have been more successful if membership of them had been voluntary, but I certainly do not disagree with the idea behind such groups. I could hardly do so because they were made possible by the National Health Service (Primary Care) Act 1997, for which I was responsible. If those ideas are to work, the Secretary of State must allow different groups of local managers in different parts of the health service to reach different conclusions. Otherwise, it is all a sham. There will be local variety in priorities and ideas, and that must be reflected.

My central argument is that if we continue to develop the health service on the path that has proven successful in its first 50 years, that success story should be supported on both sides of the House. There are those who say that the problems that have existed since the day the health service was founded have suddenly become insoluble, and I fear that those people are in danger of proving yet again the truth of the old adage that to every difficult problem there is a solution that is simple, obvious and wrong.

7.25 pm

**Mr. Brian Sedgemore** (Hackney, South and Shoreditch): The right hon. Member for Charnwood (Mr. Dorrell) is genuine Front-Bench material and I am sure that he will have every chance of replacing the lady of the night if he keeps up his form. I was interested in his notion, with which I broadly agree, that infertile people have a right to treatment because infertility is an illness. I wonder what he thinks about the similar problem of impotence and whether impotent people should have the right to take Viagra. Perhaps he can tell us about that on another occasion.

It is a genuine privilege to participate in this historic debate to celebrate 50 years of the people's national health service, which was set up by the people's party—old Labour. The last time I intervened in the House on the subject of health, I was accused of being a new Labour crawler when I praised the Prime Minister and the Secretary of State for Health for their heroic decision to save St. Bartholomew's hospital and suggested that the Secretary of State would find himself in the pantheon of the gods when the definitive history of the world came to be written. It is not my fault that we have a wildly popular and hugely effective Secretary of State.

A few weeks ago, the Secretary of State went to a dinner given by the alumni of St. Bartholomew's hospital and the medical college. He told us that his son had said to him, "Come on, Dad, tell the truth. By the time you retire, what will you have done that you could tell people had affected the world and done some good?" My right hon. Friend said that he had thought long and hard and eventually said, "I have saved St. Bartholomew's hospital." Even as he spoke, all the alumni, professors and consultants leapt from their seats, as though an electric charge had gone around the room, and cheered and cheered. That is the kind of popularity that we want our Ministers to have. Old Labour or new Labour: this is our health service and today we rejoice.

The hon. Member for Southwark, North and Bermondsey (Mr. Hughes) claimed that Beveridge had thought of and created the health service. I am sure that the hon. Gentleman has many good features—he is probably kind to animals and, for all I know, he loves children—but he is a rotten historian. I have here what is probably the definitive biography of William Beveridge by José Harris, which concentrates for most of its 500 pages on the Beveridge report of 1942 and all its complexities. Its main source is no fewer than 500 boxes of Beveridge's personal papers, which were deposited in the British library of political science.

Harris's conclusion about the argument that we are having tonight is that my right hon. Friend the Secretary of State is right and the hon. Member for Southwark, North and Bermondsey and the right hon. Member for Maidstone and The Weald (Miss Widdecombe) are wrong. On page 459—this is the definitive judgment—he says:

"He"—

Beveridge—

"was rather embarrassed by his reputation as 'father of the welfare state' . . . He was even more embarrassed when people referred to him as creator of the National Health Service—insisting that this term could only be applied to the Labour Minister of Health, Aneurin Bevan."

**Mr. Simon Hughes:** Will the hon. Gentleman give way?

**Mr. Sedgemore:** No, the hon. Gentleman has had his say. Beveridge knows his own views better than the hon. Gentleman.

**Mr. Hughes:** If the hon. Gentleman has read all that book and all the other books about Beveridge, he will know perfectly well that Beveridge, because he was modest, was clearly saying that he was happy to be associated with the report, which dealt with many other things, but that, because the detail of the NHS legislation was left to Bevan and others at the beginning of the Government, the model proposed was a Labour creation. He was clearly never embarrassed about the idea.

**Mr. Sedgemore:** I honestly do not think that the hon. Gentleman understands the complexity of Beveridge's political beliefs. At some times, he was a pure free marketeer; at others, a statist. But on the NHS he was clear—the credit went to Bevan, not to himself. It had nothing to do with modesty; it was due to the fact that he constantly changed his mind about what kind of programme he wanted after he had produced the Beveridge report of 1942. If the hon. Gentleman is claiming that he has read it, I suggest that he re-read it and try to understand words in their ordinary and natural meaning. That is what we lawyers were taught to do, and that is what politicians should try to do.

It is a shame that we will not be having a vote in the House tonight whereby we can condemn Conservative Members for seeking to destroy the NHS with their internal market reforms, which showed that, while they know the price of everything, they understand the value of nothing.

Tory opposition to the creation of the NHS was writ large in the debates in 1946 in the House. My right hon. Friend the Secretary of State gave some examples—I can understand why the right hon. Member for Charnwood does not want to talk about such things—but perhaps I can mention a couple that my right hon. Friend did not mention.

On 1 May 1946, Sir Harold Webbe, Conservative Member for Westminster Abbey, completely lost his marbles, referring to the

"deplorable, reactionary, and destructive proposals . . . now before us."

He then had the temerity to compare Nye Bevan to Adolf Hitler when he described the creation of the NHS as a

"hotchpotch of political prejudice . . . and a very large measure of intuition . . . I do not want to remind the Minister that the last leader of men who relied on his intuition is dead and his country in ruins."—[*Official Report*, 1 May 1946; Vol. 422, c. 271–74.]

Sir Harold, a knight who in argument regularly moved from false premises to false conclusions by way of faulty logic, was unfit to lick Nye Bevan's boots.

Two months later, on Third Reading on 26 July, Mr. Linstead, Conservative Member for Putney, where I used to live, set out to reinvent the Conservative party in its 19th-century image as the Stupid party, when he said

"We find this Bill remote in principle, in practice and in spirit from those conceptions of what a health service should be."—[*Official Report*, 26 July 1946; Vol. 426, c. 400.]

We have just heard the right hon. Member for Charnwood say that the NHS is the best thing that the world has ever known. That is because those conceptions that were damned by the Tory party in the House in 1946 have survived for 50 years intact and, while Labour stays in power, they will live unto eternity.

Bizarrely—I am sorry that the right hon. Member for Maidstone and The Weald has left the Chamber—the Conservative health team today is led by a person who admits that she is unfit to be Secretary of State for Health. The right hon. Lady is now here, so perhaps I can repeat that. Bizarrely, the Conservative health team today is led by a person who admits that she is unfit to be Secretary of State for Health. Her unfitness stems from shrivelled and irresponsible attitudes based on trashy theology towards sex education in schools, the use of condoms and abortion.

The right hon. Lady's views on condoms stem from an apparent belief that God has ordained that every sperm should have an equal chance of impregnating the egg. I imagine that she goes around from church to church and climbs into the pulpit holding up a placard on which is written, "God believes in equality for sperms. Do you?" My answer is that I do not believe that, and nor can any Secretary of State for Health who is concerned for the health of the nation.

Any Secretary of State for Health has to accept not only that sex is fun, sex is cool, sex is hot, but also that unwanted pregnancies and sexually transmitted diseases can destroy people's lives. Those problems, like sex, may be a foreign country in the minds of chilling theologians, but they have to be understood and dealt with by Secretaries of State for Health.

As a member of London Brook, I wonder how the shadow Secretary of State for Health will approach the summer of love project for holidaymakers which the Brook advisory centres intend to run in July and August by giving free advice and condoms to holidaymakers. *[Laughter.]* The project—not at all laughable actually—is aimed at preventing teenagers from catching sexually transmitted diseases while on holiday and arises out of a recent survey which showed that 24 per cent. of young adults had sex with one or more new partners on holiday, yet most did not use condoms.

I very much hope that, before the next century begins, services that are related to women's rights and that are readily available through the NHS and Government support in England, Wales and Scotland will be made available in Northern Ireland. It is disgraceful that there is little or no sex education in schools in Northern Ireland, and less sex education than in schools in the Irish Republic, and that there is rabid opposition to organisations, such as Belfast Brook, that encourage safe sex through the use of contraceptives. It is equally deplorable that abortion is illegal in that part of the United Kingdom, and that, if Sinn Fein comes out in favour of abortion, as apparently is forecast—that is what we were told when I sat on some adolescent hearings a few weeks ago—it will be the first political party in Northern Ireland to do so. Good luck to Sinn Fein if it has the courage to do that.

*[Mr. Sedgemore]*

My right hon. Friend the Secretary of State may, like his forebears, consider Ireland to be a upas tree of woe in this respect, but I would hope that he will have a word with Northern Ireland Ministers, who have been just a little reticent on these subjects.

I end my brief contribution not by ingratiating myself with my right hon. Friend the Secretary of State, but by congratulating him on the galaxy of good works that he has initiated. They include the establishment of a health action zone in east London—local Members of Parliament, including me, will meet tomorrow morning to discuss future action on that subject with the East London and the City health authority—extra funds for the Homerton hospital in my constituency; the promise of a new hospital in Whitechapel, although there are concerns about the way in which the private finance initiative will work here and elsewhere; steps to improve primary health care; and, of course, saving Bart's.

Next week, my right hon. Friend the Chancellor of the Exchequer will be coming up with extra billions and billions of pounds for the NHS—

**Mr. Skinner:** Twelve billion pounds.

**Mr. Sedgemore:** I have no inside knowledge, but my guess is £10 billion.

The future of the people's NHS is safe not only in our hands, but in the hands of its brilliant, dedicated and hard-working staff.

7.37 pm

**Mrs. Marion Roe** (Broxbourne): I am grateful to you, Mr. Deputy Speaker, for calling me in today's debate to mark the 50th anniversary of the NHS.

Not only as an NHS patient, but as a former governor of the St. Peter's group of hospitals in London, a former member of the South East Thames regional health authority and chairman of the Select Committee on Health for five years, I have always taken a special interest in health matters.

The NHS is the largest employer in Europe and I first place on record my personal tribute to the doctors, nurses and all personnel involved in delivering health services. Nor should we forget those undertaking research and the voluntary organisations such as the hospice movement. For the past 50 years, that dedicated band has made the national health service what it is today: an institution of which the whole country should be proud.

Secondly, however, as my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) said, one should acknowledge that, for 35 of its 50 years, the health service has been supported by Conservative Governments. More important, the health service has received real increases in funding in excess of inflation in all but three of those 50 years—and the three years in which there was a real reduction were the Labour-administered years of 1976, 1977 and 1979.

Undoubtedly, the Labour Government's funding for the NHS still does not match Conservative spending policies, and will not be sufficient to enable them to deliver on the promises that they made to the public of reducing the length of NHS waiting lists and spending more money on patient care. All the evidence is that, for real health benefits, it is the Conservatives on whom the country and the sick can rely. The facts show that to be the case.

Today, however, is not a day purely to dwell on party politics; we are also here to celebrate the national health service and its successes. The service is admired throughout the world, providing guaranteed, comprehensive, 24-hour care irrespective of colour, creed or wealth. Its hospitals meet the demands of acute illness, medicine, surgery, paediatrics, gynaecology and a host of other specialties.

Enormous strides have been made in the management of mental illness and disability. Far more health care is being moved to the community, so that patients who, as recently as 20 or 30 years ago, would have stayed days or weeks in hospital need be in hospital for their treatment for only a matter of hours, and can then be supported by nursing and other staff at home.

In 1948, if a child was admitted to hospital, he or she commonly stayed weeks, months or even years. Children with major disabilities often spent their whole childhood in an institution, and those with a learning disability their whole lives. Hospitals usually forbade visitors, so opportunities for contact with family or with the local community—and even facilities for play or education—were rare. Even health care professionals rarely had specific training in children's needs. The NHS has radically changed all that.

Nowhere is the service more popular and more effective than in primary care. I believe that the general practitioners are the jewel in the crown of the NHS. The service has undergone dramatic changes as medical knowledge has improved. Many of us well remember the GP of the 1950s, resplendent in his three-piece suit, working from his house, supported by his wife, who worked as his nurse and receptionist. He—in the 1950s it was almost invariably "he"—offered a basic sickness consultation service, with little in the way of outcome other than a prescription or referral. General practice has changed out of all recognition. It has become primary care, offering a comprehensive diagnostic and preventive service, meeting ever-increasing expectations from an increasingly demanding population.

During the past 15 years, consultations have increased by 60 per cent. I am glad to say that GPs have risen to the challenge. Doctors now work in groups, from well-equipped, purpose-built premises providing a host of additional services—family planning, maternity services, immunisations, minor surgery, health screening and child surveillance. Many of those GPs are now women, increasingly highly trained and with additional skills. The total number of GPs increased from 28,000 in 1982 to more than 32,500 by 1995 and, during that time, the average number of names on a GP's list decreased from 2,100 to 1,800 per doctor.

I have been proud to support and encourage a range of excellent developments during the past 15 years. My constituency has the first surgery to provide a purpose-built preventive care unit, the first surgery to open a fully equipped operating theatre with recovery beds, the first surgery to sign up to the fundholding scheme. I have witnessed the wonders of cardiotocography—the technique whereby information about the heart and circulation of an infant developing in a pregnant woman can be recorded and sent down a

telephone line to a consultant in a hospital miles away. In short, I have witnessed an explosion in the range and complexity of care provided locally for patients by what is now known as the primary health care team.

Let us give credit where it is due. Those successes have been due to the visionary and progressive health policies operated by the Conservative Government since 1979, including the provision of funds for new buildings, the encouragement of schemes to encourage practice staff and programmes to finance computers. The changes in the GP contract have resulted in considerable improvements in service provision as a consequence of the introduction of a range of item-of-service and target payments, as well as capitation payments and allowances.

What has been the outcome? Immunisation rates for diphtheria, tetanus and polio increased from 82 per cent. in 1981 to more than 95 per cent. by 1995, and, even more spectacularly, those for whooping cough increased from 46 per cent. to more than 93 per cent. during the same period.

Healthy children are much more likely to become healthy adults, and we must always ensure that we invest in the future. Let us not forget that our NHS provides services for all children while, in 1998, 14 per cent. of children in the United States of America lack state or private health insurance. For women, cervical screening rates now exceed 70 per cent. in most practices. What a success for the GPs. I believe that we should acknowledge that success.

Our primary care is the envy of the world. It provides a cost-effective, high-quality service. It has been able to develop more quickly than ever before as a result of the previous Conservative Government's policies, which placed the general medical practice at the heart of medical care and made the GP the gatekeeper.

What are the challenges of the future? Good practice is not always implemented for children. They are still admitted to adult wards. They still remain in hospital rather than leave, because only 50 per cent. of the country has community children's nursing services, although I am delighted by the recent announcement of community children's nursing services specially for children with a life-threatening or life-limiting condition, as a memorial to Diana, Princess of Wales. Too often, staff have not received specific training in children's needs; too often the service is fragmented, and too often it is based on traditional custom and practice.

We know that respiratory conditions, especially asthma, are increasing and now affect 70 in every 1,000 of the population. Although death rates are decreasing, chronic illness as a whole is increasing. Fifteen per cent. of under-fives now suffer from a chronic illness, as do 60 per cent. of 70-year-olds. Mental health services are coming under increasing and intense pressure as a result of the inexorable increase in mental illness. Much work is still to be done in those areas.

During the next five years, there will be a serious shortage of doctors and nurses because of retirement. There are 1,000 GP vacancies at the moment. The Labour Government have not honoured their pledge to reduce waiting lists, which have lengthened by 133,000 in a year. In any case, as I said in the Chamber previously, I believe that the Government should be concentrating on reducing waiting times. That is where the focus should be. GPs are concerned that, with the new arrangements for primary care groups, all their achievements under the previous Conservative Government might be undermined.

The 50th anniversary of the NHS is an important landmark in health care in Britain. We have seen tremendous successes in improving the quality of life of our population over the past 50 years. Our goal must be to make sure that those achievements are not undermined, but enhanced—high-quality, effective health care matched by value for money. Let there be no mistake. All Governments will face the problem of infinite demand to be met by a finite budget.

7.50 pm

**Mr. Peter L. Pike** (Burnley): I am glad to have an opportunity of speaking in the debate. I was born in the constituency of the hon. Member for Broxbourne (Mrs. Roe), 11 years before the national health service was formed. She described a pregnancy in modern-day Broxbourne, but I am sure it was not like that in 1937. The hon. Lady also reminded me of the concern shared by many women that automatic recall for breast and cervical screening stops at 65. At least omen who have a history of cancer should be identified and called back for regular checks.

I recall the birth of the NHS and recognise the significance of the debate today. Whether or not Beveridge was responsible—I do not dismiss the importance of the Beveridge report—I thank Nye Bevan, Clem Attlee and that Labour Government for having the guts to go ahead and implement the national health service. I have been an in-patient, as have my wife and two daughters. I thank the NHS, as do millions of others who depend on it for their GPs and primary care, and for hospital care. We depend on the NHS for the service that it provides, and we thank it for being there when we need it.

I recall that during the 1992 general election campaign, I was suffering from a shoulder that had been broken in five places, and my wife was having a major operation for cancer. Ironically, although I did very little in the election because of that, my majority increased.

Two former Secretaries of State have spoken in the debate. The right hon. Member for South-West Surrey (Mrs. Bottomley) suggested that we were appointing cronies. That is outrageous when one considers what the Conservative Government did for 18 years. In my area, Miss Muriel Jebling was well respected as a person who fought for the health service. I do not know her politics. She is active in the hospice movement and elsewhere, but because she did not implement the Tory Government policy speedily enough, she was removed overnight and replaced by Mr. James Rawson, who later had to resign. Hon. Members may remember that Burnley NHS trust had a major problem when for a few days, we had no manager, chief executive or chairman because for various reasons, they all had to disappear.

Mr. Rawson was typical of the Tory party's appointments. He was seen canvassing in the next constituency with John Lee, the Tory candidate. When challenged, he said that he was Mr. Lee's national health service adviser. I pointed out that he did not come out canvassing with me, as my national health service adviser.

I welcome the fact that my right hon. Friend the Secretary of State has made it clear that the three main criteria for appointments to trusts and health authorities

*[Mr. Peter L. Pike]*

are, in addition to ability, that candidates should live in the area and use the NHS. I congratulate him on that. We are already beginning to see a major improvement in the people serving on those bodies.

The second former Secretary of State who spoke, the right hon. Member for Charnwood (Mr. Dorrell), made an extremely good contribution to the debate. I do not agree with everything that he said, but I hope that he is asked to design the Tory party's health policy. However, I also hope that he remains on the Opposition Benches for the rest of his political career.

The hon. Member for Southwark, North and Bermondsey (Mr. Hughes) spoke about the private finance initiative. I recognise the benefits of the PFI in the short term, but we must consider the long-term implications. I acknowledge the short-term advantages that a capital fund could deliver now, but I am worried that if we are not careful, there will be revenue and other implications in years ahead that could squeeze the budget. I respect what my right hon. Friend is doing for the NHS and I know that he will fight for resources. It is important that we get the funding issue right.

If we look at the way in which health authorities and trusts are operating now, after 14 months of a Labour Government, it is clear that they are much more open and honest. That encouraging change is partly due to the new people serving on those bodies, but more importantly, they recognise that there is a new agenda and that the Government have a positive approach.

I shall quote from the response by the East Lancashire health authority to the Green Paper, "Our Healthier Nation". It stated:

"The East Lancashire Health Authority welcomes the publication of this Green Paper on people's living conditions and public health. We are pleased to have the opportunity to respond to it.

The Green Paper is strong on analysis, including a clear recognition of the interplay between many factors, operating at a range of levels, on the health of populations and subgroups. There is a strong case made for investing in health for the benefit of the whole country, in the same way as we might invest in education or research.

East Lancashire is an area of generally poor health and we welcome this analysis. Among the main wider influences on local health are a legacy of industrial manufacturing; a preponderance of low skill based and low paid employment; a large proportion of pre-1919 housing, much of which fails the housing fitness definition".

My right hon. Friend has persuaded his Cabinet colleagues that the health service cannot be compartmentalised and judged in isolation from social issues such as housing and poverty. My area has a tremendous amount of poor housing. I lived in it for many years, and it has improved, but there is still much substandard housing. Local people worked in the coal mining industry, where the working conditions were obviously bad for their health. Others worked in the textile industry. Steam was pumped into the cotton mills for the benefit of the cotton, but not for the benefit of the workers. They, too, suffer health problems in their old age, which we must still deal with.

Burnley has a high rate of premature deaths, particularly in the urban areas. The most common causes of death are heart disease, stroke, respiratory diseases and lung cancer. There are also high levels of self-reported, limiting, long-term illness—in other words, people who cannot lead a full life because the state of their health restricts what they can do. Again, the greatest prevalence is in the urban areas.

Burnley also has major problems in respect of dental health. Burnley's children have the worst dental health in east Lancashire, and east Lancashire has the worst dental record in the country. I had some difficulty myself a few weeks ago. I had been a national health service patient with the same practice since it opened in 1963, but my original dentist had retired and I had been put with someone else. She was changing to part-time work because she had a young child. She was a good dentist and I fully understood her reasons, but because I wanted to be seen on a Friday, she transferred me to another dentist. The first time that I went to see him, he had transferred to another practice and I had to be seen by someone else.

These days, many people cannot get a national health dentist. Indeed, in some places, it is absolutely impossible to do so. The previous Government virtually destroyed the NHS dental service. The Secretary of State and his team need to look at re-creating the dental service.

**Dr. Ladyman:** I was wondering whether my hon. Friend would be interested in my experience. I had a very good national health service dentist until a few weeks ago when he committed the crime of becoming 65. Under the current rules, he must now either go into private practice or work for somebody else. I have thus lost my NHS dentist for no good reason.

**Mr. Pike:** My hon. Friend makes a valid point.

A number of issues need to be looked at. For example, why do dental practitioners have one of the highest suicide rates in the country? The pay system for dentists is wrong and needs to be completely reviewed, which may require a major rethink.

People are entitled to a national health dental service. I must admit that, when I was given my bill after my last visit, I said, "I am a national health service patient," and I was told, "That is a national health service bill." It seemed very high to me.

I wish to outline a point that the Multiple Sclerosis Society put to me on the availability of treatments. It says:

"The Government has now provided more information about its plans to give more central guidance on the effectiveness of treatments. The new National Institute for Clinical Excellence will give guidance about the effectiveness of new treatments.

Ministers have said that they expect the guidelines to be implemented consistently across the NHS and have said they will monitor compliance with this guidance.

Ministers have hinted that purchasers may be forced to comply with this guidance if variations in health care persist. The MS Society believes that the Government should make an unequivocal commitment to ensure that guidance is implemented across the UK.

The history of beta interferon's introduction to the NHS shows that health authorities have systematically refused to comply with national guidance and have disputed judgements made by specialists at a national level."

I hope that my right hon. Friend will give a commitment to ensure that there is compliance in that respect. I accept that it is fair enough if it is determined that a treatment is not appropriate in a specific case, but it must be a medical decision. Moreover, the medical

decision must be the same in Burnley as it is in Broxtowe, South-West Surrey and Wakefield. We need consistency across the board, not simply in respect of beta interferon and MS.

Incidentally, Burnley health care trust welcomes the additional moneys that have been made available to reduce waiting lists, which have allowed it to appoint new consultants in a number of areas and ensure continuity in that respect. We are all waiting to see what the spending review will yield.

The Labour Government have made a good start on the national health service. My right hon. Friend has spoken many times about the ship moving in one direction and having to change direction. As the captain of the ship, he is doing a good job. The national health service is much safer in the Labour party's hands. I hope that we remain in control of it so that, in another 50 years' time, we can celebrate its centenary.

8.4 pm

**Rev. Martin Smyth** (Belfast, South): I welcome the opportunity to take part in this debate and to follow the hon. Member for Burnley (Mr. Pike), who referred to aspects of improved health care. The Southern health board lost a distinguished director of social services because, when the health board was regrouped, the role of the social services directorate was restricted and he felt that that was limiting its work. He returned to a position here in England where he had responsibility, among other things, for housing, which is an important factor if we are to have good health care.

I was trying to remember whether I was ever at a 50th birthday party at which people raked over the stories of the birth. When women look back to childbirth—men do not do so—they usually pay tribute to the midwives, but rarely say anything about the obstetricians. The humorous aspect of tonight's debate is that we have spent some time raking over who did it. Perhaps there is a lesson to be learnt from that.

I was privileged to be at a thanksgiving service for the 50th anniversary of the NHS on Sunday in St. Anne's cathedral in Belfast. Incidentally, no Minister was able to be there and I was the only politician, apart from the deputy lord mayor of the city. I have a commitment to the health service. For 19 years, I ministered in a Belfast congregation. The first Minister of Health in Northern Ireland, the late William Grant, who introduced the health service in Northern Ireland, had been a member of that congregation, and I had contacts with members of his family. For four years, I was an assistant chaplain in a hospital and I have done some 25 years of regular pastoral work in hospitals. At a personal level, I have always been committed to the national health service.

I join those hon. Members who have paid tribute to developments in the health service. The hon. Member for Southwark, North and Bermondsey (Mr. Hughes) referred to the availability of the 24-hour service. In one sense, there has always been a 24-hour service through the emergency services. His remarks reminded me of a doctor in a village in Northern Ireland who said that he was always glad when Tuesday and Thursday nights came because the local cinema was open and that reduced the number of people who came to his surgery. Many came just for company and a chat, but they wanted something from the doctor as well. I wondered about the staffing of the 24-hour service.

We must examine the use of the language of accessibility. The White Paper says that one of the main points about the service is that it should be "prompt and accessible" right across the country. If accessibility has been defined as medical help being available to everyone at the point of need free of charge, that is one thing, but in rural areas of Northern Ireland, people think of accessibility as being the possibility to get to hospital in the shortest possible time. As hospitals in rural areas have been closed, people are not terribly happy. We must at least use language that does not mislead people into thinking that they will receive something that cannot be delivered.

I agree completely with the concept of local responsibility for implementing national standards, and I look forward to those standards being set. I have a word of caution, however, arising especially from recent debates about the tragedies in Bristol. I received a letter from a specialist in my constituency who felt, first and foremost, that, at times, the media highlight the issues but do not give the whole story. In the light of debates in this place, I was equally concerned, because I am mindful that there are people in the medical and surgical profession who protect their reputations rather than serve their patients.

I have in mind a surgeon who gave dedicated service over many years. He had realised that he was gifted and had skills, and he had to evaluate whether he could help his patients. Anyone who has been treated by a doctor or who knows someone who is being treated by a specialist will be aware that individuals hear what they want to hear and, quite often, may misunderstand what the specialist is saying. In this modern world, we have almost deified doctors and think that they have a cure for virtually everything.

The surgeon whom I have in mind always did his best to explain things to patients, and many people were cured, made recoveries and had three, four, five or even 10 extra years of quality of life, but there were more casualties in his surgery than in others. Some patients decided, "It's too risky, I'm not taking it. I'll die anyway, so there is no point in doing anything." Doctors are evaluated by their peers, who have to judge them, but we should be careful of condemning specialists, because they have difficult tasks to perform in making diagnoses and prescribing medicines.

The White Paper refers to cutting bureaucracy. I have no difficulty with efficiency, but how are we to cut bureaucracy? When I was a member of the Health Committee, there were those in the early days of programmes for changing NHS care who shouted about too many managers. I noticed a significant change, and in one of our investigations, I challenged a specialist in the care of children about the concept of management. He was honest and said, "We don't want fewer managers. We want more money." The average doctor does not consider himself or herself to be a manager. Doctors believe that their time should be spent mainly in clinical services.

We need good managers—people who know what is going on and can keep a grip on things—but how will we cut bureaucracy? When we were reducing the number of health boards in Northern Ireland and developing trusts, GP fundholders and multiple fundholders, there was a subtle exodus from the boards into funds and trusts. Job

*[Rev. Martin Smyth]*

protectionism is found in most areas of life, and we must be careful about how we cut bureaucracy and have an efficient health service at the same time.

Although we have a good service in Northern Ireland—tribute has been paid to the combination of health and social services, and I recognise that health boards in Northern Ireland have more functions than health boards here—I still find it difficult to accept that for 1,700,000 people, we need a Department of Health and Social Services, a health management executive, four area boards and 20-odd trusts. That seems to be out of kilter. We have to examine that structure and cut it down to size, without moving that bureaucracy into other areas.

I could make a lengthy contribution, like some hon. Members, but others want to speak. I shall, therefore, simply issue a word of caution. The White Paper says that

"management costs will be capped in health authorities and Primary Care Groups and the Government will continue to bear down on NHS Trust costs. Transaction costs will be cut."

I remember rows in this place about the capping of local authorities. What happened when local authorities did not have the money that they thought was needed to provide even social services? We should be careful when we talk about capping management costs, because management will find ways in which to keep their budgets going and someone else may suffer. Usually, the people who suffer most are in the front line or at the coal face.

I shall curtail my comments, but I must refer to the hon. Member for Hackney, South and Shoreditch (Mr. Sedgemore). It was fascinating to discover that the Government do not propose to delegate powers over abortion within the devolution of powers to Scotland. The hon. Gentleman referred to that, and also referred to poor sex education. I do not know how many schools he has visited in Northern Ireland, but I believe that there has been a tremendous improvement, as there has in other places. I have noticed that, even where there are Brook clinics which, supposedly, cut the number of unwanted pregnancies, the number continues to grow.

Here in England, no one should kid themselves that such clinics are the answer to the problem. The people of Northern Ireland have not gone down the road of social abortion, so to suggest that they should have such clinics imposed on them against their will hits at a basic concept of democracy. I was fascinated when the hon. Member for Hackney, South and Shoreditch cheered on Sinn Fein. He may have been unaware that, although that party supported the extension of the Abortion Act 1967 to Northern Ireland, its supporters largely did not like it. Sinn Fein had to turn the legislation down, and tone down its position dramatically.

In debates such as this, we think about the disposal of innocents with potential for development, so perhaps there is something to be said about the fact that credence was paid to Sinn Fein, the masters in disposing of people.

8.18 pm

**Ms Joan Ryan** (Enfield, North): I make my contribution on behalf of my constituents in Enfield, North, who have had first-hand experience of the differing approaches to the national health service of the Labour Government and their Conservative predecessors.

I shall elaborate on those differences, but I should first congratulate my right hon. Friend the Secretary of State for Health on two major achievements. The first is his programme for the future of the NHS, focusing provision on patient need, and delivering for that need through primary care commissioning. I am proud to tell hon. Members that that approach has been pursued for some time by dedicated and far-sighted GPs and primary care professionals through the total care project in my constituency.

The second achievement is that the Secretary of State has managed to restore the public's faith in the national health service. Their faith has been sorely tested by the policies of the previous Government, who are now consigned to the Opposition Benches as a consequence, among other things, of their policies.

The people of Enfield, particularly those in Enfield, North, depend for their acute health care provision on Chase Farm, North Middlesex, the Whittington, and Barnet general hospitals. Several hon. Members will be well aware of the recent histories of those hospitals. Other hon. Members may find the experiences of north London residents illuminating.

Under the last two Conservative Governments, each of those hospitals and their services were either threatened or seriously undermined. The people who were dependent on them and their services were faced with an ever-changing landscape of secondary health care provision, which destroyed the morale of national health service staff and the confidence of the public.

The threat to the accident and emergency department of the North Middlesex hospital was fought off through the campaigning of local people and on the strength of their arguments. The threat not just to the accident and emergency department of Chase Farm hospital but to its very existence in any shape or form was also fought off by local campaigning, which was strongly supported by our local newspaper, the *Enfield Advertiser*.

The threat to Barnet general hospital was lifted, only for the neighbouring Edgware hospital to be identified for closure. The previous Government closed Edgware hospital as we approached the 1997 general election. The Labour Government have since established a community hospital at Edgware. I congratulate my hon. Friend the Member for Hendon (Mr. Dismore) and all those locally who resisted the closure of Edgware hospital and fought for and achieved the community hospital.

There is a pattern to this history. It is a pattern of arrogant disregard for the opinions of health service professionals; of disdain for the people who are dependent on the Government to provide a decent health service; and of incompetence. The decisions taken by the previous Government were frequently reversed, only to be reintroduced somewhere else. Each time—with the unfortunate exception of Edgware—the Tory Government were forced to back down when their misjudgments were exposed. The history of the NHS may record that those hospitals survived the Tory years, although scarred, but it will not record the consequences of their bungling on the day-to-day management of those hospitals.

Chase Farm hospital in my constituency is an excellent facility. It engenders a sense of loyalty in the local community that it serves so well, which is not uncommon among good hospitals across the country. What is also not uncommon is the fact that it has more than once faced the

threat of closure despite a remarkable performance record. It has managed to survive the years of illogical planning under the previous Government. It has managed to survive in a climate of uncertainty about its future and in an environment in which its neighbouring facilities were constantly in fear of closure. It has managed to survive the folly of the internal market through skilful management of tight budgets and by tailoring its services to the people it serves. It has drawn on that invaluable resource in the NHS: the commitment, dedication and professionalism of its staff.

As we stand here today in the glow of the 50th anniversary celebrations of the founding of the national health service, I am proud to be associated with a Government who see their tenure of office as a chance not just to rebuild the NHS, but to develop it for the future. The Government have rejected the Tory approach of conflict before consultation and destruction before design. I am sure that this is a matter of relief throughout the country, but we in London have particular reason to feel relieved about the change of Government and the change of approach.

The Tories commissioned the flawed Tomlinson report, which claimed that London's acute health facilities were over-bedded. That report has been superseded by the Turnberg report, which painted a picture that was much more readily identifiable by Londoners. It was apparent to all that London was not over-bedded, and that, in particular, the care of the elderly and those with mental illness was falling far short of what was required.

However, it is not right merely to blame the Tomlinson report. It is the Government's responsibility to make decisions. It is their responsibility to make the right decisions.

What should we have expected from the Tories? While we are celebrating the creation of the national health service 50 years ago, it is appropriate to reflect further on the contributions of some of the Members of the House during that incredible post-war period and the debates that set the course for the NHS. It is an enjoyable subject for Labour Members, who should feel proud to follow in the traditions of the great Nye Bevan and his colleagues. However, I suspect that a few Conservative Members will know enough about the Tories' behaviour in those debates to hope that their shameful contributions are left hidden on the pages of *Hansard* in the Library, away from the scrutiny of the public, but I am sorry to disappoint them.

The record of the debates exposes the Tories' contempt for the national health service even then, as they fought to prevent it from ever coming into existence. As the Secretary of State said, they voted 51 times against the National Health Service Bill of 1946. Next year, perhaps the NHS could celebrate a year for each one of those votes: 51 times. What were they voting against? What was it that they so feared? It is hard to ascertain from the transcript of the debates whether they knew that themselves.

My hon. Friend the Member for Reading, East (Jane Griffiths) told us about Henry Willink, who claimed that the Bill threatened

"the patient's right to an independent family doctor".

He said that the Bill would

"destroy so much in this country that we value."—[*Official Report*, 1 May 1946; Vol. 422, c. 223-32.]

He may have had a point if we value poor health, inequality and injustice.

Richard Law, quite shockingly, said:

"the doctors of the future will not be as good as the doctors of today."—[*Official Report*, 30 April 1946; Vol. 422, c. 81.]

How would he explain that comment in the light of the fact that, since the foundation of the NHS, life expectancy for men has risen from 66 to 74 years, and for women from 71 to 79 years? I accept that that is not the only factor, but it is a significant one.

I, too, read with some disgust the comments of Viscountess Davidson, who predicted "civil war". That was a bit strong, although there was something of an uprising in her constituency of Hemel Hempstead on 1 May last year, because that seat is now held by Labour. The constituents of Pudsey reacted the same way last year, although I am sure that it was not simply a late reaction to Colonel Stoddart-Scot, who held the seat in the Conservative cause in 1946. He thought that the Bill

"does nothing for positive health, and gives no assurance to the people that the hospitals will generally reach a higher standard."—[*Official Report*, 2 May 1946; Vol. 422, c. 365.]

Given what future generations of Tory Health Ministers have got up to, he should have been congratulated on his foresight.

I could make the same point about the constituents of Putney—who famously returned a Labour Member—and others, but my point has been made. Each of the seats I have mentioned was held by a Conservative before the last election, and they all came to Labour. The ever-present threats in the past 10 years to north London, especially the Enfield-based hospitals, was a strong factor in Enfield returning three Labour Members in place of three Conservatives. The British people, who cherish our national health service, trust Labour. That is because the Labour Government have embraced and reaffirmed the values of the NHS: the simple values of equality in health care, and the commitment to prevent ill health as much as to cure it.

Labour's programme is firmly rooted in the prevention of ill health. Prevention is possible only by pursuing the Government's broad approach to defeating the causes of ill health. We have already seen some of their measures to combat poverty, poor housing and unemployment: structural issues that cause and promote poor health. That approach is reinforced by the development of primary care, and has already been recognised in my constituency.

The family doctor—the GP—is the foundation of the national health service. That is as true today as it was in 1946, whatever Mr. Willink may have claimed. The scrapping of the abominable internal market and the move to primary care commissioning recognises that. As an aside, while we are on the subject of the internal market, I can tell the House that the other day I heard some non-executive members of a local hospital trust having a little chat, and they referred to the Secretary of State who introduced the internal market as a "regular kind of guy". I could not quite agree with that, until I realised that they probably meant "regular" in the medical sense.

In Enfield, North, there are exciting developments for our primary health care, with the establishment of modern facilities in the constituency. I recently attended the opening of some of those facilities, and was impressed by what I saw. In particular, the new Eagle house centre in Ponders End is continuing its marvellous tradition in

*[Ms Joan Ryan]*

modern premises and facilities. Dating from 1729, Eagle house has played a central part in the history of the area, having sheltered local residents from everything from religious persecution to first and second world war air raids.

In large new premises, the centre will be a base for health visitors and district nurses, and will provide a wider variety of services than ever before. There will be enhanced teaching and education facilities, better capacity and equipment for minor surgery and individual consulting rooms for general practitioners. The practice will serve a relatively deprived population from a range of ethnic backgrounds, in an area where the unemployment rate is about 14 per cent. The practice and its team have been key players in the delivery of primary care in Enfield, and I am delighted to say that my hon. Friend the Minister of State will formally open the facility later this month.

I have also visited the medical team from the Riley house surgery, who recently held an "asthma care day" in a local community hall. They are taking care to the community, involving people, and being accessible. On the day of the anniversary of the introduction of the NHS—last Sunday—I was asked to open the new Jephcott suite at the White Lodge medical practice in Enfield town. That is another new primary care facility in my constituency that is developing better conditions for patients and their families.

Finally, let me return to the benefits of Labour's approach for acute health care in Enfield. After the years of uncertainty and gloom, there is a new spirit of partnership in north London. That is evident in the preferred partner working arrangements between Chase Farm and Wellhouse NHS trust at Barnet general hospital.

The two hospitals have been working together since January—two hospitals, six miles apart, serving the same population with the aim of delivering the very best health care, in which quality and meeting patient needs come first. Those two hospitals are no longer pitted against each other in competition, but are able to work together. We look forward to the progress of their partnership, and recognise the good sense of arrangements that will benefit our local population.

Given the improvements in life expectancy I mentioned if the Government continue with the same level of success, perhaps many of us who are here today will be back in the Chamber celebrating the centenary of the NHS in another 50 years.

8.32 pm

**Dr. Evan Harris** (Oxford, West and Abingdon): I am delighted to speak for the first time in a major NHS debate. Because of the paucity of NHS debates, there have been few long enough for two Liberal Democrats to speak.

I am particularly pleased to follow an enjoyable, interesting and powerful speech from the hon. Member for Enfield, North (Ms Ryan), who gave a history lesson for the Conservative party; but I intend to deal with the present situation, and to ask the Minister a number of questions relating to how we deal with quality in the NHS, how we deal with the distortion of clinical priorities by politicians, and how we deal with rationing. The Government have now admitted what is obvious to everyone in the NHS—that, to a certain extent, rationing takes place, both in itself and on the basis of postcodes. I also want to give the Minister some advice—as I would give advice to any potential Treasury Minister—about how to save money in the NHS by getting rid of false economies.

There has been a great deal of discussion today about how much should be spent on the NHS. I do not want to repeat what has been said by many speakers about the need to provide money to cover not just inflation, but NHS inflation. What has disappointed so many NHS professionals, so many people whose families use the service and so many patients and patient groups is not only the underfunding of the service over the past 20 years—18 years of Conservative government, but 20 years of Conservative spending plans—but the contrast with slogans that raised expectations before the last election, claiming that waiting lists would be shorter and that "Things can only get better".

Two weeks before the election, I was working hard in my constituency, canvassing and talking to people who had been my patients. At that time, it was said at a Labour party press conference that there were "14 days to save the NHS". We knew then that, if Labour stuck to Conservative party spending plans, however, it would take at least two years—and even now we remain to be convinced that the NHS will be saved even after two years of Labour government.

The first page of a press release that I received from Labour party headquarters told us that the NHS was in a mess, but Labour could save it in 14 days. It then quoted what a Dr. Evan Harris of the BMA had said on "Kilroy". If the Government are using "Kilroy" as a source of evidence-based policy, I am concerned; but I think that they chose the right author of such policies.

I was quoted as saying that there was a two-tier system—that the patients of non-fundholders would have to wait longer than those of fundholders, and that those who had to wait longer were "stuffed" unless they were very fortunate. In fact, my point was that, even if we got rid of fundholding, there would still be a huge difference in status between those who could not afford private treatment and those who could. While long waiting times and the underfunding of some Cinderella specialties continue, there will continue to be a two-tier system—waiting times of 12 or 15 months on the NHS, or of 15 days privately. That is what I opposed.

When the press asked me whether, as a Liberal Democrat candidate, I endorsed the Labour party's taking my name in vain and supported its policies, I said that I could not see how the two-tier system that I had been quoted as condemning could be got rid of while Labour stuck to Conservative spending plans. I think Labour Members now recognise the damage—the increase in waiting times and waiting lists—that has been done.

Let me now deal with the issue of improving quality in the NHS. I think it rather unfair of Ministers to say that that has been a random occurrence in the past, left entirely to chance. I know that doctors, nurses and other professionals think carefully about their work in the NHS. After their day is finished and they stop being paid—I know that this was true of me, but I think that it was more true of my colleagues, as I was busy with politics—they go to the library to read the latest research, in their own time, with the aim of applying it to their practices.

If the Government intend to make external audit compulsory, as they should do, and if they want to ensure that not only new but existing treatments are of the best possible quality and are shown to be effective, investment in research must be a priority. Sadly, the NHS research and development budget has fallen in the last two years, year on year in real terms. It is difficult to see how we can secure the new evidence we need for the National Institute of Clinical Excellence at a time when R and D funding is falling.

It will be difficult to get the best out of compulsory audit and clinical governance if those who work in the health service—doctors, nurses and those in the professions allied to medicine—are not given time within working hours. It requires an increase in the number of nurses, rather than vacancies. It will also mean an increase in the number of doctors, and it will mean dealing with the recruitment crisis in professions allied to medicine.

The problem relating to doctors is one of which I have particular knowledge, because I worked in medical education and training. There is a shortfall in the number of students coming through medical school who will be the consultants of the future; last November, the Government's own advisory group recommended an increase in the annual output of medical schools of 1,000 trained medical students—trainee doctors five years down the line. We are now waiting to find out whether the Government will implement the advice of their advisory group. If they need to do so, they must bear it in mind that they will see the fruits of that investment only in 10 years' time, which may be rather longer than some patients and some of my former colleagues are prepared to wait.

At the moment, we are taking in doctors from overseas to fill the gap. Only 38 per cent. of new General Medical Council registrations last year were for people trained in the United Kingdom. The European Union will reduce the number of doctors it produces, so we will not be able to rely on them any more, and it is wrong to bring doctors here from developing countries, allegedly to train but often merely to be exploited for service in staff grade, or other non-consultant posts, to make up the shortfall.

I was sad to hear that a leading academic from the Sudan has been headhunted to work in psychiatry in this country when, with his skills and the Sudan's investment in his training, he should be working there. That is also the case with other developing countries: their doctors should not be working to prop up our underfunded health service.

As my hon. Friend the Member for Southwark, North and Bermondsey (Mr. Hughes) said, during the most recent Health questions we were delighted to hear the Minister of State agree, in response to a question from my hon. Friend the Member for Northavon (Mr. Webb), that some drug treatments that were probably not effective were being introduced into the NHS too quickly. I agree, and it is important to ensure that pharmaceutical companies and the NHS—or both in partnership—get better information about which groups of patients some apparently widely applicable drugs will work well for.

The Minister of State also agreed that some drugs that are clearly effective are being introduced too slowly, which is an example of rationing. They are being introduced too slowly not merely because of ignorance but because of funding problems, and some of them have been around for some time.

Another example of rationing is the long waiting time for some operations, and the fact that certain operations that used to be offered on the NHS are simply not available any more. My hon. Friends the Members for Southwark, North and Bermondsey and for Isle of Wight (Dr. Brand) and I have been saying since May 1997, and before that, that the reduction of waiting lists by the deletion of certain operations from NHS indicators was rationing by another name.

**Mr. Jim Cunningham** (Coventry, South): Does the hon. Gentleman agree that his hon. Friend the Member for Southwark, North and Bermondsey (Mr. Hughes) accepted that there would be rationing in the national health service? He even quoted Aneurin Bevan to substantiate his argument.

**Dr. Harris:** I am not sure that I fully understood the hon. Gentleman's point, but I hope that this will answer it. We recognise that rationing takes place. The problem is that the people of this country have never been told at a general election that the NHS is anything other than a universal service, available to all and free at the point of delivery. At the last election, they were told that they could have a wonderful health service and that it would get better, but that no one would have to pay any more and it was a universal service.

Opinion polls have consistently found that people would be prepared to pay more for a health service that was truly universal and readily available. There will always be some need to wait for the sake of efficiency, but waits of more than six months are unacceptable for people who have paid their taxes.

People would be prepared to pay a little more for a decent health service. It is not fair for the Government or Labour Back Benchers to say, as the hon. Member for Burnley (Mr. Pike) did, perhaps inadvertently, that health authorities should pay for prescribed beta interferon on demand, and for all the other drugs for which there are guidelines. Some treatments do not have guidelines. For certain Cinderella specialties, there are no clearly measurable outcomes. We can ask whether beta interferon is being given to all patients with multiple sclerosis whose consultant neurologists feel that they can benefit from it. Mental health services and services for the care of the elderly have no such parameters.

Health authorities are left with the problem of a demand for beta interferon and for expensive new anti-psychotics as well as statins, all of which are proven and effective treatments. They cannot raise funds locally, but people are blaming them for the rationing—I hope that the Government will not blame them for that.

It is the Government's responsibility at least to initiate a public debate about whether people want such treatments to be widely available and whether they would be prepared to pay more through taxation for them—whether through taxes on cigarettes, the closure of loopholes in the health service, or income tax. That was our platform at the election, as it was for education. It is the Government's role to initiate such a debate, as they have finally recognised that rationing takes place.

If the Government think that there are problems with beta interferon, which would at least reduce in-patient costs if it produced health improvements, and if they think that there will be benefits from prescribing statins to

*[Dr. Harris]*

reduce blood cholesterol through the reduction in coronary artery disease, they will see the long-term benefit of the appropriate prescribing of effective medicines.

However, with the new drug Viagra, there will be no down-the-line financial benefits to the health service, as the Minister knows and as has been reported in the press. It is likely to be a popular drug in all senses of the word, but it is also likely to be widely applicable. The Government will find it difficult to ration it through referrals to consultant urologists, who will have little time to do anything other than the impotency work-ups on patients referred by general practitioners. That nettle will have to be grasped, and there will be an opportunity for the Minister or a colleague to do so in an Adjournment debate next Tuesday, when we will discuss how Viagra can be prescribed.

My Liberal Democrat colleagues and I will work with the Government and the pharmaceutical industry to solve the problem of how to ensure that effective drugs are introduced, when they are known to be effective, and not rationed by postcode. There will be an outcry about Viagra if we see not merely treatment by postcode, which is what is happening now, but sex by postcode, as was reported in the papers following a debate at the British Medical Association.

The Government's policies on waiting lists have distorted clinical priorities. My hon. Friend the Member for Southwark, North and Bermondsey said today, and has said on many previous occasions, that the concentration on waiting list numbers rather than waiting times is causing immense problems for people who may need expensive operations but will be moved further down the queue because health authorities—on pain of the sacking of their managers and chief executives—have to get the numbers down.

I challenge the Minister to reassure me that, for the waiting list initiative, the format of operations planned matches pretty exactly the range of operations already in the contract. In other words, will he assure me that there will not be proportionately more small operations, for example on ganglions, and that there will be as many, if not more, hip replacements? People waiting for the latter are in pain, their movements are restricted, and they need the support of social services.

That is a problem, and if we keep concentrating on Government-sponsored initiatives with a clear outcome, such as waiting lists, we will not provide services where there is no clear outcome, such as in mental health and the care of the elderly. The false economy of taking money from social services, which suffered real-terms cuts in the past two years even before demographic increases are considered, and putting it into the NHS, must become clear to the Government when they recognise that patients cannot be discharged from hospitals because social services do not have the money to pick up their funding in nursing homes. The threatened closure of two community hospitals in Oxfordshire is a case in point.

Finally, I have two questions for the Minister. First, will he place in the House of Commons Library the figures that the NHS executive gathers on bed blocking, to show whether the winter pressures money and other such schemes really reduced the number of delayed discharge days or the bed blocking from which hospitals were suffering?

Secondly, does the Minister accept that, if it can be shown that it would be a false economy in Oxfordshire or elsewhere to close community hospital beds—the Liberal Democrats are not wedded to any particular bricks and mortar, because it is beds and services that count—health authorities should be allowed to use this year the money that may be available next year to provide the services that patients, many of whom are elderly, deserve, and for which they have paid taxes over the past 50 years?

8.49 pm

**Dr. Howard Stoate** (Dartford): As one of the few proper doctors in the House, I am particularly grateful for this opportunity to speak. I think that I am only one of two who continue to do a small amount of work in the national health service. I also want to declare my great pride in being part of the work force that has ensured that the health service has been the envy of the world over the past 50 years. I hope that all hon. Members are able to join me in thanking all NHS staff on behalf of all our constituents.

Whenever I get the chance, I take a look at the various publications that are sent to general practitioners' surgeries. Apart from articles concerning my own activities, there are occasionally other interesting articles. Quite recently, I came across an interview with the right hon. Member for Maidstone and The Weald (Miss Widdecombe), the shadow Secretary of State for Health, in *Doctor* on 25 June, in which she was described as a hardliner. She claims much for her Government's record on the NHS between 1979 and 1997. Fortunately, the electorate did not believe much of what she or the previous Government said, and voted instead to defend the NHS.

The article makes it clear that the right hon. Member for Maidstone and The Weald has learnt something from my right hon. and hon. Friends in the Department of Health. She says that she will be listening to people's suggestions, taking the debate to the country, coming up with a strategy that can be tested on experts and putting policy to the people. If only the Conservatives had done that through their 18-year stewardship of the NHS. The internal market, which set parts of the health service against each other, was not tried and tested before its implementation, and we are having to sort out the mess that they left behind.

At least in 1998, the Conservative Front-Bench team claims to support the NHS. As my hon. Friend the Member for Wakefield (Mr. Hinchliffe) pointed out, however, the right hon. Lady seems to want to introduce far more private health insurance. I am particularly opposed to that line of thinking, for one simple reason. Let us suppose that a young male driver of a Lamborghini finds that his insurance premiums go through the roof. He can always sell his Lamborghini and buy a Lada. If, on the other hand, the same young man happens to have diabetes or a chronic mental health problem or renal failure, what can he do? He cannot just take his renal failure elsewhere and try to get a better quote for his health insurance.

There is a simple inverse law: those in most need are the least insurable. That will always be so; it is the same anywhere in the world. In any example, such as house or

car insurance, the inverse law applies. As bad luck would have it, those most in need tend to be those least able to pay. They suffer a double whammy. We know from statistics that the Department of Health releases frequently that people in difficult social circumstances are also those who happen to suffer the worst medical problems. For all sorts of good reasons, introducing more private health insurance in the NHS would be a disaster.

I should like to concentrate on what is happening in my constituency. In Dartford, we are at the forefront of the new NHS, preparing for the changes of the new millennium. On Saturday, I was pleased to attend the topping-out ceremony for the new hospital in my constituency—the first to be built under the private finance initiative—to serve the needs of Dartford and Gravesham. The Government ensured that legislation was in place to allow the private-public partnership between the NHS trust and Tarmac to go ahead to build the much-needed facility in north-west Kent. I am pleased that the project is on time and on budget. Many eyes are on it, and are willing it to be a great success. If, as I believe, it lives up to our hopes, it will form a template for many similar schemes.

My hon. Friends the Minister and the Paymaster General joined me and my hon. Friend the Member for Gravesham (Mr. Pond) in September to mark the start of work on the hospital. I hope that it will not be long before they and other colleagues join me to mark the opening of the hospital. It will be a flagship for the NHS, and shows what a Government who are committed to the health service can do. It would never have happened without the tremendous effort of all those involved and the vision of Ministers to will it into being.

Earlier this year, community trusts in north Kent merged to form the Thames Gateway NHS trust. The trust is seeking to make savings by streamlining management and administration so that more money can go into patient care. At the same time, economies of scale and merging of expertise will lead to improved standards. As long as the quality and availability of care at local level are preserved and—I hope—enhanced, I see nothing wrong with trust mergers, either to create a larger geographical area or, vertically, to integrate health care for a locality.

All the developments in Dartford and Gravesham are supported by significant amounts of extra cash, which has gone into the NHS since we were elected last year. West Kent health authority has received £26 million of new money. That includes £5 million to tackle waiting lists, so that we can make our own contribution to meeting the pledge to reduce over the life of this Parliament the number of people waiting for hospital treatment. Waiting lists in Dartford and Gravesham are already lower than they were in May 1997. The Dartford and Gravesham NHS trust will have an extra 48 beds to treat even more patients.

GPs and community nurses in Dartford and Gravesham are pioneering our plans for primary care groups in a pilot project. Fundholders and non-fundholders alike have embraced the idea with enthusiasm. I am sure that there will be lessons to be learned from their experiences, which will benefit the implementation of primary care groups throughout the country next year. I applaud the efforts of the British Medical Association and Ministers to ensure that such groups work. As with any venture of such vision, there have been some tough negotiations on both sides, and I understand the threat that such change may pose. I hope that some of the groups will try to be even more innovative than the guidelines propose and that, in time, groups will experiment with ways of working together.

Someone who has not visited north-west Kent may imagine a leafy idyll. They would, of course, be right. However, we have many pockets of deprivation, and West Kent health authority thought that it was worth while submitting a bid to form a health action zone. The bid was unsuccessful, but many useful lessons were learnt. The health authority has already begun to work with county and borough councils, and they will be in a good position to work on a health improvement programme for west Kent when we implement the plans for a healthier nation.

Our plans are for the next 10 years; we shall be working on many elements during the lifetime of this Parliament and the next. The agenda is full, but I should like to encourage the prioritisation of some items. Recruitment and retention continues to be of concern, particularly in primary care. We need to research the causes of the shortage of doctors and nurses who want to enter primary care. We need to improve undergraduate medical education, vocational training and continuing education, so that general practice becomes more attractive. Efforts are already being made to provide more flexibility for doctors. That needs to continue and develop. There is particular pressure in inner cities, and incentives should be considered to attract new doctors to fill gaps.

I would welcome an early response from Ministers to the findings of the Campbell committee. One thousand new medical students will take time to work through their training, but there will be plenty of work for them to do when they qualify. With encouragement to enter primary care, they will go a long way to filling the gaps that are appearing.

No debate about the success of the NHS can ignore the enormous contribution made by Britain's innovative and successful pharmaceutical industry. It is one of our largest exporters and leads the world in research and development. I hope that that vital part of our research base is not forgotten when, this year, the Government renegotiate the pharmaceutical price regulation scheme, which sets the basis for the price paid for drugs by the NHS. Many new drugs are available, as hon. Members have mentioned. We need clear departmental guidelines on how they should be used. It is very important that new drugs are put into perspective rather than introduced through the media and through patient demand, without proper regulation and control and a balanced approach on how best they should be used.

During this 50th anniversary celebration, there have been many welcome announcements from my right hon. Friends the Prime Minister and the Secretary of State for Health. The Prime Minister launched the innovation fund, which will demonstrate that the division and competition of the internal market are not necessary for new ideas to develop. The NHS, during this period of co-operation, will see innovation flourish.

There are many beacons of excellence in the NHS. Their example should be celebrated and shared throughout the NHS, so that everyone can benefit from good practice. My right hon. Friend the Secretary of State launched the drive to improve quality of care in the NHS. Doctors

*[Dr. Howard Stoate]*

welcome the promise of national guidelines, and we shall ensure that they are adhered to. Patients will be asked regularly how they think the NHS is performing.

I am sure that everyone in the NHS is hoping to hear about funding for the future. Of course, we cannot expect to have the result of the comprehensive spending review before time, but it is clear that the £2 billion of extra money so far is not enough for my right hon. Friend the Prime Minister, and there has already been a hint of money—a lot more money—from my right hon. Friend the Secretary of State, and that is very welcome.

I look forward to next week's announcement, confident that it will fulfil our manifesto commitment to raise spending in real terms every year. I know that the workers at the front line of the NHS will spend the money efficiently to improve patient care.

We can look back to 1948 and celebrate the life of the NHS, but we must also look forward. As Nye Bevan said, the NHS must always be changing, growing and improving. At no time has it been better prepared to face the challenge of the new.

8.58 pm

**Mr. David Amess** (Southend, West): I welcome this debate to celebrate the national health service and its achievements and talk about its future. Unfortunately, I missed the opening exchanges. I believe that they were splendid. My hon. Friend the Member for Belfast, South (Rev. Martin Smyth) is not here at the moment, but I certainly agree with what he said.

There has been a familiar tone to the debate. We can talk about history, but the reality is that for 35 of the 50 years during which we have enjoyed the national health service, the Conservatives have been in power. Labour Members have chastised Conservative Governments for what they did, but in a democracy, if the people had been unhappy with the way in which the Conservatives were running the health service, they could have voted them out.

My hon. Friend the Member for Belfast, South was also right about abortion, embryo research and related matters. I listened carefully to the hon. Member for Hackney, South and Shoreditch (Mr. Sedgemore). When I talk about the achievements of the national health service, I certainly do not include the huge number of babies who have been aborted.

It is an absolute disgrace that we can now abort up to term on the basis of disability. The Human Fertilisation and Embryology Authority is a fiasco. The idea that experiments can be done on embryos up to 14 days and that inspectors can magically deal with the situation is absolute nonsense. It is a further disgrace that, when I tried to introduce a Bill to stop sex selection, it was defeated overwhelmingly, and largely by women Members.

We should not take pride in that aspect of the health service, but we should celebrate its achievements. People are living longer; more premature babies are surviving; and the general public are healthier than ever. We can see immediately in schools that children are much healthier than ever, and for that we should thank every doctor, nurse and other member of staff in the national health service.

Let there be no doubt that, were it not for the army of volunteers throughout the country, we would not have the magnificent health service that we do. One has only to look at America: when President Clinton was first elected, he tried to persuade Congress to deliver a national health service, and they spent two years debating it before deciding that it was simply not possible. I am sure that, if we were starting from scratch today, we would also find it impossible. We have a magnificent health service, and we should all delight in it. It is the envy of the world.

Like other hon. Members, I was present on Sunday at local celebrations in my constituency. Southend hospital was recently recognised with the award of associate university teaching hospital status, making it an integral part of London university. That demonstrates the high quality of its education facilities for clinical staff. We are also very proud to be recognised as a major cancer centre, and in December last year we were awarded the King's Fund organisational audit accreditation award, about which the Government should be delighted, because it means that there could be no better administration than that at Southend hospital. Fairhaven is a magnificent hospice in Southend, and only two weeks ago, the Duke of Gloucester opened our children's hospice, which is the only one in an area that includes the whole of Essex and part of London.

Mental health is an extremely difficult matter to deal with, and not everyone wants to talk about it, as the Minister will know only too well. We have difficulties in Essex at the moment, and I am sure that he and his colleagues are trying to deal with them.

**Mr. Gareth R. Thomas:** Will the hon. Gentleman give way?

**Mr. Amess:** I certainly will, but I am trying to co-operate to allow another Labour Member to speak.

**Mr. Thomas:** On the subject of difficulties, the hon. Gentleman will know that his party does not have a policy on the health service at the moment. In terms of future policy, does he agree with the vision of the right hon. Member for Charnwood (Mr. Dorrell) or the vision of the right-wingers in his party who support some form of privatisation or charging?

**Mr. Amess:** I made a big mistake in giving way. What the former councillor for Westminster had to say did not add anything to the quality of this serious debate on the national health service. As far as the hon. Gentleman's remarks about the Conservatives are concerned, we have lost the plot. Labour is the Government and the Conservatives are the Opposition. The Conservative party has nothing whatever to be ashamed of with regard to our management of the NHS. My right hon. Friend the Member for Charnwood (Mr. Dorrell) was an excellent Secretary of State for Health, and the present Government are trying to copy much of what he and his predecessor, my right hon. Friend the Member for South–West Surrey (Mrs. Bottomley), did. But as we are increasingly finding out, they are not making a terribly good job of delivering Conservative party policies.

I move on to the second part of my speech, which is on the future and politics in the NHS. One or two hon. Members have said, "Oh well, it is no good talking about

appointments. Let's look at what the Conservatives did." Again, we have lost the plot. It was the new Government who on 1 May, celebrating with "Things can only get better", said that we would not have any politics in the NHS. Yet only four Conservative councillors as against 111 Labour councillors have been appointed to trust boards. Labour introduced a new criterion into the appointments process. It wrote to council leaders rather than to chief executives of local authorities. Conservatives have been largely excluded from the appointments process.

The final joke on politics is this. I have nothing whatever against the individuals who have been appointed as chairmen in my area, but when two names are submitted to me as the local Member of Parliament, and they are both Labour activists, that says it all. Even more bizarre, the press release on the new appointments starts off by saying that "Labour activist" X has been appointed. It is no good the Secretary of State for Health saying that there are no politics in the NHS when people are being told to push out press releases saying that new appointments are of Labour activists.

One of my local cancer consultants has made a number of good points about cancer treatment. This might be a controversial point, but I watched two weeks ago the television programme that showed someone dying. I as an individual thought that that was a great mistake, but there it is, it was shown. The current maximum number of new patients seen by a consultant clinical oncologist should not exceed 350 per year. The Board of Faculty of Clinical Oncology recommends that the maximum number of new patients seen by a consultant clinical oncologist should not exceed 315 in any one year. I should like the Minister of State to write to me on a later date to tell me whether he agrees with that suggestion. If he does, given his Government's position on hospital waiting lists, how does he intend to resolve that problem? The other point about cancer treatment concerns the machinery that is used. Many cancer consultants are very concerned about the age of the machinery that they are using. Will the Minister write to me about what his Department intends to do about that?

Another constituent who is an eye consultant has brought it to my attention that one in five of the doctors who qualify in the United Kingdom are lost to the NHS within 10 years. The British Medical Association helpline receives 6,000 calls a year from doctors who are stressed and feel that they cannot continue to work. Will the Minister let me know what the Government will do about that?

The Prime Minister used to jump up at the Dispatch Box to rubbish Essex county council after it had been controlled by the Conservatives for only seven weeks. After 15 months of a Labour Government, however, anything that goes wrong can still be blamed on the Conservatives. The Conservative Essex county council has addressed bed blocking and put £4 million into the service, so that 450 people in hospital beds can go to residential homes.

I shall write to the Secretary of State on behalf of United Response, which delivers quality services in the community, and which wants to raise a constituency point.

Every parliamentarian should rejoice in the achievements of the wonderful NHS. The Conservatives have for 35 years assured its future. It is now up to the new Labour Government to do the same.

9.10 pm

**Mr. John Heppell** (Nottingham, East): I congratulate the hon. Member for Southend, West (Mr. Amess) on his brevity. He was much quicker than I expected.

The Ulster Unionist party is the only one not to have claimed credit for the national health service tonight, and even it claimed a connection. The truth is that the people of the United Kingdom formed the NHS, and they did so by electing a Labour Government with the vision, commitment and political will to do so in the teeth of opposition from the Tories who fought it tooth and nail. The Liberals have claimed the credit, too. I accept that an individual, Beveridge, had something to do with the creation of the NHS, but he did not do as much as Nye Bevan. In reality, in 1945, the Liberals had no real political influence, and they had not one iota of influence on the NHS. Nothing has changed there of course.

Like my hon. Friend the Member for Wakefield (Mr. Hinchliffe), I share a birthday with the NHS; mine was in 1948. I was reassured by what the Secretary of State said today, but the most reassuring thing that I have heard is that my hon. Friend is older than me. I was an NHS baby, as were my children and my grandchildren, and as are the 2,000 NHS babies who will have been born today. As a child, I broke my arm, and an ambulance came to take me to hospital, just as 8,000 ambulances will have arrived to take people to hospital today. Whenever I was ill, I went to the doctor, as 700,000 people will have done today. When I had toothache, or before I got it, I went to the dentist, just as 130,000 people will have done today.

All that is part of the success of the NHS, but its real success lay in taking away the fear of illness that so many people had before its foundation. I have a fair appreciation of the NHS; indeed, I am often passionate about it. I was amused to hear the hon. Member for Broxbourne (Mrs. Roe) give her romantic vision of a general practitioner. I had a mental picture of James Herriot, until I remembered that he was a vet. Well, if we cannot be romantic, or sentimental, about the NHS, what can we be romantic or sentimental about? It is an institution that everyone loves. The people who really appreciate the NHS are the generation before mine. They knew what it was like not to have it.

**Mr. Jim Cunningham :** Does my hon. Friend agree that a major feature that made the national health service what it was, leaving politicians to one side, was the efforts of the staff over the past 50 years, especially through the 18 years of turmoil under the Tories?

**Mr. Heppell:** That is very true. I and my hon. Friend the Member for Wakefield did not suffer the problems that the national health service had. We were not battered by the Tories at birth or for the past 18 years, but looking at the three of us, people would think that the national health service came out with the best health. The NHS has survived in spite of Conservative Governments, not because of them.

The generation before mine were the people who formed the NHS. They knew what the fear of illness was like. They knew what it was like to have brothers, sisters,

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wives, daughters and sons suffering illness or injury while being unable to get adequate treatment. They knew what it was like to live in a country where treatment depended either on charity or ability to pay. That is why the NHS was formed and why people feel so strongly about it now. That is why this Government will ensure that the NHS is not only saved but modernised and improved.

**Mr. John Hayes** (South Holland and The Deepings): Will the hon. Gentleman give way?

**Mr. Heppell:** No. The hon. Gentleman has only just come in. I worry about the lapses of memory of Conservative Members.

**Mr. Jim Dowd** (Lord Commissioner to the Treasury): Where are they?

**Mr. Heppell:** There are more here now than there have been during the rest of the debate. The Tories say how good things were under them. Many of the new Members will not remember the 1996 debate here. I showed the House these headlines from my local paper: "Government health warning", "Excellence at risk", "Longer to wait", "Ambulance fears", "Treatment limits", "Cancer plan threat".

**Miss Widdecombe:** Tell us about the 1978 headlines.

**Mr. Heppell:** You were in. It was 1996. The man quoted in those headlines was a Conservative appointee to the health authority in Nottingham. Even more important was a later report that showed that 350 operations were postponed because of the winter crisis in 1996. People will not forget the many people who lay injured or ill in corridors on trolleys that winter. They were not there in the winter of 1997 because we did something about it. We delivered when your Government could not.

**Miss Widdecombe:** The hon. Gentleman is brandishing a set of headlines. Does he remember the headlines of 1978, when his Government were coming to the end of their unlamented period in power? We were glad to see the end of it. Far short of lying around in corridors, patients could not get into hospital at all. Medical staff were on strike and the ambulance men were out. The junior doctors threatened industrial action. Everyone's pay was going down in the health service. People could not get treated and the nation threw his lot out.

**Mr. Deputy Speaker (Mr. Michael Lord):** Order. That was an extremely long intervention.

**Mr. Heppell:** I remember the problems of 1978 but I also remember the problems of 18 years of your Government.

**Mr. Deputy Speaker:** Order. The hon. Gentleman must use the correct parliamentary language.

**Mr. Heppell:** I am sorry, Mr. Deputy Speaker.

The Government have done many things that directly affect the people of Nottingham. I have little time, so I will concentrate on the fact that since coming to power, we have put an extra £20 million into Nottingham health authority and £2.36 million to help with the winter crisis. That was extra money that was not planned before this Government came in. The cash increase for 1998–99 was £14 million when it would have been only £6 million under your Government.

**Mr. Deputy Speaker:** Order. The hon. Gentleman must concentrate and get the parliamentary language right.

**Mr. Heppell:** I apologise, Mr. Deputy Speaker. I am getting carried away by my own rhetoric.

**Mr. Deputy Speaker:** We have rules about parliamentary language so that hon. Members do not get carried away.

**Mr. Heppell:** I shall ensure that I do not make any more mistakes in terms of parliamentary language and sit down, Mr. Deputy Speaker.

9.19 pm

**Mr. Nicholas Winterton** (Macclesfield): It is right for the House and the country as a whole to celebrate 50 years of the national health service. The United Kingdom national health service is the best, most comprehensive and integrated service in the world, and it is noted as such wherever one goes. Whether one travels to north America or to other countries in the European Union, one will find that our national health service is envied throughout the world. We should be proud of that fact. We owe a great deal to the nurses, doctors, paramedics, auxiliary service staff and all those who work in the national health service.

I was privileged to serve for a time as Chairman of the Health Select Committee, and I have been involved in health and social service issues for most of my political career. The health service is supported by the overwhelming majority of people in this country, whatever their party political affiliations.

**Mr. Ivan Lewis** (Bury, South): Will the hon. Gentleman give way?

**Mr. Winterton:** I am sorry, but I promised to speak for only two minutes, and I shall try to keep within that time constraint.

Governments should appreciate the widespread support that the health service enjoys. I only wish that there were more consensus across the House as to how the health service should be organised and managed. One of my greatest honours was to be made a vice-president by the Royal College of Midwives on the strength of the maternity services report produced by the Health Select Committee when I was its Chairman.

We should value the national health service and seek to work across the Chamber on its behalf. It is appreciated by the overwhelming majority of people in this country and, if we did that, they would appreciate the House a lot more.

9.21 pm

**Mr. Jim Cunningham** (Coventry, South): I obviously do not have much time left in which to speak about the national health service. However, it is important to pay tribute to the loyal national health service staff who have worked hard over the past 50 years. We must remember also those people who fought for the national health service before it was established. Hon. Members have mentioned tonight people such as Aneurin Bevan, but we should also remember others such as Beatrice Webb. I shall not say who thought of doing what, but, at the end of the day, it was a Labour Government who introduced the national health service. It was not an easy task for the Attlee Government to create the national health service, and they spent hundreds of hours in negotiation with the British Medical Association alone.

I acknowledge that the Government intend to spend about £30 million on improving health services in the west midlands. Coventry will receive £1.7 million and there is a new private finance initiative of £174 million for the city. In addition, £1.2 billion will be spent nationally on the national health service. The Government have already spent about £300 million in meeting the pressures of last winter and more resources will be spent on creating 3,000 new beds.

I pay tribute also to the NHS staff in Coventry. Last Sunday, the staff and I took a birthday cake around the two remaining hospitals in Coventry to celebrate the 50th anniversary of the NHS. We heard some interesting comments and I noticed that morale had improved as a result of the Government's actions. We still have a long way to go, but we have the lifetime of this Parliament and probably beyond to put right the mess created by the previous Government over 18 years. Finally, I again pay tribute to all the great pioneers of the national health service.

9.24 pm

**Mr. Philip Hammond** (Runnymede and Weybridge): I am delighted to take the opportunity of this debate to salute the achievements of the national health service over the past 50 years and the achievements of all those who have given their time and dedication to it. However, it is also time to take stock of the issues facing the service now and the longer-term challenges.

This has been a high-powered debate, with one current Secretary of State and two former Secretaries of State taking part. The current Secretary of State was somewhat predictable, reiterating the rhetoric with which we have become familiar. He listed the pet schemes and initiatives that are no substitute for additional resources across the board. He failed to mention the pressing issues in respect of mental health, disability and care of the elderly. He did not mention dentistry, chiropody, physiotherapy, or the other professions allied to medicine. Although he mentioned the NHS direct scheme, he did not mention the threat to community pharmacy presented by the Government's Competition Bill.

The other rather predictable aspect of the debate has been the short canter around what was or was not said in the 1940s—about a decade before either the Minister of State or I was born. The Labour party is not in a position to lecture anyone on the evolution of ideas in political parties. We certainly would not need to go back 50 years to find examples of views held by current members of the Government that have, shall we say, matured over time? The hon. Member for Wakefield (Mr. Hinchliffe) told us that the socialist ethic has been restored to the Government's health policy, which leads me to wonder whether his pager is working properly, and he told us that the debate on health was as polarised as ever.

My right hon. Friend the Member for South-West Surrey (Mrs. Bottomley) said that imitation is the sincerest form of flattery and mentioned the rebadging of our policies that has been a hallmark of the Labour Government when trying to avoid acknowledging the debt that they owe to the initiatives of the Conservative Government. She also raised the important issue of the anti-management culture of the Labour Government and the bullying of managers by the Secretary of State's office. She cited one example, of which we have heard several, of health service managers either leaving, or seeking to leave, the service because they are fed up with the way in which they are treated and because they feel undervalued.

The hon. Member for Southwark, North and Bermondsey (Mr. Hughes) addressed the Secretary of State's claim to ownership of the health service. Although not noted as a friend of the Conservative party, he acknowledged our role in consolidating and strengthening the NHS over the 50 years of its existence. He demolished the Secretary of State's spurious claims to ownership of the NHS.

My right hon. Friend the Member for Charnwood (Mr. Dorrell) gave a ringing endorsement of the effectiveness of the NHS. He demonstrated, if demonstration was ever needed, that where there are disagreements or nuances of opinion about the NHS, they are not along party lines, but across the party political divide. The hon. Member for Hackney, South and Shoreditch (Mr. Sedgemore) did likewise.

My hon. Friend the Member for Broxbourne (Mrs. Roe) rightly drew our attention to the importance of GPs and the role they play in the service. She highlighted the role that a primary care-led service has in delivering the cost-effectiveness that is an important hallmark of our NHS. She also drew attention to the staff shortages that ought to be one of the Government's primary concerns when considering the NHS. In the next three years, 24 per cent. of all the nurses active on the register will reach retirement age. That is a time bomb ticking under the Government and a problem that we expect them to address as a matter of urgency.

Seven months ago to the day, the Secretary of State presented his NHS White Paper to the House, yet this is the first chance that we have had in Government time to discuss the subject of health. That tells us something about the Government's priorities, or perhaps their reluctance to expose their performance on health to scrutiny.

**Mr. Ivan Lewis:** Does the hon. Gentleman agree that one of the two most telling contributions to the debate by Conservative Members was that of the hon. Member for Macclesfield (Mr. Winterton), who was removed from his post as Chairman of the Health Select Committee because he was brave enough to express grave concern about health policy under his Government? The other telling contribution was that of the former Secretary of State for Health, the right hon. Member for Charnwood (Mr. Dorrell), who felt obliged in the debate to speak to right-wingers in his party about laying down a marker for

*[Mr. Ivan Lewis]*

the appropriate future of the health service. Were those not the two most significant contributions and do they not demonstrate why the Conservative party is not fit to be in control of our national health service?

**Mr. Hammond:** I do not intend to get involved in a discussion about the relative merits of my right hon. and hon. Friends' contributions to the debate. We need to move the debate forward, not dwell on the past as Labour Members are so anxious to do.

The timing of the debate is no coincidence. The week after the 50th birthday of the NHS, the Government seek to bask in the reflected glory that properly belongs to the men and women who have devoted themselves to the service over the past 50 years. The week before the announcement of the comprehensive spending review, the Government seek to take credit for an as yet unannounced increase in NHS spending, which may or may not be enough to make an impact on the pressing issues that the NHS faces

The Conservative party, like all parties in the House, is committed to the NHS and its core principles. As my hon. Friends have said, we have had stewardship of the service for more than two thirds of its existence. Between 1979 and 1997, NHS spending grew by 3.1 per cent. per annum in real terms. The annual number of treatments increased by more than 3 million over that period. The numbers of nurses, midwives and doctors increased dramatically. We are rightly proud of those achievements, but we should like to enter the second half-century of the NHS looking to the future. To do so, we need to move away from the sterile arguments of the past, but we find that the Labour party has come into office carrying the baggage of its rash promises and the opportunistic criticism that it made in opposition of every action that the previous Government took on the NHS.

As my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) said, the Labour party's pre-election rhetoric led many folk who knew no better, and some who ought to have known better, to believe that all the NHS needed was a Labour Government. The Minister will remember Lee Bosley, and probably his mother, who, when that whole sorry business was over, said to me, "What really gets me is that some people were stupid enough to believe Labour and vote for them."

The Labour party in opposition refused to acknowledge the huge achievements in the service over the previous 18 years and pretended that it would tear them down. It dug itself into a hole with promises that it need not have made, was advised not to make and cannot deliver. Today, those "early promises" are costing British patients and taxpayers dear. Our health service is being driven by the primary objective of getting the Government off a political hook of their own making.

Listening to the Secretary of State congratulating himself on the fact that, apparently, waiting lists have started to fall, one would be forgiven for thinking that the early pledge was only to allow waiting lists to increase by 140,000 before gently turning them around and bringing them back to their original level. The Labour party chose the wrong target. It misled the electorate. It has failed to deliver on that target. We could forgive all that, but we cannot and will not forgive the Secretary of State's coercion of the entire system to achieve the ridiculous target that he has set himself. It is ridiculous not because we say so, but because, without exception, professionals in the NHS say that it is the wrong target and it is addressed in the wrong way, at huge cost to the needs of patients across the country.

If the Minister of State believes, as he told my hon. Friend the Member for Rutland and Melton (Mr. Duncan) the week before last, that no other part of the health service is suffering as a result of the focus on elective surgical waiting lists, he needs to get out of Richmond house and talk to doctors, nurses and NHS managers throughout the country. He should ask them whether that is the best use of the available resources.

**Mr. Hayes:** The Minister should speak not only to those professionals but to the people in the communities that are faced with hospital closures. My constituency is faced with the closure of our local hospital. Throughout Lincolnshire and other counties across the land, community hospitals are being closed, and people are amazed at the contradiction between that and the claims that Labour made before the election.

**Mr. Hammond:** My hon. Friend makes a helpful contribution. One of the advantages of being in opposition is that we can talk to doctors, nurses and health professionals throughout Britain. I understand that Ministers are burdened with their boxes and are forced to spend more time than they would like in Richmond house.

Doctors are pressured to work extra hours. In some cases, they are bribed to work extra hours. We have heard examples of doctors offered 10 times their usual sessional payments to work an extra shift to help clear waiting lists. Can that be a sensible use of NHS resources?

**The Minister of State, Department of Health (Mr. Alan Milburn):** Where?

**Mr. Hammond:** If the hon. Gentleman would like the information, I will send it to him. It came to us from the Hospital Consultants and Specialists Association, citing specific examples, and I shall write to the hon. Gentleman tomorrow with the details.

We are not talking about extra hours to deal with major clinical priorities. If you, Mr. Deputy Speaker, were a trust chief executive and you were told that your job was on the line if you did not get waiting lists down, what would you do? You would not attend to the most complex and difficult cases; you would deal with the trivia, the easy and the cheap procedures. You would do the grommets, the hernias, the wisdom teeth. Such actions will get the numbers down, but do nothing to address the real health care priorities in Britain. It is a cynical diversion of scarce resources. The hon. Member for Oxford, West and Abingdon (Dr. Harris), who is no longer in his place, addressed the Minister specifically on that and I hope that the Minister will answer him.

Next week, we will hear from the Government how much new money the NHS will get. As my right hon. and hon. Friends have said, that announcement must be a minimum increase of between £8 billion and £9 billion per annum over the current annual level and achieved by 2001–02. We shall be looking for a plain-speaking announcement, couched in terms of annual spending

increases—no funny figures, no fudging, just a simple figure that people can understand and compare with what has gone before. If that announcement stands up to analysis, and if it delivers real new money over and above the trend rate of real growth that the Conservative Government established during 18 years, we will welcome it. Whether it delivers the increased real growth in practice will depend critically on the Government's ability to meet their own inflation targets, and so far the omens are not good.

How will the money be distributed? How much will be ring-fenced into the Secretary of State's pet projects? How much will be available to NHS managers to spend across the board on the expansion of day-to-day services?

Several hon. Members have emphasised the Government's wide view of what constitutes health care, embracing, according to some Labour Members, everything from social care through housing to unemployment and low pay. I hope that the announcement of £X billion next week as an increase in the health budget will not be disseminated across that wide range of Government activity. I hope that we shall not find that some of the money is draining away to other areas which have traditionally been the responsibility of other Departments. *[Interruption.]*

The Secretary of State mocks that idea from a sedentary position, but at the margin there are areas where money from the health service budget could be allocated to other budgets that have traditionally been separate. We saw that happen with the winter pressures money, when cash was deliberately moved through the health budget to local authorities for social services purposes. We seek an assurance that next week's announcement will be an announcement of money for use in the NHS, not money to be channelled through health for use in other areas. The Government have already broken their promise not to raise taxes. We must hope, as a minimum, that the tax hoard that they have been collecting will at least come back in part to the NHS.

Before the general election, the Labour party deliberately raised expectations that waiting lists would be slashed, resources increased and hospital closures halted in order to entice voters into the polling booths, only to dash them. Waiting lists have soared. Real spending increases have been lower than the average of the 18 Conservative years. Scores of hospitals face closures, mergers or downgrading. In opposition, Labour criticised the staging of pay increases; in government, it staged them. In opposition, Labour cynically attacked the operation of the internal market; in government, seeing that it worked, Labour retained the essence of it.

Patients will understand what is going on, because they will live with the consequences. No matter what the statistics tell him, Joe Public will know from experience, and from the experiences of his family, friends and neighbours, whether the Government's promises to deliver a better, more effective health service have been kept. Moreover, if he voted Labour because of its pledges on the NHS, he will know that he has been conned. He is the one who will pay the price for the diversion of resources away from the real priorities, the most pressing areas of clinical need, and into the massaging of figures to suit the Government's need. It is the allocation of resources, not by doctors, but by spin doctors.

There lies the challenge for all Governments. The public, the users of the service, are interested, not in statistics, but in receiving quality care when they need it. Their perception of that care will be shaped partly by their expectations, and the Prime Minister would be wise to reflect on that before he makes any more rash promises about a wait-free accident and emergency service.

However, let us rise above the short-term issues—the political knockabout. Let us assume that the Government, in an almighty act of contrition, acknowledged the achievements of the past two decades in the health service, recognised the folly of their own adventure into the cul-de-sac of waiting list manipulation, and acknowledged the complexity of the challenges confronting the NHS. If they were to embark on a constructive, non-partisan debate about the future of the health service, we would welcome that, the vast majority of professionals in the service would welcome it and the public would welcome it.

What would that debate address? Several hon. Members have acknowledged that there is cross-party consensus on the objectives of the modern NHS: the cost-effective provision of state-of-the-art, free-at-the-point-of-delivery health care on the basis of clinical need. The political debate surrounding the NHS is not about objectives but about how best to achieve them.

Fifty years on from the foundation of the service, Britain is a very different place. We are living longer, we expect higher standards of health care and we are immensely wealthier. When the service was created, the range of treatments available was limited, not by rationing, but by the level of development of medical technology. The question whether procedures or treatments should be available is now becoming a burning issue. The forthcoming availability of Viagra may focus public attention on that issue. We are told that the costs of providing Viagra could be £1 billion a year, and many people will question whether that is a proper use of NHS resources.

The great British public know that health care is rationed, even though they will never hear that word from the Government. Most of the public understand and accept that a system such as ours requires some element of rationing, but they do not accept that the rationing that takes place should be arbitrary or should be done behind closed doors. The first subject for national debate, therefore, is how we prioritise need and how we define the limits of our publicly funded health service in a way that is fair and equitable.

The second subject for debate is how we provide the resources for the health service that the British people need and expect in the 21st century. That debate must be undertaken on the basis of pragmatism—a desire to deliver the best possible health service to the people of this country—not on the basis of political dogma.

We on the Opposition Benches will not shrink from criticising the Government if they fail to deliver on their reckless pre-election pledges, nor shall we shrink from criticising them if they simply divert money from more important things to achieve them. We shall attack changes that are proposed for ideological or political reasons, and that are flawed as a result. We shall continue to be proud of the success of the Conservative reforms of the health service, while never falling into the arrogance of imagining that there was not scope for improvement and

*[Mr. Hammond]*

evolution. We shall challenge and test the Government on their innovations—such as the National Institute for Clinical Excellence—searching for weaknesses, seeking ways to improve, as is the Opposition's duty.

Above and beyond that, when the Government are ready, we shall be ready to engage in the bigger debate: the debate about the scope and resourcing of our health service for generations to come, because that is what matters to the British people as we enter the new millennium.

9.43 pm

**The Minister of State, Department of Health (Mr. Alan Milburn):** Over the past few weeks, the entire country has been celebrating the 50th anniversary of the national health service. It is appropriate that the House should take part in those celebrations this evening. Many of us have visited towns and cities over the past week and seen a national celebration of a national institution that is still the envy of the world, as the hon. Member for Macclesfield (Mr. Winterton) pointed out.

For me, it has been a special privilege to be a Health Minister in this 50th year, as I have been able to meet so many people who have contributed so much to the national health service over those 50 years. At the outset, I pay particular tribute to the staff of the NHS—the 1 million people who work in the health service today, and the many millions more who have contributed so much to the service of others during the past five decades. As my hon. Friends the Members for Enfield, North (Ms Ryan) and for Coventry, South (Mr. Cunningham) reminded the House, all of us who depend on the health service owe those people an enormous debt of gratitude, and it is right that we record that.

During the progress of the National Health Service Bill through the House, Nye Bevan predicted what the health service would bring to our country. He said:

"I believe it will lift the shadow from millions of homes. It will keep very many people alive who might otherwise be dead . . . It will produce higher standards for the medical profession. It will be a great contribution towards the wellbeing of the common people of Great Britain."—[*Official Report*, 30 April 1946; Vol. 422, c. 63.]

Nye Bevan was right. Fifty years on, it is impossible to imagine life in Britain without the national health service, and we should all be proud of what the NHS has achieved: the great advances in medicine, the improvements in life chances, the banishing—as my hon. Friend the Member for Nottingham, East (Mr. Heppell) rightly said—of the fear of becoming ill. We should also be proud of how those achievements have been made, through the simple but practical principle of providing care on the basis of need, and need alone.

My right hon. Friend the Secretary of State for Health had the pleasure of meeting one of the first patients to be treated in the NHS, a lady called Sylvia Diggory, who is still alive and well today, I am pleased to say. She aptly summed up the achievements of the NHS and what it means. She said that we should be proud of our country because, "We still have a health care system where, if you collapse in the street, they feel your pulse before they feel your wallet."

The Government abide by the principle on which the Labour Government created the health service 50 years ago—that the best health services should be available to all on the basis of need, not on the ability to pay or who the patient's GP happens to be. We were elected in May last year to make sure that the country once again has a national health service that is true to those founding principles.

The 50th anniversary of the NHS has been accompanied by much comment about its past, and much more comment and speculation about its future—about whether the NHS is sustainable as a comprehensive service providing care free at the point of use, funded from general taxation. That debate has been going on for 50 years.

Fifty years ago, the Opposition Benches, just as now, were filled with people who believed that that could not be done. This evening, we have seen a spectacular rewriting of history on those Benches—cases of selective amnesia on a grandiose scale. Thanks to my hon. Friends the Members for Reading, East (Jane Griffiths) and for Hackney, South and Shoreditch (Mr. Sedgemore), we have unearthed some of the history that the Tory party would prefer to forget: not just that the hon. Friends of the hon. Member for Rutland and Melton (Mr. Duncan) 50 years ago voted against the National Health Service Bill once, twice or three times—that might have been reasonable, as there may have been points of detail that were not quite right—but that they voted 51 times against the National Health Service Bill. Some things never change.

We heard from the right hon. Member for South-West Surrey (Mrs. Bottomley), for example, who questioned the ability of the NHS to progress in the next 50 years as it has over the past 50 years. She hinted that the future of the NHS must lie in rationing and charging, and many supposedly well-informed commentators share that view. However, the Government reject that analysis. As the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) rightly said, the NHS, funded from general taxation, is the best, most efficient, most cost-effective and fairest means of providing health care. We have given the world something that we should be proud of: a system that works, is efficient and is fair.

I pay tribute to the compelling speech by the right hon. Member for Charnwood (Mr. Dorrell). He argued the case for a modern health service based on its founding principle: to provide care on the basis of clinical need. He rightly pointed out the great clinical and economic advantages of that approach, because it is inherently more cost-effective and efficient than alternative systems of health care provision.

I do not know whether it was deliberate, but the right hon. Gentleman's speech was in marked contrast to that of the right hon. Member for Maidstone and The Weald (Miss Widdecombe) to the Conservative Medical Society. She posed many questions about the future of the national health service and came up with precisely no answers, apart from one, as my hon. Friend the Member for Dartford (Dr. Stoate) rightly said—the need for what she called "a flourishing private sector" in health care. What a starting point for someone who aspires, at least on the face of it, to being the Secretary of State for Health.

There could not be a clearer difference between the Conservative party and the Labour party on the future of the health service. Our starting point is not to persuade people to opt out of the national health service; it is to

make the NHS the best health care system, public or private, in the world. That is our ambition, and it should be the right hon. Lady's, too.

**Miss Widdecombe:** May I put two questions to the Minister? First, do his remarks suggest that the Government want to ban the private sector? *[Interruption.]* That is the logical conclusion of what he is saying. Secondly, as I told the hon. Member for Wakefield (Mr. Hinchliffe) earlier, there is a sum of money that goes into the nation's health, some of which comes from general taxation and some from private health insurance, individual payments and large organisations such as trade unions. Does the Minister accept that, if we remove completely the private element of that money, the only effect is to reduce the total sum that goes into the nation's health?

**Mr. Milburn:** The answer to the right hon. Lady's first question is no. In answer to the second, I refer her to the speech of the right hon. Member for Charnwood, which extolled the virtues of a system of health care funded from general taxation, in which the priority is to see year-on-year improvements in the public's health service.

**Mr. Dorrell:** The Minister said some kind things about my remarks earlier this evening. I am, indeed, fully committed to the principle of high-quality, universal provision through a tax-funded national health service. However, my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) asked a different question. Does the Minister accept that it is a paltry definition of a free society that people are free to spend their money on foreign holidays or on Mars bars, but not on their own health? Is it not part of a free society that we have a high-quality, tax-funded health system and that, alongside that, people can choose whether to spend their money on their health if that is what they choose to do?

**Mr. Milburn:** Of course, that is a matter of individual choice. The difference between my party and the right hon. Gentleman's is that we do not believe that the public should subsidise private medicine, which is why we have ended public subsidies to private health insurance.

**Mr. Simon Hughes:** My colleagues and I share the Minister's conviction that the objective of those in charge of the national health service should be to ensure that the health service increases the proportion of the population that it serves so that people do not gain advantages through paying. The test is whether the health service improves to the extent that there is no advantage in going private and everybody can be served by the public sector.

**Mr. Milburn:** The hon. Gentleman is absolutely right; that should be the ambition for our health service. We should be encouraging people to opt into it rather than out of it.

I paid tribute to the right hon. Member for Charnwood, who made a genuinely compelling speech, but the only problem is that, in government, he did not always practise what he preached this evening. He lectured the House about the dangers of importing an alien ethos into the NHS, and about people from our country examining health care systems abroad. The problem is that that is precisely what happened when he and his right hon. Friend the Member for South-West Surrey were in charge, when we had this crazy internal market in the NHS. The internal market introduced competition, but the founding ethos of the NHS, and the way in which it works day in, day out, is based on co-operation and partnership rather than competition.

**Mr. Dorrell:** I thank the Minister for giving way again. I promise not to weary the House too often with these exchanges, but if the previous Government imported ideas on the proper management of a public sector health service, why does he think that, once we had introduced those changes, a considerable amount of ministerial time was consumed by people coming from France, Germany, the United States, New Zealand and Australia to see what we had done? We had delivered a more flexible public sector health service ahead of other countries, and the flow of ideas was not from them to us, but from us to them—and, belatedly, to the Labour party.

**Mr. Milburn:** That was a good try; if that was why those people visited this country, they were wrong, as the right hon. Gentleman is wrong. His system—the internal market—failed and left the NHS with record debt, record levels of decay in capital infrastructure and record levels of demoralisation among staff.

Over the past year, the new Government have been righting the wrongs that the previous Government introduced to the NHS, and we are restoring partnership to the heart of it, as my hon. Friend the Member for Wakefield (Mr. Hinchliffe) rightly said. That is not all; we have embarked on a 10-year modernisation programme, because however much the founding principles of the NHS still have resonance today, as they of course do, and however great its achievements—they have been immense—the NHS has to change, as all hon. Members recognise.

The NHS has to move on, keep pace with change and with public expectations and become far more modern and dependable in the way in which it operates. The Government were elected with a mandate not only to change the NHS, but to modernise it. We are modernising the NHS, by making it more responsive to the needs of its users; cutting waiting lists and cutting waiting times; introducing new, easy-access services such as NHS direct; and using the information technology revolution to give patients and staff instant access to test results and booked admissions.

We are modernising the NHS, secondly, by putting quality at the top of the agenda; placing new duties on trusts to assure quality and introducing new quality assurance systems in every part of the NHS; and implementing new standards—jointly drawn up by the Government and the professions, as the hon. Member for Belfast, South (Rev. Martin Smyth) wanted—to provide guarantees to patients that, wherever they are treated, they will receive a first-class service in the NHS.

Thirdly, we are modernising the NHS by making sure that the needs of patients, not the needs of any institution, are the driving force for change. We want patients to receive more integrated forms of care than was possible under the old internal market. Whether staff work in the health care sector or the social care sector, they know that elderly people, disabled people and people with mental health problems need the support of not only the NHS, but social services and housing services.

*[Mr. Milburn]*

That is why we shall place new duties of partnership on the NHS and local government, create new co-operative ways of working between health and social services and set up new health action zones to modernise services and tackle health inequalities. This partnership approach recognises that the job of improving the nation's health is not only for the NHS. It requires action to cut unemployment, to build homes, to improve the environment and to tackle deprivation—to tackle the root causes of ill health.

The Government's programme—including getting councils to build homes again, the new deal and the minimum wage—amounts to the biggest anti-poverty, pro-health crusade that this country has seen in more than two decades. It will do what no Government, Labour or Tory, have ever done: it will improve the overall health of the whole population while improving the health of the worst-off at a faster rate.

That is an ambitious agenda for Government, and we make no apologies for that. We do not pretend that it can be achieved overnight, but we believe that our programme will, over 10 years, see the NHS getting demonstrably better year by year. Fifty years ago, neither staff nor patients could have dreamt of what the NHS is able to do today: heart transplants, keyhole surgery and telemedicine. The NHS tomorrow and over the next 50 years will do things that are now beyond our wildest dreams.

*It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.*

## SCOTTISH GRAND COMMITTEE

*Motion made, and Question put forthwith, pursuant to Standing Order No. 100 (Scottish Grand Committee (sittings)),*

That the Order of the House of 30th April relating to sittings of the Scottish Grand Committee be varied by substituting for the words 'Tuesday 14th July' in paragraph (4) of the Order the words 'Tuesday 21st July'.—[*Mr. Jon Owen Jones.*]

*Question agreed to.*

## LANDMINES BILL (PROGRAMME)

*Ordered,*

That the following shall apply to proceedings on the Landmines Bill—

1. Proceedings on the Bill shall be completed at the sitting on Friday 10th July.

2. Proceedings on Second Reading shall, unless previously concluded, be brought to a conclusion one and a half hours after the commencement of those proceedings.

3.—(1) Proceedings in Committee of the whole House shall, unless previously concluded, be brought to a conclusion at the end of the allotted periods specified in the following table—

| *Proceedings* | *Allotted period after the commencement of the proceedings specified in column 1* |
|---|---|
| Clauses 1 to 5 | two and a half hours |
| Clauses 6 to 29, new Clauses and new Schedules | three quarters of an hour |

(2) On the conclusion of proceedings in Committee, the Chairman shall report the Bill to the House without putting any Question, and if he reports the Bill with amendments, the House shall proceed to consider the Bill, as amended, without any Question being put.

4. Proceedings on Consideration and Third Reading shall, unless previously concluded, be brought to a conclusion a quarter of an hour after the commencement of those proceedings.

5. Standing Order No. 15(1) (Exempted business) shall apply to proceedings on the Bill at the sitting on 10th July.

6.—(1) For the purpose of bringing to a conclusion any proceedings which have not previously been brought to a conclusion, the Chairman or Speaker shall forthwith put the following Questions (but no others)—

(a) any Question already proposed from the Chair;

(b) any Question necessary to bring to a decision a Question so proposed;

(c) any Question on any amendment moved or Motion made by a Minister of the Crown;

(d) any Question necessary for the disposal of the business to be concluded; and on a Motion made for any new Clause or new Schedule, the Chairman or the Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

(2) If two or more Questions would fall to be put—

(a) under sub-paragraph (1)(c) on amendments moved or Motions made by a Minister of the Crown, or

(b) under sub-paragraph (1)(d) in relation to successive provisions of the Bill, the Chairman or Speaker shall instead put a single Question in relation to those amendments, Motions or provisions.

7. Standing Order No. 82 (Business Committee) shall not apply to proceedings on the Bill.

8. No Motion shall be made to alter the order in which proceedings on the Bill are taken.

9. If a Motion is made by a Minister of the Crown to vary or supplement the provisions of this Order in relation to proceedings on the Bill, the Motion may be proceeded with, though opposed, at any hour and the proceedings on that Motion, unless previously concluded, shall be brought to a conclusion three-quarters of an hour after thay have been commenced.—[*Mr. Jon Owen Jones.*]

## PETITIONS

## Imphal Barracks (York)

10 pm

**Mr. Hugh Bayley** (City of York): I wish to present a petition signed by the lord mayor of York and supported by the signatures of the lord mayors of Leeds, Sheffield, Hull and Newcastle, the mayors of Sunderland, Durham, Hartlepool, Middlesbrough, Richmond in Yorkshire, Ripon, Harrogate, Scarborough, Wakefield, Calderdale, Doncaster, Driffield, Hornsea, Grimsby, North Lincolnshire, Kirton in Lindsey, and the chairs of Alnwick district council, Wear Valley district council and Wansbeck district council, which states:

To the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled.

The Humble Petition of the Lord Mayors, Mayors and Chairs of Councils of the cities, boroughs and districts located in the Number 2 Region of the Armed Forces of the United Kingdom sheweth

That the said Petitioners support the continued presence of the Army's 2nd Division Headquarters at Imphal Barracks in York, and are opposed to any move of this command of soldiers based in the region to Edinburgh.

Wherefore your Petitioners pray that your Honourable House makes representations to Her Majesty's Government about the importance of retaining the Army's Northern Division Headquarters at Imphal Barracks in York.

And your Petitioners, as in duty bound, will ever pray.

*To lie upon the Table.*

## Wirral Metropolitan College

10.2 pm

**Mr. Ben Chapman** (Wirral, South): There is great concern in Wirral, South about the plans of the board of Wirral Metropolitan college to close the Carlett Park site. That facility is a highly prized asset to further education in the area, and my constituents are outraged at the prospect of its closure. The petition, containing some 7,000 signatures, calls for a review by the Further Education Funding Council of the decision by the board of Wirral Metropolitan college. It states:

Wherefore your Petitioners pray that your Honourable House shall urge the FEFC to consider the residents' plight and investigate the reasons for the closure of a much used and highly valued local education facility, without which further education in this part of the Wirral would surely suffer.

And your Petitioners, as in duty bound, will ever pray.

*To lie upon the Table.*

## Keresforth Centre, Barnsley

*Motion made, and Question proposed,* That this House do now adjourn.—*[Mr. Jon Owen Jones.]*

10.3 pm

**Mr. Eric Illsley** (Barnsley, Central): I am pleased to have secured this debate on continuing care and respite facilities for people with learning difficulties. The Keresforth centre looks after people with learning difficulties in my constituency. It is fitting that I am able to debate this health issue relating to my constituency so close to the 50th anniversary of the national health service, and immediately after a debate devoted to the NHS. I pay tribute to my hon. Friend the Minister of State, Department of Health and his colleagues—especially my right hon. Friend the Secretary of State—for their stewardship of the Department since the election.

My constituency has benefited from the extra money that the Government have provided for the waiting list initiatives. It has also been made part of a health action zone covering Barnsley, Doncaster and Rotherham. That is particularly important in my area, which has a higher than average proportion of elderly infirm people and a very large number of elderly people suffering industrial diseases—a legacy of our industrial past. I sincerely hope that our health action zone status will help to deal with the problem, but I believe that, despite all the problems that Barnsley has now and has suffered in the past, ours is the lowest-funded health authority in the country; so we are somewhat hampered.

I want to discuss learning disabilities and long-term continuing and respite care in the Barnsley area, with particular reference to the Keresforth centre. My attention was drawn to some of the problems surrounding the centre by a number of elderly carers who wrote to me or visited my advice surgery. They were worried about staffing levels and problems in attracting staff; but on further investigation, and following discussions with the health authority, the community and priority services trust—which is responsible for the centre—and the local authority, problems came to light that went a little further than the immediate question of staffing levels. I refer to long-term planning problems.

There is a short-term problem in relation to the improvement of facilities, but what I want to discuss specifically is how, in the light of changes that have occurred over the past few years, we can make plans to deal with the problems of people with learning disabilities. In my constituency—and presumably throughout the country—there has been an increased demand for continuing care for such patients.

As my hon. Friend the Minister said when winding up the last debate, that is partly because the NHS now enables those people to live far longer than they could in the past. Planning assumptions made many years ago about the throughput of patients, how long carers would have to look after their children and so forth, must now be re-examined. Carers who are now elderly are looking after their adult children, and finding that respite care is not readily available because of the increase in demand for existing facilities.

A number of factors contribute to the present position. I have mentioned the longevity of patients, but there is also the increase in the number of emergency admissions.

*[Mr. Eric Illsley]*

Such issues are well understood by Barnsley health authority and Barnsley metropolitan borough council—and, as I have said, by the trust that is responsible for the Keresforth centre. Blame should not be apportioned to anyone; it is a case of flagging up the issue for future reference, and considering how it can best be dealt with.

All the organisations that I have mentioned reacted swiftly when the issue was raised a couple of weeks ago, and the health authority has not been slow to provide money for the recruitment of nurses to alleviate the staffing problems that led to our investigation.

I also pay tribute to the staff of the trust and, in particular, those at the Keresforth centre, who do a difficult and demanding job. They perform their tasks well. I visited the centre two or three weeks ago, and was impressed by the difficult job that the nurses have to do, and the surroundings and circumstances in which they do it.

The problem is one of recognising the increased need in the area and providing for it—planning now for increased facilities. We have to start planning now.

The Keresforth centre opened in 1984, which was not long ago, yet the planning assumptions on which it was based are now somewhat out of date. At that time, most of the long-term care for learning disability was provided out of district. The centre opened with 48 beds in the day hospital, and grew to a maximum of 68 beds with day hospital and community mental health teams by about 1989. Unfortunately, there was little investment in the centre after that, and it suffered continuing problems.

The buildings which make up the centre were built for able patients. At the time, the people with learning difficulties for whom the centre was to cater were ambulant—they could walk about and use the facilities. Now, more and more patients are severely disabled and require wheelchair access, for which the facilities simply were not built, so there are immediate access problems.

Due to the increased demand, patients now have to share bedrooms and facilities. Some rooms are shared by four adult people with learning disabilities. As I said, those people are living longer—into adulthood—and they have problems of dignity and privacy. Some patients even enter into relationships with other patients, and they do not have the privacy to pursue those relationships with some dignity. Thus the facilities available for patients cause problems, which obviously causes friction, especially with patients with challenging behaviour—I understand that they are on the increase.

Responsibility for the buildings passed to the local authority, and, as my hon. Friend knows well, during the 18 years of Tory government—in particular since 1990—my local authority suffered greatly because of the amount of revenue support grant it receives as a result of the standard spending assessments. The money simply has not been there to invest in that provision. Sadly, one of the houses within the complex closed in 1995—an example of what the health service has done is that the initial cost of the buildings to the health service was 20 per cent. above average, and now it is 20 per cent. below average. The authority has gone a long way to improve its financial position in that regard.

The inadequacy of the buildings is compounded by increased demand. The learning disabled are living longer, which again is a tribute to the NHS. Assumptions were made on that basis. The number of severely disabled people has increased. Previously, there was a 50:50 split between the severely disabled and the mildly and moderately disabled. Now, the majority of patients are severely disabled. Emergency admissions have to be dealt with by the Keresforth centre, as that is the only remaining flexibility within the system, and it puts an extra strain on the availability of beds.

An increasing number of clients have challenging behaviour, which basically means violence. It is not a case of a patient being difficult to handle or a little boisterous, but of a patient going up to a nurse with a knife—that is difficult behaviour with which to deal. The result is a waiting list for placements at the Keresforth centre and a reduction in respite facilities for the elderly carers whom I have mentioned, many of whom are finding it very difficult to manage.

One carer appeared in a short television programme about the Keresforth centre. Mr. Madeley is 88 years old and cares for his 54-year-old disabled daughter. On national television, he repeated the claim that he has made many times, that he wishes that his daughter dies before he does, because he does not know what will happen to her if he is no longer able to care for her. Such a problem is not confined to Barnsley; there are carers of that age group all over the country. I came across a reference to one carer in Sheffield who, at the age of 95, is caring for an adult child. How can such people cope and look after their children in such circumstances?

Some of the letters I have received are very moving. One is from a Mrs. Robinson, who looks after her brother. She writes:

"It is hard enough for me to let my brother go for respite care, but I need the break now and again to spend more time with my husband, daughter and son."

That lady must have a very understanding family.

A letter from Mr. and Mrs. Dobson—no relation to my right hon. Friend the Secretary of State, I assume—states:

"We are the parents of Shaun, aged 31, who suffers from severe learning difficulties, epilepsy and double incontinence. He requires and receives lots of love, care and attention."

Their son attends the day care unit.

Mrs. Crossley writes:

"My son is 25 years old and is severely mentally handicapped hyperactive and incontinent."

The father of the 25-year-old is in his 70s. He is also worried about provision for his son after he passes on.

Staffing shortages at the Keresforth centre have, to some extent, been resolved. Every one of the letters that I have read out, and all the others that I have not, pay tribute to the staff, who do a marvellous job. They were originally employed to look after more able patients, but now look after more severely handicapped patients and those with challenging behaviour. The centre had some difficulty in finding suitably qualified staff, but the health authority came forward with additional funding to help to attract staff to Barnsley. I hope that, next year, further help will be made available.

There is a problem, and it is increasing as more and more pressure is put on the system. Elderly carers worry about what will happen to their adult children, and the number of patients is increasing. There appears to be no available funding for at least three years to expand and improve bedrooms and facilities at the Keresforth centre.

Can my hon. Friend the Minister say anything to encourage us on that front? At the same time, will he take a long-term view and especially consider the nationwide problem of elderly carers? Then, we can begin to plan for their future and perhaps relieve some of their worries.

10.17 pm

**The Minister of State, Department of Health (Mr. Alan Milburn):** I congratulate my hon. Friend the Member for Barnsley, Central (Mr. Illsley) on his choice of subject for this debate. It is of great importance to many people because it concerns not just people with learning disabilities but, as he rightly pointed out, parents, relatives and friends of people with learning disabilities.

My hon. Friend raised the particular issue of the Keresforth centre in Barnsley. Like him, I pay tribute to the staff who I know from what I have read have done a sterling job, often in extremely difficult circumstances. The joint review of Barnsley social services, which was undertaken in January and February last year, concluded that services for people with learning disabilities were of good quality. That is important and, I hope, offers some assurance at least to friends, relatives and carers of those who are provided with important services in that area.

I am pleased that the local statutory authorities are now fully aware of the concerns that my hon. Friend raised, and are seeking to address the problems. Barnsley health authority, Barnsley Community and Priority Services NHS trust and Barnsley borough council all acknowledge that there is a shortfall in community placements. They are holding discussions to find ways of addressing the problem.

I gather that there was a very constructive meeting last night. I do not know whether that was a coincidence, or whether this debate has acted as a spur. There is clearly joint ownership of the issue, and a recognition of the need to provide group homes for individuals with learning disabilities currently living in the community, where their current care arrangements are likely to break down.

The health authority has responded to the pressure on learning disability services by making some additional investments. For example, it has put in an additional £140,000 a year to increase nurse staffing. It has also put in £16,000 to maintain the provision of respite care.

The authority recognised that, because of the increasing dependency of residents at the Keresforth centre, there was a need for more nurses in the unit, and it recently increased the number of full-time nursing posts by four, as the first instalment of an acknowledged greater need. It also upgraded all vacant posts to E grade, and by the end of last month all posts had been filled. Furthermore, it created a separate fund to start addressing the need for long-term continuing care packages.

Both the health authority and the local authority recognise the need for more residential places, and the effect that those would have on the provision of respite care. They recognise the importance of working together to make the best use of available resources.

My hon. Friend asked about funding for Barnsley health authority, and I understand the problem. We increased Barnsley's allocation this year by nearly £6 million—a 5 per cent. increase in cash terms—to £110 million. It is nevertheless the health authority furthest from its capitation target, and we are committed to bringing all health authorities to their targets as soon as practicable. That is why Barnsley health authority received the highest growth in percentage terms this financial year of any health authority in England. Who knows—before long there might even be some more good news around the corner.

The issues that my hon. Friend highlighted are important nationally as well as locally. They reflect the fact that the pace of change in all walks of life has increased. Advances in medicine and science are helping people to live longer and better than ever before. Those are surely welcome developments. Patterns of family life are changing, and public expectations are rising, especially in what people seek from their public services.

People with learning disabilities and their carers are rightly expecting more from services than they did in the past. That is a welcome development. Many people with learning disabilities now aspire to a home of their own and a job, when previously their future would have been life in an old long-stay hospital or attendance at a large adult training centre. People with learning disabilities are also living longer, and an increasing number of people with multiple disabilities are surviving into adulthood.

In order to meet the pressures that those welcome developments bring, the health and social care systems need to change and to work more in concert. As my hon. Friend knows, the Government are determined to break down what my right hon. Friend the Secretary of State rightly called the Berlin walls between health and social care which work against the provision of well-co-ordinated services.

That is particularly true in the field of learning disabilities. People with learning disabilities can be on the fault line of the divide between health and social care. A recent national inspection of learning disability services found that successful arrangements for services for people with learning disabilities crucially depend on social services departments working together with other agencies, especially health, housing and further education. Where such arrangements are not in place, users are less well served. The measures that we are taking should make it easier for authorities to work more closely together.

My hon. Friend rightly referred to the breaking down of barriers that is epitomised by the successful bid for a health action zone in his area. Indeed, I was pleased earlier this year to launch the health action zone in the South Yorkshire coalfields. I know that a huge amount of hard work went into preparing the bid. An even greater amount of work is now going into making it successful and making it work on the ground.

The zones are at the forefront of the implementation of our plans to improve health and health care. They are the most vivid expression of a new spirit of partnership between organisations which, after all, have a common purpose—to improve the lot of local communities. That is certainly epitomised by the South Yorkshire coalfields HAZ, which is led by a partnership of health authorities and the metropolitan councils.

To give substance to the co-operation that will be necessary in the future, a new statutory duty of partnership will be placed on local NHS bodies to work together for the common good and to ensure that local government services and NHS services work in a much more integrated fashion than has perhaps been the case in the past. Before too long, a White Paper will be published on the development of social services and significant work on the regulation and inspection of services.

*[Mr. Alan Milburn]*

My hon. Friend referred to the important role played in his local community, and communities up and down the country, by people who care for others. The Government value the vital role that carers play. Carers are a hugely important part of the fabric of our society. Caring is something that touches us all, and I know of the difficult decisions that families sometimes have to take.

My hon. Friend has raised those issues here this evening. As he said, carers often take on enormous responsibilities at a significant cost to themselves. That is why my right hon. Friend the Prime Minister recently announced that he had asked my hon. Friend the Under-Secretary of State to lead a Government-wide review of measures to help carers. The aim is to develop an integrated approach to carers across government as part of a new national strategy for carers. We want to address carers' concerns and give them more support than they have at the moment, which is what my hon. Friend's constituents are rightly crying out for.

In considering the needs of carers, we have recognised the importance of good-quality and accessible respite care to them and the people whom they care for. There is a lot more that we can do to ensure that appropriate and cost-effective services are available. The social services inspectorate has almost completed a project on short-term breaks for carers.

The aim has been to examine what works and why in the organisation, delivery and quality of short-term breaks. This has been done through a review of current research on the subject and by fieldwork visits to schemes of particular interest. We hope that the resultant report will assist authorities to drive up standards and get better value for money in this important component of their services.

Nationally, we have in place a programme of work to support the development of better services for people with learning disabilities, including increasing training levels and investing in initiatives to improve the recruitment, retention and return to practice of trained staff, who are desperately needed, especially in the learning disabilities field. However, it is for the local statutory authorities to determine the pattern of services to be developed locally in the light of local needs and resources.

As I said, a joint review of Barnsley social services, conducted by the Audit Commission and the social services inspectorate early last year, concluded that services for people with learning disabilities in Barnsley were generally of good quality. My hon. Friend has rightly drawn attention to the concerns of his constituents about the current levels of services and the future for their sons and daughters who have learning disabilities. The local statutory authorities fully recognise the need to develop the local capability to deal with demand and are seeking to address the problem. I have asked my officials to continue to monitor the situation in the hope that things can improve locally.

*Question put and agreed to.*

*Adjourned accordingly at twenty-eight minutes past Ten o'clock.*

# House of Commons

*Friday 10 July 1998*

*The House met at half-past Nine o'clock*

PRAYERS

[MADAM SPEAKER *in the Chair*]

# Orders of the Day

## Landmines Bill

*Order for Second Reading read.—[Queen's consent, on behalf of the Crown, signified.]*

9.34 am

**The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook):** I beg to move, That the Bill be now read a Second time.

In the time that it will take us to complete the Second Reading of the Bill, five people, somewhere in the world, will become casualties of landmines. Two of them will be killed; the other three are likely to be maimed for life. It is likely that they will be civilian and poor, and they will have already endured the terror and the destruction of war. One among them may well be a child, who will never run again because of a moment of tragedy at play. Their story is told across the world hundreds of times every week. About 60 million landmines lie scattered in 70 countries. They remain long after the fighting has stopped, and cause suffering out of all proportion to their possible military value. Hundreds of thousands of refugees cannot return to their homes because of landmines, and people cannot farm their land without risking death. Many are forced to take that risk simply to feed their families or to gather water and firewood to keep their families alive. After the trauma of war, landmines pollute the peace.

When the Government came to power, one of our first acts was to ban landmines unilaterally. We said that there was to be no more trade, no more transfer or production of landmines and a moratorium on their use. We said that stocks of landmines held by the British military would be destroyed and that we would do everything that we could to work for a wider ban. We have kept those promises: we have destroyed half the stockpile of the 1 million landmines that we inherited from the previous Government. By the end of this year, we shall have destroyed three quarters of that stockpile.

As far as we are aware, no other nation has done as much to destroy its stock of landmines. We played a leading role in the negotiations that led to the Ottawa convention, and we signed it at the first opportunity. Britain helped to draft the Ottawa convention, so it is entirely fitting that we should help to bring it into force. That is why the House is sitting today: if we pass the Bill, Britain will be among the first 40 countries to ratify the convention and to bring it into legal force.

I say to the House and to the Opposition that the Bill gives full effect to the terms of the Ottawa convention. Clause 2 prohibits British service men, or any other British citizen, from using, developing, producing, possessing or exporting a landmine. It also prevents them from assisting, encouraging or inducing anyone else to do those things. Nor is this a token offence; conviction under clause 2 brings with it liability to a prison sentence of up to 14 years.

The right hon. and learned Member for Folkestone and Hythe (Mr. Howard) has been expressing concern about the provisions of clause 5. Let me help him by explaining its limited purpose. Clause 5 does not provide British service men with any loophole to take part in the deployment of landmines. British forces will be instructed in their rules of engagement for any exercise or operation that they must not use, possess, transport or handle landmines. Clause 5 provides British service men with a shield against unreasonable prosecution because they took part in a North Atlantic Treaty Organisation exercise in which American forces deployed landmines. Without clause 5, any British Army officer present at a NATO planning meeting who heard that American forces taking part may possess landmines would be obliged to say that he must leave the meeting, or would render himself liable to a prison sentence of 14 years. I cannot believe that the right hon. and learned Gentleman wants to put our service men in that position. If he presses that point, he will effectively be arguing that it is impossible for Britain to implement the Ottawa convention without withdrawing from the NATO integrated command.

**Mr. Michael Howard** (Folkestone and Hythe): To avoid any doubt, let me make it clear that that is not the Opposition's position. We are saying that clause 5 is inconsistent with the convention. If the Foreign Secretary had woken up earlier to the need for provisions such as clause 5, he would have amended the convention accordingly. Did he make any attempt to do so?

**Mr. Cook:** Clause 5 is wholly consistent with the Ottawa convention. If the right hon. and learned Gentleman wants proof, I can tell him that our provision for British service men is similar to that made by the Government of Canada, who were the driving force behind the convention and who would certainly do nothing to undermine it. It is humbug that the Conservatives who, in power, kept their distance from the convention, should now complain that the Bill does not go far enough. If, in government, they had taken the line that we took at the general election, the Ottawa convention might have been completed earlier. The Opposition have promised us their help in passing the Bill. It would be warmly welcomed if we could fulfil what we understood to be an agreement between both Front Benches to achieve our shared commitment that Britain should be among the first 40 countries to ratify the convention.

**Mr. Menzies Campbell** (North-East Fife): The Government will have the help of the Liberal Democrats in ensuring that the Bill passes all necessary stages today.

The Attorney-General, who often intervenes on matters of this sort, not for the Government, but for the guidance of the whole House, is present today. Is the Secretary of State telling us that the Attorney-General advised him that the mere presence of a British officer at a NATO planning meeting could be a contravention of the Bill's criminal law provisions?

**Mr. Cook:** I am grateful for the hon. and learned Gentleman's assistance. I can assure him that the

*[Mr. Cook]*

Law Officers concurred with everything in the Bill. The particular point to which he referred has had considerable discussion. My right hon. and learned Friend the Attorney-General will make his own position clear if he wishes to do so, but I speak with the full authority of the Government, and with the full support of the Law Officers.

**The Attorney-General (Mr. John Morris):** I agree entirely with my right hon. Friend.

**Mr. Cook:** I am grateful to my right hon. and learned Friend—*[Laughter.]* My hon. Friends encourage me to give way more often to such interventions.

Our discussion of clause 5 highlights the serious problem of ensuring that every country bans landmines. The convention is not yet a global ban. There are countries that have not signed it, including some of the largest producers and exporters of landmines. We are working hard to bring those countries on board. A global ban must be exactly that. We are working in forums such as the conference on disarmament in Geneva to bring in others step by step. A limited, but useful, first step would be to have every country sign up to a ban on the export of landmines.

By passing the Bill today, the House will send a clear message from Britain to countries yet to join the international crusade against landmines. The House will send a clear message, too, to all who live with the threat of landmines. The Ottawa convention does not just ban production and use of landmines, but mandates signatories to help remove landmines, and to look after victims of landmines not removed in time.

A landmine costs only a few pounds to produce, but on average, the same landmine will cost several hundred pounds to clear. Britain is helping the worst-affected countries to clear landmines. My right hon. Friend the Secretary of State for International Development has committed Britain to doubling its annual expenditure on demining. The British Army's mine and training information centre has trained more than 2,000 workers from countries in which landmines have been laid. It has also trained workers from British non-governmental organisations that work in those countries. The House will wish to record its appreciation of the courage and dedication of our soldiers, and of the staff of NGOs, such as the Red Cross, who have worked hard so that the people of other countries may be freed from fear of landmines.

Our century has taught us many lessons. We have learnt that humanity can be capable of the most evil and cruel acts. We have learnt, too, that humanity can look away from suffering. However, we have also learnt that humanity can rise above cruelty and blindness. Sometimes, humanity can decide that something is wrong, and can demand action to stop it. It has done so in the case of landmines.

Many people and many organisations have played a part in awakening the conscience of the world to the casualties of landmines. The Nobel peace prize given to the International Campaign to Ban Landmines was a well-deserved recognition of its determination. All hon. Members will be aware from their postbags of the immense contribution made by Diana, Princess of Wales to bringing home to many of our constituents the human costs of landmines. The best way in which to record our appreciation of her work, and the work of NGOs that have campaigned against landmines, is to pass the Bill, and to pave the way towards a global ban on landmines.

9.46 am

**Mr. Michael Howard** (Folkestone and Hythe): I join the Secretary of State in his condemnation of indiscriminate use of anti-personnel landmines and the suffering that they cause around the world. We have all been moved by the plight of the victims, and we are all aware of the arbitrary and cruel manner in which innocent civilians have been killed or maimed. We are all conscious of the horror of weapons that remain in the ground long after the conflict that caused them to be put there has ceased.

I also join the Secretary of State in praising the work done by many campaigners and non-governmental organisations to raise the issue of a total ban in the public consciousness. They include the International Committee of the Red Cross, the Halo Trust and the Mines Advisory Group. Each has made a unique and important contribution. I should mention in particular the Nobel prize-winning International Campaign to Ban Landmines, which brought together more than 100 different organisations.

Individuals, too, have played a crucial role. The Foreign Secretary rightly paid tribute to Diana, Princess of Wales, whose work was invaluable. In many ways, the progress made on a landmines ban is a worthier memorial to her than some of the other projects that have received so much recent attention. I want to pay particular tribute, too, to my right hon. and noble Friend Lord Deedes, who has campaigned on the matter for many years and who took it up long before it became a fashionable cause. His work merits special acknowledgement.

The role of British forces in providing mine clearance advice and support should not be underestimated. The Royal Engineers and the Royal Ordnance Corps have been crucial to the success of demining operations. Retired members of the British armed forces have continued their work by joining such groups as the Halo Trust and the Mines Advisory Group, to teach people in countries littered with anti-personnel mines how to remove them safely. Their work is not over. In areas such as Bosnia, demining remains a task vital to helping the country to return to something resembling what we call normality. We should pay tribute to the many people who do that dangerous job across the world, and to the companies—often British based—that are at the forefront of the demining effort.

I assure the Secretary of State that the official Opposition are committed to a meaningful ban on the sale and use of landmines. We support the spirit of the Ottawa convention, and made it clear as long ago as February that we would not obstruct the legislation, which was needed to allow the convention to be ratified. Like the Government, we look forward to the eradication of existing mines and the threat to life that they represent.

The road to the abolition of landmines is long, and we have not yet reached its end. It is also a road down which the United Kingdom had travelled a great distance before 1 May 1997. In April 1996, the previous Government announced that the United Kingdom would work actively

towards a total worldwide ban on anti-personnel mines. They made it clear that, should such a ban be agreed, the United Kingdom would give up our anti-personnel landmine capability, and would destroy our stocks accordingly. The previous Government introduced an export moratorium and invested in mine clearance measures around the world. They announced their intention to destroy half our existing stocks of mines as soon as practicable, and to destroy the remainder when the international ban was agreed or viable alternatives became available. Severe restrictions on their deployment were also announced.

The Lyon G8 summit in 1996 included a declaration calling on all countries to make every effort to secure a global ban on the proliferation and indiscriminate use of anti-personnel landmines. The declaration also welcomed the bans already adopted by some countries, including the United Kingdom, on the production, use and export of those weapons.

By October 1996, the European Union was ready, with British backing, to declare a common moratorium on the export of anti-personnel landmines. The European Union also took action to prevent the issuing of licences for the transfer of mine technology. That initiative was presented to the Ottawa conference and the United Nations General Assembly.

**Dr. Norman A. Godman** (Greenock and Inverclyde): As always, I have listened carefully to what the right hon. and learned Gentleman has to say. It is academic now, but why did the previous Government refuse to introduce legislation on the matter?

**Mr. Howard:** Simply because the Ottawa convention had not been agreed or signed. This legislation is designed to implement that convention, and this is the appropriate time to bring it forward.

By January 1997, Britain was ready to table a mandate to set up a committee at the conference on disarmament in Geneva to negotiate a global ban on anti-personnel landmines. During that time, some £22 million had been spent by the previous Government on mine clearance programmes across the world. The previous Government lived up to their promises, and did not promise what they could not deliver.

When the present Government came to office after the election, the Foreign Secretary made an early statement about their policy on landmines. Characteristically, it was accompanied by the usual hype—he has been at it again today. It was presented as an early example of the Government's so-called ethical foreign policy. It was presented as if it were a great change from the policy of the previous Government. In fact, the two were virtually indistinguishable. In an article in the February edition of the journal of the Royal United Services Institute, Dr. Paul Bowers and Mr. Tom Dodd said:

"A possible irony is that until the Ottawa Convention enters force or 2005, whichever comes earlier, the essence of the Labour Government's policy on APMs, an export ban and use only in exceptional circumstances, is not altogether different from that reached by the Conservative Government in April 1996."

It is true that, since then, matters have moved on somewhat. *[Interruption.]* Of course, that is true. In December 1997, the Government signed the Ottawa convention, which the legislation before the House today is designed to implement. We should concentrate on the convention, the legislation and the relationship between the two.

The Opposition support the spirit of the convention, which is why we shall not oppose the Bill. However, the limitations of the convention should be recognised. The United States of America, Russia, China and many other powerful and significant countries are not signatories. The convention will not introduce a worldwide ban.

The legislation raises many important issues, which we shall not be able to explore fully today. So reluctant are the Government to allow proper debate to take place—*[Interruption.]*—so nervous are they of proper scrutiny, that they have made it clear that they are not prepared to move a business motion to extend today's sitting beyond its normal time. I want to put on record the fact that the official Opposition asked for that extension. *[Interruption.]* We wanted to give the Bill the proper scrutiny that it deserves. The Government's attitude was that, unless we finish at 2.30 pm today, the Bill will fall. *[Interruption.]*

**Mr. Deputy Speaker (Mr. Michael J. Martin):** Order. The right hon. and learned Gentleman must be heard.

**Mr. Howard:** That is the extent to which the Government hold this place in contempt. We were not prepared to see the Bill fall.

**Mr. Andrew F. Bennett** (Denton and Reddish): On a point of order, Mr. Deputy Speaker. Will you allow the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) to look round and see how many of his hon. Friends are present to support him?

**Hon. Members:** Three.

**Mr. Deputy Speaker:** That is not a matter for the Chair.

**Mr. Howard:** If the hon. Member for Denton and Reddish (Mr. Bennett) thinks that numbers are the sole criterion by which to judge the proper scrutiny of a Bill, he has a great deal to learn about the way in which legislation can be scrutinised.

We were not prepared to see the Bill fall today, so we have reluctantly accepted the timetable imposed on us by the Government. I strongly hope that the Bill will receive in the other place the careful scrutiny that we shall inevitably be unable to give it here.

In particular, we shall be unable to explore in sufficient detail the many questions that arise on the scope of the convention.

**The Secretary of State for Defence (Mr. George Robertson):** May I ask the shadow Foreign Secretary two brief questions? Yesterday, he was offered a briefing on the technical details of the Bill. Why did he turn down that offer? As the right hon. and learned Gentleman and the shadow Secretary of State for Defence, who is noticeably not present for the Second Reading, were given the Bill last week, why, in all that time and given his legal training, has be tabled only one amendment?

**Mr. Howard:** Because the amendment is sufficient to enable me to make the points that I can make within the

*[Mr. Howard]*

time that the Government are prepared to make available today. *[Interruption.]* I am answering the Secretary of State's question. I am concerned to use the time available to me to deal with the relationship between the convention and the legislation. The particular point that I want to make is about the scope of clause 5. The briefing was not by the Foreign Office, which is responsible for the convention, but by the Secretary of State for Defence, and it did not deal with that matter. That is why the hon. and learned Member for North-East Fife (Mr. Campbell), who represents the Liberal Democrat party, and I did not accept that offer of a briefing yesterday. *[Interruption.]* That is the reason. Perhaps we can continue the debate.

**Mr. Deputy Speaker:** Order. It is not right for the right hon. and learned Member to be interrupted. He must be heard. The House must come to order.

**Mr. Howard:** I hope that the Secretary of State for Defence will deal with some of the questions that are raised. Will he confirm—not in some private briefing, but on the Floor of the House—that the convention does not prohibit the use of anti-tank mines, even if anti-personnel mines are attached to them? Is it true that some of the most advanced anti-tank mines—such as the US Gator—are prohibited by the treaty, because the explosives contained in the anti-personnel mines associated with them are not attached to the main mine?

What is the position on the use of anti-personnel mines in association with anti-airfield weapons, such as the JP233? What are the Government's intentions on the many thousands of landmines that remain in position in the Falklands? Those are obviously very important questions, and I hope that Ministers will be able to answer them during the debate.

The history of this legislation is, to put it mildly, somewhat murky. The convention was signed last December. The Government made a commitment to ratify it as soon as possible. That was immediately modified to a commitment to ratify it as soon as the parliamentary timetable allowed. By February, no action had been taken to fulfil that major commitment.

In February, in response to a request from the Minister of State, the hon. Member for Manchester, Central (Mr. Lloyd), I told him that the Opposition would not obstruct the legislation. We are told that work on the text of the Bill then began, but that it was not until 9 June, after comprehensive consultation with interested Whitehall Departments, that instructions were sent to parliamentary counsel. Even then, there was confusion, which was typified by unedifying reports that the blame for the failure to present legislation to ratify the convention was being passed between the Foreign Secretary and the Leader of the House.

At that stage, the Government did what they always do when they are to blame—they tried to transfer the blame to the Opposition. The Leader of the House said that the Government had heard only "very recently" that the Opposition would be willing to help with the progress of the legislation. The Secretary of State for Defence said that one of the reasons for lack of progress was that the Government had been waiting to hear from the Opposition. All that is totally untrue. The Government were told as long ago as February that the Opposition would co-operate with the passage of the Bill and would not seek to obstruct it. The delay is entirely the Government's fault.

The legislation is now before the House and for the first time we can compare the Bill with the treaty that it is supposed to put into effect. I remind the House that the treaty was signed by the United Kingdom without reservation or amendment. The Foreign Secretary characteristically boasted that the Government were able to play a major part in drafting the treaty. The Prime Minister said:

"the land mines treaty has done a superb job and we on this side support it thoroughly. Furthermore, it is another initiative in which the new Government played a leading role."—[*Official Report*, 10 December 1997; Vol. 302, c. 1010.]

In that case, why does the legislation not implement the convention? Why does it permit conduct that the convention expressly prohibits? Why is there such a huge gap between the Bill's provisions and those of the convention, and why are the Government once again saying one thing and doing another? I shall explain. The terms of article 1.1 of the convention are clear:

"Each State Party undertakes never under any circumstances:

(a) To use anti-personnel mines;

(b) To develop, produce, otherwise acquire, stockpile, retain or transfer to anyone, directly or indirectly, anti-personnel mines;

(c) To assist, encourage or induce, in any way, anyone to engage in any activity prohibited to a State Party under this Convention."

There is no doubt or ambiguity in that paragraph. It expressly prohibits assisting anyone to engage in any activity that is prohibited by the convention. What does the legislation contain? The relevant part is clause 5, which provides a defence for someone who is otherwise guilty of conduct that is prohibited by the legislation. That defence applies to joint operations conducted overseas with the armed forces of another Government in the course of which

"there is or may be some deployment of anti-personnel mines"

by the forces of the other Government who are not signatories to the convention. In those circumstances, according to clause 5, British forces are permitted to do anything other than actually lay anti-personnel mines. They can procure, transfer, modify, adapt or even prime landmines as long as they do not actually lay them.

That is not an academic point, because the other Government with whose forces we are perhaps most likely to enter into joint operations are the Government of the United States, who are not signatories to the Ottawa convention. The effect of clause 5 is that when British forces are engaged in joint operations with the United States or the forces of any country that is not a signatory to the convention, they are given full licence by the legislation to breach the Ottawa convention.

**Mr. Robin Cook** *rose—*

**Mr. Howard:** I shall finish the passage and then give way to the Secretary of State.

We may be told that it is important and essential for British troops to be able to operate in that way. That may be true, but it is absolutely and explicitly contrary to the provisions of the Ottawa convention. That has been pointed out not only by me but by numerous spokesmen

on behalf of the campaigning groups that have paid careful attention to the provisions of the legislation and the way in which they differ from the convention.

The Government could have sought to amend the convention. Perhaps they will say whether they attempted to amend it and failed. If that is the case, they are guilty of extreme duplicity. Alternatively, did they simply not notice what the convention would mean? Was it perhaps not until after comprehensive consultations with interested Whitehall Departments, when the legislation was beginning to be drafted, that the difficulty came to light? If that is the case, the Government stand convicted of extreme incompetence. Either way, the Government are asking Parliament to legislate to permit conduct that would be completely contrary to a convention that they signed as recently as December.

**Mr. Robin Cook:** I plead with the right hon. and learned Gentleman not to attribute to everybody else the conspiracy under which he operates. Clause 2 faithfully and fully puts the Ottawa convention into British legislation. As the right hon. and learned Gentleman did not hear me the first time, I say again that it prohibits British troops from using, developing, producing, possessing or transferring landmines or assisting, encouraging or inducing any other person to do so. That provision will be clearly expressed in the rules of engagement for British forces. There will be no licence for British troops.

Clause 5 is purely prudential. It will protect British troops from being criminalised by the actions of American troops who may be taking part in the same operation. I shall put again the example that I gave earlier of a sapper sergeant who builds a bridge in a NATO exercise and, unknown to him, the Americans drive across it a truck containing landmines. We want to make it clear beyond doubt that such a man is not liable to conviction and 14 years in prison. If the right hon. and learned Gentleman is not willing to remove that doubt, I am beginning to understand why the Conservative party's senior defence spokesman has not turned up for the debate.

**Mr. Howard:** It is most unlikely that the conduct that the Foreign Secretary mentions would amount to a breach of the convention in the first place.

**Mr. Malcolm Savidge** (Aberdeen, North): Will the right hon. and learned Gentleman give way?

**Mr. Howard:** No. I am dealing with the Foreign Secretary's point. Clause 5 is not needed to give effect to that situation.

**Mr. Cook** *rose—*

**Mr. Howard:** I shall give way when I have finished. Irrespective of whether it is needed to cover that situation, the point to be answered by the Foreign Secretary is that the terms of clause 5 are extremely wide. The only activity that it expressly prohibits in joint operations is the actual laying of a landmine. That is contained in clause 5(2). If what the Foreign Secretary seeks to achieve is his only concern, he could amend clause 5 here or in another place to meet that concern, but clause 5 is widely drawn and is contrary to the convention's language.

**Mr. Cook:** Of course clause 5 is widely drawn because its purpose is not to prohibit activities but to provide protection for British forces. The word "unlikely" will not do. The sapper sergeant may ask, "If I build this bridge, will I be liable to 14 years' imprisonment?" The answer that that is "unlikely" will not be sufficient. We want to put the matter beyond doubt. Will the right hon. and learned Gentleman now put it beyond doubt?

**Mr. Howard:** That is precisely why I say that if that is the Foreign Secretary's concern—I think that it is an unnecessary concern—it could be met by drafting the Bill narrowly, specifically to cover that point. The Foreign Secretary says that clause 5 does not prohibit activity. Of course he is right; clause 5 permits activity. The point is that clause 5 permits a wide range of activity—everything except laying a landmine—in contravention of the convention itself. We shall press the Government hard for explanations of that in Committee.

I hope that we shall hear more from the Government about the explanatory and financial memorandum to the Bill. Can the Government offer any estimate of the costs that they expect to arise from the need to examine and procure alternative technologies to meet the military capability previously provided by anti-personnel mines? Have they any idea of the costs of destroying the stocks of anti-personnel mines? If so, why are they not included in the memorandum? Is there any estimate of the costs of cancelling any support contracts, which are referred to in the memorandum? Those are important matters.

In February, the Opposition gave an undertaking not to obstruct the passage of the legislation. We shall honour that undertaking. We shall not in any sense seek to obstruct the Bill's passage, but the Bill is an imperfect animal. It merits the closest scrutiny. As a result of the Government's contemptuous attitude to the time to be made available for its scrutiny in the House, there is very little that we shall be able to do, but I hope that those deficiencies will, at least to some extent, be remedied when the Bill reaches another place.

10.11 am

**Mr. David Marshall** (Glasgow, Shettleston): I am delighted that, today, in one fell swoop, the Bill will complete all its House of Commons stages and be passed unanimously by the House. There is no conceivable reason why any hon. Member should vote against it.

I congratulate my right hon. Friends the Foreign Secretary, the Secretary of State for Defence, the Secretary of State for International Development and all their ministerial colleagues on all their efforts in the campaign against landmines and on their desire to ratify the Ottawa convention. It is another manifesto promise on which the Labour Government have delivered and will continue to deliver as we destroy the United Kingdom's stockpile of landmines.

Compare the record of the Labour Government with that of the last Tory Government and the miserable, shabby, weasel words of the shadow Foreign Secretary this morning. My only slight regret is that we did not introduce this legislation some weeks ago while the UK still held the presidency of the European Union, because it would have been one of the highlights of that presidency.

As chairman of the British group of the Inter-Parliamentary Union, I am proud of the role that the IPU and our group have played in the international campaign over the past four years. I pay tribute to my predecessor,

*[Mr. David Marshall]*

Dame Jill Knight, now Baroness Knight, who campaigned vigorously in support of the resolution that was eventually carried unanimously by the IPU conference of some 130 nations, which called for a global ban on the use, production, stockpiling and transfer of anti-personnel mines. I am proud to have played a part in supporting that campaign at successive IPU conferences.

The Government have been one of the world leaders in the campaign, and the UK was one of the first nations to sign the Ottawa convention last December. We must all honour Canadian Prime Minister Jean Chrétien and his Government for their initiative in introducing the Ottawa convention. I also thank all my colleagues who have signed my early-day motion 1387, which calls for this very legislation.

The Bill enables our Government to ratify the Ottawa convention, which comes into effect only when 40 nations have done so. Why do we need to ratify the convention? We need to do so because there can be no more flagrant example of man's inhumanity to man in the modern world than the barbaric practice of planting anti-personnel mines, which kill 800 people and maim another 1,200 every month of every year. Since 1975, more than 1 million people have been killed or injured and, as my right hon. Friend the Foreign Secretary has said, many of them were women and children, the most vulnerable members of society.

Estimates may vary, but one is that more than 100 million landmines are scattered indiscriminately throughout 62 countries, adversely affecting the economies of many of the poorest nations; preventing or delaying the development of agriculture and industry, the growing of food and much needed construction of good clean water supplies; and killing valuable livestock.

Expensive and scarce medical supplies are used up, and all civilians, including volunteer aid workers, are at risk. They will continue to be so as long as one landmine exists anywhere in the world. Those weapons will be capable of destruction for as long as they are there. Enormous sums of aid money that could be used for much more positive purposes have to be diverted to mine clearance. That is another worrying aspect of the situation.

I strongly suggest that all hon. Members read the report by the International Committee of the Red Cross entitled "The Worldwide Epidemic of Landmine Injuries", which graphically describes the horrific effect of blast and fragment mines. They will then realise only too well why we need this Bill. It is not only limbs that are blown off. Genitalia are destroyed and people are horrifically maimed. Reading that report would bring tears to hon. Members' eyes. I commend it to the House. Again, I praise the Government for all the humanitarian aid and assistance that they provide to people in need. I appeal to the Government to do more as soon as they can.

The Ottawa convention is not the end of the matter—nor is it perfect. It is only one step forward. Ratifying it and bringing it into the national law of each country as soon as possible is essential. Our Government have a vital role to play in persuading China, India, Russia and the United States to sign and ratify the convention.

Other nations such as Turkey and several African states refuse to support the convention. Perhaps the giving of political co-operation and aid should be linked to the recipient ratifying the convention. I ask my right hon. Friends to consider adopting such a policy, so taking another step forward.

**Mr. John Smith** (Vale of Glamorgan): Does my hon. Friend recognise the valuable role played by the North Atlantic Assembly in trying to convince some of those member states of the need to ratify the Ottawa convention?

**Mr. Marshall:** I am only too happy to do so, and I congratulate my hon. Friend on his activities in the campaign.

I congratulate all those countries, organisations and individuals who are making financial and physical contributions to the anti-landmines effort. An especially welcome new initiative is the movement towards partnership arrangements between Governments, private companies, organisations and wealthy individuals to raise extra funds for the campaign. I hope that those will be given every encouragement.

The treaty will need to be rigidly enforced and must be properly monitored. In addition, it will need to be reviewed from time to time to tighten any loopholes, to expand its aims, and to persuade even more countries to sign and ratify it.

It is not possible to have such a debate without paying tribute to the late Diana, Princess of Wales. More than anyone else in the world, she raised the profile of the campaign against landmines. It was fitting that the Prime Minister announced the legislation on 1 July, which would have been her 37th birthday, and I hope that it will become law before the first anniversary of her death on 31 August. There can be no greater tribute to her memory than that we all work together to ensure that there is a concentrated, co-ordinated and cohesive worldwide campaign, involving the utmost co-operation between Governments, aid agencies and citizens, to achieve an effective and total global ban on landmines. That must be our ultimate aim. If we do that, we can look forward to the day when people can live without fear of their next step being their last.

10.18 am

**Mr. Menzies Campbell** (North-East Fife): I commend the Government for having found the means and time by which to offer the House the opportunity to ratify the Ottawa convention—or, perhaps more correctly, to pass the legislation that is necessary in order that the Government may ratify it. Although I share some of the reservations that have been expressed by the shadow Foreign Secretary about the consequences of clause 5—to which we shall come in due course—I do not share his view that there is inadequate time. If the House approaches this matter sensibly and reasonably, the Bill can pass all its stages in this House today and can be sent post haste to the other place, in the hope that it can then pass quickly into our law.

I am delighted to have the opportunity to speak in this debate. I like to think that the consistent pressure and support that some of my right hon. and hon. Friends have directed towards the Government has encouraged them to proceed. Although I do not subscribe to the "We thought of it first" school of politics—well, not much—it is right to put it on record that it was at a Liberal Democrat

conference on 20 December 1995 that we first passed a motion calling for a ban in almost exactly the same terms as those of the convention.

The purpose of the legislation is clear and unambiguous, and it has the overwhelming support of the House. It allows us to play our part in the elimination of a scourge on the lives of innocent civilians, who are often among the poorest people in the world, by prohibiting a military procedure that is now largely discredited.

The hon. Member for Glasgow, Shettleston (Mr. Marshall) referred to the late Princess of Wales. One could say that she lent the campaign her humanity and even her style to great effect, but others must be mentioned, too. I am thinking of, for example, Colonel Mitchell of the Argyll and Sutherland Highlanders, one of the guiding lights behind the Halo Trust. He was responsible for an occasion in Aden which demonstrated the robustness of the Scottish regiments, but, in later life, he appreciated the horror of landmines and spent a great deal of time and effort seeking to advance the cause with which the Bill is associated. Also, as the shadow Foreign Secretary said, long before this was a fashionable issue, Lord Deedes had taken it up and sought to prosecute it with great vigour and robustness.

Someone else who must be mentioned, but who has not yet been referred to, is the hon. Member for Stockton, North (Mr. Cook). He is not in his place today, but I believe he is absent on parliamentary business. For hon. Members who do not know this—although they should—over the past three or four years at the North Atlantic Assembly the hon. Gentleman has been a consistent advocate of the need to ratify the Ottawa convention. His contribution to the debate and his efforts to persuade politicians of other countries, not necessarily as sympathetic as those Members of the House here today, have been very considerable. It is right and proper that we should recognise his contribution on this occasion.

**Mr. Denis MacShane** (Rotherham): As the hon. and learned Gentleman is spraying compliments around, he might like to mention Peter Truscott, a Member of the European Parliament, whom many of us remember holding a landmine at the Labour party conference four years ago and urging that the ban be part of Labour policy as soon as we formed a Government.

**Mr. Campbell:** I am really willing to offer congratulations only to those people I know personally. As the hon. Gentleman is in congratulatory mode, he may seek to catch your eye later, Mr. Deputy Speaker.

As the purpose of the Bill is clear, and is one for which there is universal support, the public will expect the House to proceed with dispatch. In a moment or two, I should like to remind the House of the scale of the problem, but let me deal first with clause 5, about which there is a genuine difference of legal interpretation. It might be the Attorney-General's view that mere presence at a discussion about the possibility of laying landmines might constitute an offence, but, in my legal experience, that is a somewhat novel proposition. I do not want to explore this issue in too much detail before we reach the appropriate stage of our proceedings, Mr. Deputy Speaker, but mere presence has never previously been regarded as sufficient to constitute a criminal offence.

The Foreign Secretary gave the example of the sapper. Someone who does not display what is called mens rea—a guilty intention—cannot be guilty of a crime. In the example that the right hon. Gentleman gave, the sapper clearly could not be guilty of a crime. The right hon. Gentleman said that the rules of engagement would be clear, and that British forces would know what was expected of them through the chain of command. What concerns us is that clause 5 provides a defence—that is its purpose—but that that defence is too wide. *[Interruption.]*

**Mr. Deputy Speaker:** Order. The hon. Member for Bolsover (Mr. Skinner) has been holding a conversation since he entered the Chamber. It is extremely unfair on any hon. Member who is speaking.

**Mr. Campbell:** I am grateful, Mr. Deputy Speaker, but it is something that most of us have become used to.

**Mr. Dennis Skinner** (Bolsover): The hon. and learned Gentleman is talking about a sapper building a bridge, and referring to what my right hon. Friend the Foreign Secretary said about the possibility of that sapper being involved in damages or court action arising out of his involvement with another country that was laying mines. The hon. and learned Gentleman talks about mens rea and so on. Is he trying to tell the House that in the middle of those activities, the sapper is going to have a copy of mens rea in his back pocket so that he knows what the law is? Get a life—join the real world! What my right hon. Friend is trying to do—although the hon. and learned Gentleman is a failed lawyer and cannot understand it—is to ensure that people are protected in law. That is the reason for clause 5.

**Mr. Campbell:** I was always taught that the personal attack was pretty well an admission of the inadequacy of the merits of the case being made. There is a serious foreign affairs issue here. The Foreign Secretary referred to the possibility of British troops engaged in operations with United States troops. The only place where the United States deploys large numbers of landmines at present is the Korean peninsula. That leads to the interesting question whether we are seeking to pass the Bill as proposed in order to ensure that British troops might be protected, as the Government urge, in relation to operations on the Korean peninsula. That would be a very interesting foreign policy development which the Government have not made plain.

I said that I should like to deal to some extent with the scale of the problem. There are 100 million landmines currently deployed in 70 of the poorest countries. For every mine cleared, it is estimated that another 20 are laid. There is one landmine for every 16 children in the world, and one for every 48 adults. Angola and Cambodia have more than one mine per member of the population, and British-laid mines dating from the second world war still pose a problem in Saharan Africa.

**Mr. Andrew Robathan** (Blaby): Will the hon. and learned Gentleman give way?

**Mr. Campbell:** No, I must make progress.

In Angola, one in every 334 people is a mine-related amputee. World wide, there are approximately 250,000 landmine amputees. The cost of treatment for such people is prohibitive. A child's prosthetic limb must be replaced every six months, and an adult's every three to five years. Over a 50-year lifespan, that equates to about

*[Mr. Campbell]*

25 new prostheses. At around $125 each, that means a lifetime cost of well over $3,000. In countries where the monthly per capita income is about $20, that is unaffordable. Most victims face a lifetime on crutches.

The hon. Member for Shettleston referred to the economic cost. Livestock is killed as readily as people; agricultural land is rendered unusable, which leads to malnutrition and starvation; and the development of roads, railways, bridges and other elements of infrastructure is inhibited. It has been estimated that, without landmines, Afghanistan and Cambodia could increase agricultural production by up to 200 per cent.

I understand that the United Kingdom is to double its contribution to the demining effort. Our present level of support for that is of the order of £10 million a year; £20 million a year is clearly progress, but when we consider that Canada provides £45 million, Japan £50 million and Norway £75 million, it seems that we could try to be a little more generous.

I come to the Government's attitude on whether the laying of landmines should be a war crime. I agree that that is an issue, and would not readily leap to the position, as some have, of suggesting that the Government are behaving inappropriately or unreasonably in questioning the issue, which is clearly one of some importance. I hope that the Government will soon be able to tell us their thinking on the matter.

I have some reservations about the notion of extending the category of war crime on what is almost a request basis. War crimes are special and terrible crimes, and should be dealt with in a specific and serious manner. If we make every activity of which we disapprove a war crime, the consequence may be to reduce the significance of war crimes and the special way in which they should be dealt with.

As I said, I have some reservations about clause 5, which I hope to explore in due course. However, I have no doubt about the need for the United Kingdom to ratify the treaty. I have no doubt also that it is essential that the Bill should today pass through all its stages in our House.

10.30 am

**Ann Clwyd** (Cynon Valley): I am very proud that a Labour Government are acting so swiftly to rid the world of landmines. Years before the Ottawa convention, people in the Labour party were always in the front-line of the battle to get rid of landmines. It is not a new issue for us. Even before it was party policy, many Labour Members who are today in the Chamber were fighting hard to rid the world of those horrible weapons. I started taking a special interest in the subject when I went to Cambodia, in 1987, and saw for myself the victims of landmines planted there.

I noted with interest the shadow Foreign Secretary's quibbling about various of the Bill's provisions, which he thinks do not quite hold together. It was interesting also that he did not mention one of the Ottawa's convention's most important flaws—that only a quarter of the world's states have signed up to it. The fact that three quarters of countries have not signed up to the convention is one of the biggest flaws in the whole process. I hope that, now that the United Kingdom is to ratify the convention, we will encourage many Commonwealth members also to ratify it.

**Mr. Howard:** I assure the hon. Lady that I share her concerns on that point. I mentioned those concerns in my speech.

**Ann Clwyd:** I should like to take as an example Cambodia, with which I have been very involved over the years. It has 41,000 landmine victims—the highest ratio of mine amputees to population in the entire world. An estimated 5 million to 7 million mines were planted in Cambodia, which is about the same size as Britain.

Although I am sorry to introduce this note into the debate, I think that we should examine the history. In the 1980s, to our eternal shame, the United Kingdom Government were partly responsible for training the non-communist resistance in Cambodia—which included the Khmer Rouge—to lay landmines. We should not forget that, between 1983 and 1987, Britain's forces assisted in showing those forces how to maim innocent men, women and children. We therefore have a special responsibility in investing more money in demining, and also in leading the world in banning landmine use.

**Ms Tess Kingham** (Gloucester): Does my hon. Friend agree that the previous Government's policy was not as stated by the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), who said that it was very similar to the current Government's policy? For several years, I worked on a landmines campaign with a non-governmental organisation—Oxfam—and remember very distinctly that the previous Government's policy was very much one of trying to ban the export rather than the production and stockpiling of landmines. Neither was their policy one of trying to ban the training or paraphernalia associated with landmine use. The previous Government's landmine policy was neither in line with the current Government's actions nor something on which they should be congratulated.

**Ann Clwyd:** I agree entirely with my hon. Friend, who gained considerable experience when she worked with an aid agency on those very matters.

In 1989, I saw for myself the children, women and men who were injured by landmines in Cambodia. Some of them were begging pathetically in the dirty streets of Phnom Penh; others hobbled on one limb in dusty lanes in villages.

Some years later, a young Cambodian man called Tun Channareth, who was a civilian, spoke movingly at a London press conference—at which I am sure some of my hon. Friends were present. He spoke of the threat to his own people posed by the legacy of landmines in Cambodia left in the 1980s and before. He did not stand up to speak, as both his legs had been blown off by a landmine some years before. He said:

> "Cambodia has no factories producing landmines, yet my country is full of them. How many more people have to lose limbs or their lives before the world wakes up to the need to ban landmines? I beg you again to ban these mines."

Whether a device was "dumb" or "smart" would have been completely irrelevant to Tun Channareth, as it would to the many hundreds of thousands of other landmine

amputees in the world's former battle zones. As my right hon. Friend the Foreign Secretary said, landmines are grotesque weapons. In all those countries, innocent victims—often small children—and not the military are principally the ones who are hurt by landmines.

Many hon. Members have mentioned Lord Deedes, and I am pleased to do the same. He said:

"I take the view that anti-personnel mines are a crime against humanity, which civilised nations should not touch with a barge pole."

John Pilger, in his book "Distant Voices", described some of the landmine victims he met:

"They are usually civilians, such as 23 year old Rong, a beautiful young woman lying in the hospital at Kompang Spen with her 3 year old infant beside her. When she stepped on a mine she fell into water and lay for three hours bleeding. When her father found her, he applied a tourniquet, carried her to the road and flagged down a motorcycle taxi. He took her to a 1st aid post; it was 7 hours before she got to hospital.

The mine that Rong stepped on had driven dirt and bacteria deep into the wound, causing infection to spread fast. The blood vessels had coagulated, and there was thrombosis high up in her leg. Had she been able to get into hospital quickly, her leg might have been saved.

'I knew there were mines around', she said. 'Every day I was in fear of them. But the work has to be done.'"

Her story is like so many others in countries infested with landmines.

Asia Watch described the after effects of amputation:

"Nearly every aspect of a Cambodian's life is set to the rhythm of rice cultivation—the flooding, the planting, the re-planting and harvesting. It is very labour intensive—and a person who is physically disabled can become a burden.

Female amputees are less desirable as wives because they cannot work in the fields and male amputees are now allowed to become Buddhist monks. Many amputees drift to Phnom Penh and become beggars or petty criminals."

In September 1991, Asia Watch, in its report "Land Mines in Cambodia—the Coward's War", noted that Cambodia has

"the highest percentage of mine amputees of any country—the highest percentage of physically disabled inhabitants of any country in the world . . . for every victim who makes it to hospital another will die in the fields.

These grim statistics mean that the Cambodian war may be the first in history in which landmines have gained more victims than any other weapon."

The Red Cross recently said that landmines are

"fighters that never miss, strike blindly, do not carry weapons openly and go on killing long after hostilities are ended."

In short, mines are the greatest violators of international humanitarian law. They are the most ruthless terrorists.

When Diana, Princess of Wales went to Angola last January, she gave the Red Cross campaign an enormous boost. The pictures of the princess wearing body armour and a helmet with a visor learning how to demine caught the world's attention. While she was in Angola, she was criticised by certain Conservative Members. I have been campaigning against the use of landmines for many years and I have written three reports on the subject. I was so angry that the princess was being criticised for making a humanitarian gesture that I tabled the following early-day motion:

"That this House congratulates Diana, Princess of Wales, for effectively highlighting the tragic humanitarian consequences of Her Majesty's Government's refusal to completely ban the production and use of landmines; and notes with dismay the reported churlish response from Government Ministers on her efforts."

It was signed by 73 right hon. and hon. Members in the previous Parliament.

I sent the princess a copy of the early-day motion and one day I was sitting in my office when I received a telephone call from Kensington palace inviting me to have coffee with her. I spent an hour and a half with her at Kensington palace. She said how pleased she was that so many hon. Members had signed the early-day motion. When I said that she had done more than anyone else to highlight the importance of the landmines issue, she smiled shyly and said, "I will go anywhere if I can do some good." She was self-deprecating as she laughed at herself and said, "Have passport, will travel."

Originally, the princess had wanted to go to Cambodia, but the Foreign Office had told her that it was unsafe. I said that I had been there twice with Oxfam and she said that she was keen to go there as soon as possible. We discussed the role that Britain had played in planting some of the mines in Cambodia and the attitude of various countries towards landmines. She said with some disgust that our ambassador in Angola did not even know what a landmine looked like and that she thought that the briefing she had been given was not very good. I was impressed by her knowledge, intelligence, friendliness and capacity for self-deprecation. We talked about going to northern Iraq and the possibility of her coming to the House to meet hon. Members with a common interest in landmines. Hon. Members will be aware that she made an attempt to come here and talk about landmines, but, because of the attitude of the Conservative party, she cancelled her visit. That was a great pity, and Conservative Members should feel extremely guilty about it.

Finally, many of us who have campaigned for a long time on the issue feel that we are making an important start. I congratulate my right hon. Friend the Foreign Secretary and all his ministerial colleagues who have been so active in achieving agreement on the Ottawa convention and have been at the forefront of the campaign. I hope that they will continue to do so until the scourge of landmines, which has claimed the lives of so many ordinary people throughout the world, is finally eliminated.

10.43 am

**Mr. Andrew Robathan** (Blaby): It is always a pleasure to follow the hon. Member for Cynon Valley (Ann Clwyd). We agree on a surprising number of issues and I pay tribute to the way in which she highlighted many atrocities throughout the world. Today, she has highlighted the atrocities that landmines indiscriminately inflict on innocent civilians.

The House is united in that none of us likes anti-personnel mines. I would be astonished if anyone did, as it would be rather like saying that one liked the devil. However, when the House is united, logic does not come into play as much as it might. I should like to give something of a soldier's perspective on landmines and the Bill.

I remember sitting in a vehicle in a minefield in the Gulf. Indeed, a successor of mine as company commander in the Coldstream Guards had the wheel of his trailer blown off by an anti-personnel mine. Someone sitting in a minefield is not tempted to get out and walk and if they are in a vehicle they must follow very closely in the tracks of the vehicle in front. It is very unpleasant—it is designed to be.

*[Mr. Andrew Robathan]*

At least two of the 16 fatalities in the Gulf resulted from anti-personnel mines. They did not involve front-line soldiers but lorry drivers who got out of their lorries and trod on mines. In Bosnia, about six soldiers have been killed by anti-personnel mines.

I have seen the effects elsewhere. I remember seeing a mujaheddin on a pony coming down a pass from the Afghan border. I was with a Swiss doctor from the International Committee of the Red Cross. It was amazing that the victim managed to survive and travel by pony to the nearest hospital, which was about 50 miles away. I hope that he survived when he got there. I visited a refugee camp in Peshawar and saw the poor civilians who had escaped from Afghanistan without limbs. When I was with the Swiss doctor I attended an operation on a landmine victim who had gangrene. It was extremely unpleasant.

In the Falklands, I was the staff officer responsible for the small Royal Engineers detachment that supervises the mines left over from the war of 1982. They gave up clearing the mines in about 1984 because several soldiers had lost their legs. The Falklands are pretty empty and it was thought better to let the mines drift around in the peat and sand rather than risk people's lives by clearing them—and that is quite right. A device has been developed that I think is called the Red Eye. It is a little wheelbarrow-type machine that is operated by remote control and burns the plastic mines that are undetectable with mine detectors. They go puff as the explosive burns. Some areas in the Falkland islands will be closed for ever unless they have to be cleared because we have ratified the convention.

In the Army, I was trained in the tactical use of anti-personnel mines. It is important for the House to understand why many soldiers value them. Quite simply, they protect the forces. Most armies use them only in defensive positions, when they are extremely useful, especially when they are outnumbered. We have heard about the the Americans in Korea. If the Soviet hordes had crossed the inner German border we would have used anti-personnel mines extensively. They are a valued weapon and, until now, they have always been considered legitimate. The British doctrine is always to cover obstacles such as anti-personnel mines; otherwise, someone can quite easily breach them. They have been part of our defensive armoury and our tactics. The Secretary of State for Defence may say that senior Army officers now say that they can survive quite happily without them, but, if there were to be another major conflict, we might feel the lack of them.

Landmines certainly have drawbacks from a military point of view. They deny the ground not only to the enemy but to one's own troops. If they get thrown off a position, they can end up stuck in their own minefield, which is pretty unpleasant. Furthermore, landmines are not failsafe. In 1945, in the dash to Berlin, the Soviet Union marched its penal battalions in front of its other troops and I believe that it lost 10,000 people to landmines in the month before reaching Berlin.

I have also seen the inner German border and the Berlin wall before the iron curtain was lifted. It was covered with landmines—not to keep us out, but to keep people who did not like socialism in. We should remember that.

We have heard about the problem, so I will not dwell on it, but it is not a British problem, notwithstanding what the hon. Member for Cynon Valley said. The problem is the indiscriminate use of landmines. The United Kingdom has not exported landmines since 1982. They do not threaten civilians in Angola and elsewhere if they are sitting in a bunker somewhere in Aldershot. No British anti-personnel mines are sitting in the ground threatening civilians anywhere.

The hon. and learned Member who spoke for the Liberals referred to landmines in the Sahara. I think that they are all anti-tank mines, although I may be wrong. They are certainly metal mines. Furthermore, British troops have been taught, as I was, to mark minefields. That is part of international law. We want to clear them because we want the land back if we are in a defensive position.

The Halo Trust has been mentioned by several hon. Members. One should remember that it was formed by a former Conservative Member of Parliament, Colin Mitchell.

**Mr. Menzies Campbell:** I mentioned him.

**Mr. Robathan:** The hon. and learned Gentleman did not mention his party. I once had an interview with Colin Mitchell about going out to Kabul to work for the Halo Trust, where it has done immensely good work. I have many friends who have worked for it. However, we should be under no doubt that the Halo Trust—I have spoken to it—has never found one British anti-personnel mine in its clearing of hundreds of thousands. It may have missed them, but not one has been found.

As hon. Members may know, in the Afghan conflict the Soviet Union went up and down the border with Pakistan to stop the mujaheddin getting in. It threw out from helicopters between 4 million and 5 million butterfly mines, which arm as they go down. They are all plastic, so they cannot be found. They look rather pretty, so children like them. Not many can have been cleared, so 4 million to 5 million must be left. I should point out that it is not possible to mark a minefield from a helicopter.

In Cambodia, Bosnia and Angola, millions of mines have been laid indiscriminately. The vast majority come from Russia, the former eastern bloc and China. Russia and China are not ratifying the convention. Furthermore, many landmines, especially in Bosnia, are home made, as hon. Members may have seen. One can make landmines in a workshop in the garden or in the kitchen. All that is needed is a string, a trigger, a box and a bit of plastic explosive.

Laying landmines is a favourite tactic of what some people call freedom fighters. The Viet Cong specialised in the use of booby traps, as does the IRA. I have had friends killed by home-made anti-personnel devices in Northern Ireland. So how will the Bill enforce the ban in, for example, Northern Ireland? I would love to see IRA criminals put on war crimes trials, but the House has just passed a measure that will let people convicted of such crimes out of prison within the next couple of years. We should look at that dichotomy.

**Mr. Skinner:** Well, the hon. Gentleman voted for it.

**Mr. Robathan:** The hon. Gentleman, voluble as always, bangs on saying that I voted for it. I did not.

**Mr. Skinner:** Everyone did.

**Mr. Deputy Speaker:** Order.

**Mr. Robathan:** So what is the point of the Bill? Is it to set a good example? We are all for that, but who will follow our example? Not, I suspect, UNITA or the Khmer Rouge, if it still exists, or the Taliban or the IRA. So what are we doing in the Bill? In my opinion, we shall be withdrawing a legitimate means of protecting our soldiers, who, to my knowledge, have not misused anti-personnel mines within my lifetime in the United Kingdom. *[Interruption.]* We hear a lot of barracking from the Labour Benches, but three quarters of countries do not consider that the Bill is a sensible move because they have not ratified the convention. If everyone ratified the convention, it would be marvellous, but many other countries are not considering doing so at the moment. Perhaps they will, following our example.

I fear that we may expose our public servants to danger. In every defence debate, Labour Members extol our public servants in the armed forces and say how well they work for us. One day, our public servants may value anti-personnel mines to protect them.

**Mr. George Robertson:** The hon. Gentleman raises from his military experience some interesting points. Clearly this is a matter of great relevance to the armed forces. How does he react to the fact that the shadow Secretary of State for Defence has not even bothered to turn up today?

**Mr. Robathan:** My hon. Friend must speak for himself, but I can only assume that he has a long-standing constituency engagement that he was unable to break. The Secretary of State will note that the House is not packed on either side. Out of 400-odd Labour Members, only about 20 are present, so the Secretary of State's argument is not particularly good.

I should say to the Secretary of State, as he intervened, that I just hope that there is never an occasion on which British soldiers are left exposed and die because they do not have anti-personnel mines in their armoury. Only on Wednesday, the Secretary of State made a very good riposte to one of his hon. Friends who argued that Britain should ban nuclear weapons to set a good example. He said that it was fine to set good examples, but not much good following them. It seems to me that that argument could be used in this debate.

Hon. Members may have read a letter from the director of the Halo Trust in *The Daily Telegraph*. He said that it was marvellous that anti-personnel mines might be banned. He said that there were conferences here, there and everywhere, but he wished that, instead of spending money on air tickets, people would spend it on mine clearance. I pay tribute to the Government for increasing the amount of money that is being spent on clearance. Money is the core of the problem.

I am not against the Bill, but some things need to be aired. We need to look at the matter from all angles. It is worrying when the House is united. If there is not discussion of all the arguments, we sometimes pass extraordinary measures. In my limited experience of six years, I have seen one or two, and I know that others who have been here longer have seen one or two others. The Child Support Agency floats immediately to the top of the pile.

The problem that the world faces is clearing the mines. The hon. and learned Member for Invernesshire—

**Mr. Menzies Campbell:** North-East Fife. Inverness is about two hundred miles away.

**Mr. Robathan:** Geography was never my strong point. The hon. and learned Gentleman said that 20 mines were laid for every mine that was cleared. Yes, we have to stop mines being laid, but we have to do more clearance.

I do not believe that the Bill will help civilians throughout the world who are being killed. I do not believe that it will encourage China, Russia or others whose mines are being used to stop producing them. I would welcome a world without landmines and nuclear weapons, but I am not entirely sure that the Bill will further that aim.

10.57 am

**Mr. Howard:** With the leave of the House, I should like simply to say how sorry I am that we have not had time for more Second Reading speeches from the Back Benches. We have had two notable speeches—from the hon. Member for Cynon Valley (Ann Clwyd) and from my hon. Friend the Member for Blaby (Mr. Robathan)—and it is a shame that there was not time for more. I make it plain again that the official Opposition support the spirit of the Ottawa convention and will not obstruct the passage of the Bill, but we will continue to explore, during the Committee stage, the inconsistency between the Bill and the convention.

10.58 am

**Mr. Robin Cook:** With the leave of the House, I shall reply briefly to the debate. To respond to the point that the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) has just made, I am sure that, in the remaining three and a half hours, there will be adequate time for the three Conservative Back Benchers in the Chamber to speak.

Perhaps I may respond to the questions that the right hon. and learned Gentleman asked in his opening speech to which I have not already responded in our exchanges. It is the case that the Ottawa convention and therefore the Bill bans all anti-personnel mines, whether or not they are associated with anti-tank mines. The JP233 and the Gator mine are caught by the Ottawa convention.

The hon. Member for Blaby (Mr. Robathan) touched on the serious problems of lifting mines that we face in the Falklands. Work was suspended because it was judged that the casualties were too high for the game. Nevertheless, we are seeking a feasibility study on how we can proceed with the best available technology to lift those mines.

**Mr. Michael Colvin** (Romsey): Will the Secretary of State give way?

**Mr. Cook:** If the hon. Gentleman will forgive me, we have an agreement to finish by four minutes past 11, and I have a few points to make.

*[Mr. Cook]*

The right hon. and learned Member for Folkestone and Hythe asked about the cost of destroying our stockpile. The Government, as a matter of policy, are carrying that out in any case, so it is not a cost that arises directly from the Bill. However, for the record, the cost of destroying Britain's stockpile of landmines will be some £5 million. I hope that that helps to answer the right hon. and learned Gentleman's question. I could of course say that if he had accepted our offer of a technical briefing yesterday, some of his questions could have been answered then.

The House has already heard extensive arguments about clause 5, but what I have listened to leads me to expect that it is about to hear them again. The only point that I now make in response to that debate is that several hon. Members have rightly mentioned the extreme courage and dedication shown by members of the British Army when they carry out operations to lift landmines. I do not think that we can praise them for showing that courage and dedication and then leave them in any doubt about whether they may be liable for a prison sentence, not because they have deployed landmines but because they have taken part in an exercise in which someone else has deployed landmines. The least that we owe to those whom we ask to put their lives at risk is that we will not put their liberty at risk.

**Mr. Colvin:** Will the right hon. Gentleman give way?

**Mr. Cook:** Very briefly.

**Mr. Colvin:** If a British soldier comes before a court for being in breach of the convention, will it be a civil court, a criminal court, a court martial or an international court?

**Mr. Cook:** I am advised by my right hon. and hon. Friends that in the event of British soldiers being brought to trial for any offence under the statute, there would be a court martial.

A number of hon. Members have taken part in the debate, but I cannot say with immense confidence that every one them supported the Bill; I have reservations about making such an assertion simply because I was not quite clear on which side the hon. Member for Blaby came down at the end of his speech. I hope that the hon. Gentleman managed to persuade himself to support the Bill.

The others who took part in the debate fully and strongly supported the Bill. I entirely accept the point made by my hon. Friend the Member for Glasgow, Shettleston (Mr. Marshall) about the fact that the most urgent priority now is to widen the signatories and those who have ratified the Ottawa convention so that it embraces not only the 126 countries that have already signed but the remaining countries, especially those who are large producers and exporters of landmines.

I agreed with many of the points made by the hon. and learned Member for North-East Fife (Mr. Campbell). Among other things, he asked whether the laying of landmines should be included as a war crime within the scope of the international criminal court. I understand why some people argue for that. In principle, it would not necessarily cause Britain great problems—but Britain is also one of the leading advocates of the international criminal court and is in the front rank of those trying to secure progress towards that court at the current conference in Rome. I do not think that it would be helpful in persuading other countries, especially America, to sign up to the international criminal court if we wrapped that up with this controversy too.

**Mr. Menzies Campbell** *rose—*

**Mr. Cook:** I shall give way to the hon. and learned Gentleman on this occasion, as I have mentioned him, but this must be the last time I give way.

**Mr. Campbell:** I am most grateful to the Secretary of State for responding so positively to my point. In the same context, may I say that I support and greatly admire the robust stance that the Government are taking with regard to the independence of the prosecutor for an international criminal court?

**Mr. Cook:** I am glad that I gave way to the hon. and learned Gentleman so that he could put that point on the record.

My hon. Friend the Member for Cynon Valley (Ann Clwyd) spoke eloquently and movingly, and rightly drew attention to the immense contribution made on this issue, and to the campaigns associated with it, by Diana, Princess of Wales. Like my hon. Friend, I wish that Princess Diana's bold statements had been as welcome on both sides of the House while she was alive, and not only when she died.

We can all be proud of Britain's record on this issue. In one year, we have halved our stockpile of landmines and doubled the contribution that we make to lifting landmines throughout the world. Britain played a leading part in the negotiations on the Ottawa convention: we signed it on the first day it was open for signature and we now have the opportunity to be among the first 40 countries to bring it into legal force. The way to do that is to give the Bill a Second Reading and to complete its remaining stages today. I commend that task to the House.

*Question put and agreed to.*

*Bill accordingly read a Second time.*

*Motion made, and Question put forthwith, pursuant to Standing Order No. 63 (Committal of Bills),*

That the Bill be committed to a Committee of the whole House.—*[Mr. Pope.]*

*Question agreed to.*

*Further proceedings postponed, pursuant to Order [3 July].*

## LANDMINES BILL [*MONEY*]

*Queen's recommendation having been signified—*

*Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a),*

That, for the purpose of any Act resulting from the Landmines Bill, it is expedient to authorise—

(1) the payment out of money provided by Parliament of any expenses of the Secretary of State incurred in consequence of the Act;

(2) the payment into the Consolidated Fund of sums received by the Secretary of State in consequence of the Act.—*[Mr. Pope.]*

*Question agreed to.*

# Landmines Bill

*Considered in Committee.*

[MR. MICHAEL J. MARTIN *in the Chair*]

### Clause 1

MINES AND COMPONENTS TO WHICH ACT APPLIES

*Question proposed*, That the clause stand part of the Bill.

11.4 am

**Mrs. Cheryl Gillan** (Chesham and Amersham): As we have now moved into Committee, we shall have some opportunity to scrutinise the Bill more closely, although, in the restricted time available, it may not be possible to explore exhaustively matters that deserve detailed attention. Indeed, my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) has expressed the wish, which I endorse, that those matters be pursued in greater depth in another place—not least because of the significance of what we are doing today, not only to those who have campaigned so vigorously for the abolition of anti-personnel mines, but for our own forces, who rely on weapons to preserve both life and liberty.

It would not be a fitting tribute to those campaigners, including Diana, Princess of Wales, if we produced poor legislation in an attempt, however well intentioned, to rush the Bill through.

**Mr. Colvin:** If ever there was a case for a pre-legislative hearing, this Bill presents one. As a member of the Defence Select Committee, I regret that that Committee did not have time to examine the minutiae—although I take the opportunity to congratulate the Library on the speed with which it managed to produce a briefing note on the subject. With a measure such as this, where there is a conflict between the heart and the head, it is vital to consider the military implications, so I regret the fact that the Defence Select Committee did not have the opportunity to consider the matter before the Bill was brought forward.

**Mrs. Gillan:** My hon. Friend's remarks speak for themselves, and I support what he said about the Library. I hope that when I raise issues under clause 1, the Minister will not tell me that things would be better if I had attended the briefing session. Like many other hon. Members on both sides of the House, I believe that it is important for such matters to be discussed as a matter of record, in the open, rather than dealt with behind closed doors.

The Minister will appreciate the fact that we have not tabled amendments to the clause, but in the stand part debate I hope to give him the opportunity to explore a little of the thinking behind the definitions in the clause and to clarify what is included within the parameters of the legislation. It is important to everyone who is closely observing the passage of the Bill that we establish beyond doubt what is covered and what is not. That need has been illustrated by some of the discussions on Second Reading.

The definitions in the clause draw on the definitions in article 2 of the Ottawa convention, but they are not identical, and go beyond the convention. Will the Minister

*[Mrs. Gillan]*

tell us why he considered it necessary to improve on the provisions of the convention, and whether these improvements are likely to be incorporated by other signatories to the convention?

I understand that the Government are not proceeding with the future anti-personnel scatterable mine project; I should be grateful if the Minister would confirm that that is the case. However, given that the Government are supposed to be procuring 29 vehicle-launched scatterable anti-tank mine systems known as Shielder, manufactured by Alliant Techsystems, will the Minister first confirm that procurement, and secondly, clarify the status of those systems in relation to the Bill?

The variety of scatterable mines produced by Alliant Techsystems is comprehensive, and includes those used in the Gator system, which has already been referred to, the m128 vehicle-towed mine dispenser—the GEMSS system—the Volcano multiple delivery system and several others. Those mines contain similar fusing, arming and functioning mechanisms and have interchangeable and compatible components. They all belong to the family of scatterable mines or FASCAM.

The same company that produces those mines also produces the Shielder mine, and the technology is obviously similar. Can the Minister confirm the status of the Shielder mines under the Bill, and tell me whether any components could fall foul of the provisions, or whether he is satisfied that nothing in the Bill prohibits the use of those mines? Can the Minister further clarify the issue and say whether an anti-disturbance fuse will be fitted to those mines? If an anti-handling device is fitted, surely that achieves the effect of turning the device into an anti-personnel mine? An explanation would assist me, the House and those who have raised the matter with me.

Command-detonated mines such as the M18A1 Claymore mine are currently exempt from the landmine ban, as they are command-detonated by electrical means. However, I understand that the Army, under ministerial clearance, could fit those mines with trip-wire booby trap switches. That could be authorised at a time of war by Government and almost any booby trap switch could be fitted to those mines.

Can the Minister tell me how he perceives the Claymore mines and whether he intends to alter the discretionary ministerial powers in any way, or to retain them for the sake of the efficacy of our armed services? In other words, can he confirm that nothing in the Bill will prevent a Minister from authorising the conversion of those mines into anti-personnel mines?

I do not want to detain the House, but it would be helpful to observers if the Minister could answer those questions. Perhaps he would also consider producing for the House a list of mines currently held in the United Kingdom or in the process of being procured, and identify whether they are banned by the legislation or excluded and, if the latter, the reason for that exclusion. That would go some way towards clarifying the definitions in clause 1.

I add my support for the Bill to the support of my right hon. and hon. Friends, but I hope that the Minister will amplify those points, which will help with the interpretation of the Bill.

**The Minister of State, Foreign and Commonwealth Office (Mr. Tony Lloyd):** I was a little surprised at the mean-spirited way in which the hon. Member for Chesham and Amersham (Mrs. Gillan) introduced her remarks. In view of the consensus on the need to introduce the Bill, it is a shame that an offer to brief the shadow Foreign and Defence Secretaries and their teams should be treated as an attempt to lull the Opposition into a false sense of security.

**Mrs. Gillan:** My voice is failing, as I have a very sore throat, but I have never been called mean-spirited from the Dispatch Box in the House of Commons. I was being extremely open. I welcome the provisions of the Bill, but, like every observer of the Bill, including Labour Members, I believe that the details deserve proper and open discussion in the forum of the House. I hope that the hon. Gentleman will withdraw his remark, as I am not being mean-spirited in any sense.

**The First Deputy Chairman of Ways and Means (Mr. Michael J. Martin):** Order. My concern is that the Committee should concentrate on clause 1.

**Mr. Lloyd:** Urged by you to make haste, Mr. Martin, I shall pass beyond the hon. Lady's exhortations.

Matters of definition are of the utmost importance, and there is an explicit distinction in the Ottawa convention between anti-personnel landmines and anti-tank mines. That is also clear in the Government's approach.

Some of the hon. Lady's questions about definition could properly have been answered at the technical briefing. It is equally proper to raise technical questions on the Floor of the House. There is no contradiction, as I hope the House will accept.

The Shielder system is not caught by the provisions of the treaty or of our own legislation, so it is effectively exempt. Inevitably, component parts would also be exempt under the Bill, as they would be components not of an anti-personnel landmine, but of an anti-tank mine. I hope that provides the reassurance that the hon. Lady seeks.

11.15 am

The United Kingdom does not have, and will not acquire, the Gator system. The Gator system is not part of the Shielder system, so the question does not arise whether Gator is a component part and whether it is legal under the Bill.

**Mr. Colvin:** That illustrates the problems that the House faces. The Shielder system may be designed to blow up vehicles, but in practice it will blow up people. It has a highly sensitive magnetic fuse, which can easily be set off by a person walking close to it. If the Government are to spend £62 million buying those weapons, we should be clear that they will not suddenly be deemed to be illegal under the convention.

**Mr. Lloyd:** The hon. Gentleman is technically wrong. Anti-handling devices—anti-tamper devices—are not operable in the same way as an anti-personnel landmine, by simple contact. Significantly more than that is required. It is not the sensitive device that the hon. Gentleman describes, but a much more robust system,

which gives a different type of protection. It is important for the House to understand that there is not just a clear conceptual distinction, but a clear practical difference between the two. For those reasons, anti-handling devices on anti-tank mines do not fall within the remit of the Bill or the Ottawa convention.

I am happy to give way to the hon. Lady if I have not responded to all her questions, but I hope that I have demonstrated that technical queries can be fully answered on the Floor of the House. There is no reason to suggest that we are making slow progress, although we may be about to enter such a phase.

**Mr. Robert Key** (Salisbury): One of the reasons why we are anxious to take the matter on the Floor of the House is that many technical experts who are involved in charities, such as the Mines Advisory Group, have asked the Ministry of Defence for technical details of the fusing mechanisms, to ascertain whether an anti-disturbance fuse is fitted, and that information has been denied to them on the ground that it is classified.

**Mr. Lloyd:** I hope that the hon. Gentleman is not suggesting that we should make classified information available. Consistent with the need to protect our defence systems, the Ministry of Defence will make technical information available to the various interest groups, and has already done so.

**Mr. George Robertson** *indicated assent.*

**Mr. Lloyd:** My right hon. Friend confirms that, so there can be no suggestion of an attempt to obstruct the progress of the Bill or to stifle national debate by failing to provide such information.

**Mr. Colvin:** The Ministry of Defence makes classified material available to the Defence Select Committee, which reinforces the argument for a pre-legislative inquiry into the matter. When the measure reaches the other place, I hope that a Select Committee will take evidence from experts—particularly regarding the military matters mentioned in the discussion—rather than plunging headlong into debates on the Floor of the Chamber without the necessary technical back-up.

**Mr. Lloyd:** I have sought confirmation from my right hon. Friend the Secretary of State for Defence who, like all members of the Cabinet, is more than willing to attend meetings of the various Select Committees. Hon. Members may recall that that was a matter of debate across the House when my right hon. Friend the Foreign Secretary made clear the pleasure that he derives from appearing before Select Committees. The Secretary of State for Defence is happy to make information available to the Select Committee, but he informs me that no such invitation has been received.

We are now many months into the debate on anti-personnel landmines. It is not a new issue, and the types of systems that we are discussing this morning are not new. These technical questions could have been asked, but they were not. My right hon. Friend the Defence Secretary offered to give precisely that sort of technical briefing to the Opposition. That would have been a sensible way to proceed, but I record once again the fact that that invitation was not accepted.

**Mrs. Gillan:** Will the Minister confirm that he is now offering to provide an answer to my question about the anti-disturbance fuse on the Shielder mines and will give such information to the Select Committee? The Mines Advisory Group has not received a reply to that question, and the Minister has not clarified the issue in his remarks this morning.

**Mr. Lloyd:** I have answered the hon. Lady already. However, for the sake of simplicity and so that there is no misunderstanding on her part, I shall try again.

The Shielder system will not detonate if merely touched inadvertently. That information is available to the Committee this morning. My right hon. and hon. Friends in the Ministry of Defence sent two long letters about that issue to precisely the sort of groups that the hon. Lady claims have not received any answers. The information is already in the public domain, but I shall put it on the record again this morning. Far from the Government's attempting to hide information from the Committee or the public, there has been a remarkable lack of interest on the part of Opposition Members regarding those technical questions. Nevertheless, we are happy to have spent 11 minutes answering the full range of technical questions posed by Opposition Members.

**Mrs. Gillan:** I cannot believe that the Minister has sat down; I fully expected him to speak for longer. He has singularly failed to answer my questions. He has not even mentioned Claymore mines or booby traps, and he has not responded to my request as to whether a list could be produced in order to clarify the situation for outside organisations. It is one of the most unsatisfactory responses that I have received from a Minister at the Dispatch Box. The Minister has failed to brief himself about this issue. He has been taking copious verbal briefings from his colleagues on the Front Bench, and the record will show that he has failed to answer the questions posed very reasonably from this side of the Chamber.

I am seeking information, not just for myself and the Committee, but for observers outside who will be disappointed by the Minister's reply. I shall give the Minister an opportunity to study my remarks and to write to me before the Bill reaches the other place.

**Mr. MacShane:** Mean-spirited.

**Mrs. Gillan:** I am not being mean-spirited; it is not in my nature. However, those matters must be answered fully and I hope that the Minister will write to me. He may not be fully briefed in these areas and the matters are technical and complex, as my hon. Friend the Member for Romsey (Mr. Colvin) pointed out. However, we owe the observers of these proceedings the details that I have requested.

On 9 July, the Mines Advisory Group wrote to the shadow Secretary of State for Defence, my hon. Friend the Member for Stratford-on-Avon (Mr. Maples), and said:

"MAG has asked the MOD for technical details of the fusing mechanism to ascertain whether an Anti-Disturbance fuse is fitted. This has been denied to us under the title of 'classified information'. We have assurances that no Anti-Personnel mines will be procured with the new Shielder System but an Anti-Handling device will achieve that effect anyway."

*[Mrs. Gillan]*

I am only as good as the briefings that I get, but that is pretty unambiguous. I hope that the Minister will address that issue in a letter to me, as he could not do so verbally on the Floor of the Chamber.

**Mr. Tony Lloyd:** Some moments ago, I invited the hon. Lady to intervene if she believed that I had not answered her questions. As she did not take up my offer at the time, I was rather surprised when she rose to say that I had not answered her questions.

It is important to establish several points exactly. The Defence Select Committee sent a list of detailed questions to the Ministry of Defence, and it received proper answers. The Mines Advisory Group received two long and detailed replies from the Ministry of Defence in answer to its questions. As the hon. Lady said, she is only as good as the briefings that she receives. However, if she had accepted the briefing offered by my hon. Friends, she would have received the information that is already in the public domain and which was provided to the Mines Advisory Group.

The Claymore system—this seems to be the last of the hon. Lady's preoccupations—is exempt because it is a command control system, and therefore is not detonated by physical contact. I shall undertake to examine the record and, if any questions have not been answered, I shall almost certainly write to the hon. Lady well before proceedings in another place. If the hon. Lady prefers to put down parliamentary questions, I or my hon. Friends will ensure that the information is available. The hon. Lady seems to be preoccupied with the private briefing that she has already rejected, but most of the information is already in the public domain.

**Mr. Colvin:** I have a certain sympathy with the Minister, and I direct this question to him and the Foreign Secretary. Is it not about time that arms control matters were handled by the Ministry of Defence rather than by the Foreign Office, because the Minister is receiving all his answers this morning from the Secretary of State for Defence?

**Mr. Lloyd:** That is a quite astonishing proposition for several reasons.

**The First Deputy Chairman:** Order. That matter is far too wide of the clause that we are considering.

**Mr. Lloyd:** I shall not explain my astonishment, but it may assist the Committee if I were to assure hon. Members that Ministers in the Defence team will participate in the Committee's proceedings. I assure hon. Members that they have been closely involved in the deliberations in the run-up to Britain's acceptance of the Ottawa convention and in the detailed work that has been done since then. The idea that the Foreign Office and the Ministry of Defence should work separately on such issues would command little support elsewhere. With that, I trust that I have answered the questions. It has taken a little longer than I originally suggested. It has now taken about 18 minutes to answer the Opposition's detailed questions on all the technical aspects of these matters. I think that that shows that the detailed examination of the Bill that they want has now been achieved.

**Mrs. Gillan:** What about the matter of ministerial clearance for booby trapping the mines that I raised?

**Mr. Lloyd:** I have already undertaken to ensure that all outstanding matters will be answered either by myself or by Defence Ministers. Those answers can be placed in the public domain. That is a perfectly reasonable answer to the hon. Lady, to the House of Commons and to the wider world. I trust that with that we can now make progress.

*Question put and agreed to.*

*Clause 1 ordered to stand part of the Bill.*

**Clause 2**

PROHIBITED CONDUCT

11.30 am

**Mr. Howard:** I beg to move amendment No. 6, in page 2, line 8, leave out 'to' and insert ', 4 and'.

**The First Deputy Chairman:** With this, it will be convenient to discuss the following: Amendment No. 3, in clause 5, page 4, line 31, leave out from 'to' to 'the' in line 32 and insert

'active assistance in any activity prohibited under'.

Amendment No. 4, in page 4, line 37, leave out

'was not the laying of an anti-personnel mine'

and insert

'did not involve active assistance in any activity prohibited under the Ottawa Convention'.

Amendment No. 5, in page 5, line 7, leave out from 'Convention' to end of line 8.

Clause 5 stand part.

**Mr. Howard:** I shall begin by disposing of one of the red herrings which the Foreign Secretary, who I am sorry to say has left us, attempted to put into our path during our earlier discussions. It is an instructive red herring. The right hon. Gentleman sought to imply that clause 5 was in some way associated with the ability of British service men to undertake operations that would have the effect of destroying, clearing or dismantling landmines. Clause 5 has absolutely nothing to do with that. There is a separate exemption in the Bill for those operations, which is to be found in clause 4. We have absolutely no problem with clause 4. Indeed, that clause matches and mirrors article 3 of the Ottawa convention. That is precisely what one would expect to find in this legislation—a match between the provisions of the Bill and the provisions of the convention.

The trouble with clause 5 is that it is not matched or mirrored in any way by anything in the convention. I shall make it clear for the avoidance of any doubt that the amendment, together with amendment No. 3 to clause 5, has been tabled so that we can debate the hole at the heart of the legislation. We do not say that there is no military argument to justify the exemption from the provisions of the convention that clause 5 seeks to provide. It may be interesting and illustrative that the impression I gain from

those on the Government Front Bench is that the debate will be replied to by a Defence Minister and not a Foreign Office Minister.

We say, and our charge is, that it has always been the practice of Her Majesty's Government to honour the provisions of treaties and conventions that they have signed. We say that if the Government now find compelling the military arguments that we shall no doubt hear from the Secretary of State for Defence or the Minister for the Armed Forces, which have led them to insert clause 5, they should have found them compelling when they came to sign up to the convention in December 1997. It is the contradictions between the convention and the Bill's provisions on which we seek to focus attention, and they are the thrust of the debate.

On Second Reading, I read out the provisions of the convention. I do not intend to read out article 1.1 again. The effect of article 1.1 is absolutely clear, unequivocal and explicit. It permits no assistance to be given to any party that is not a signatory to the convention when the forces of that country are taking part in activities that are prohibited by the convention. According to article 1.1, if troops of Britain find themselves together in military operations with troops of the United States or of Turkey—a fellow member of NATO—or any other country that is not a signatory to the convention, they are not permitted to assist those forces in the activities that are prohibited by the convention—that is, anything to do with the laying of landmines. That is what the convention provides.

Clause 5 seeks to permit certain activities that would otherwise constitute an offence. In other words, it purports to permit activities that are contrary to the convention. Let us consider the relevant provisions in clause 5. The relevant part of the clause is subsection (2), which reads:

"In proceedings for a section 2 offence in respect of any conduct"—

that is, any conduct that would otherwise be prohibited by this legislation—

"it is a defence for the accused to prove that . . . the conduct was in the course of, or for the purposes of, a military operation or the planning of a military operation".

We have no problem with that. The subsection continues by providing that

"the conduct was not the laying of an anti-personnel mine".

That is the only specific conduct that is prohibited by the clause. The subsection continues by providing that

"at the time of the conduct he believed, on reasonable grounds, that the operation was or would be an operation to which this section applies; and he did not suspect, and had no grounds for suspecting, that the conduct related to the laying of anti-personnel mines in contravention of the Ottawa convention."

That is what subsection (2) states. It is made clear elsewhere in the clause that if the activity is by forces of a country that is not a signatory to the convention, according to the Bill, that is not activity in contravention of the convention.

What does all that mean? It means that a range of activity expressly prohibited under the Ottawa convention is permitted under the terms of the Bill. It means that if British forces were engaged in joint operations with a non-signatory state such as the United States, clause 5 would enable British service men to procure a landmine, to transfer it to the battlefield, to transport it to the precise spot where they thought that it should be laid and to point to that very spot before handing the object over to the Americans and asking them to place the object in the ground. British forces could then modify or adapt the landmine. They could even prime it. That is what clause 5 would permit. The only activity that is prohibited in the course of those joint operations by clause 5 is the actual laying of the landmine itself, which is identified in clause 5(2).

There may be military justification to permit such activities. However, it is absolutely clear that those acts would be in complete contravention of article 1 of the Ottawa convention. It is—*[Interruption.]* From a sedentary position, the Secretary of State for Defence talks about rules of engagement. That is completely beside the point. We are talking not about rules of engagement but about legislation. It may well be that the Government will issue rules of engagement that will prohibit the activities to which I have referred. The point is that the legislation before us would permit them to make entirely different rules of engagement. It is no answer to my argument that the Government intend to make rules of engagement that have a different effect. We must consider the legislation that is before the House of Commons, and that legislation would enable all the activities to which I have referred to take place.

It is no use Ministers saying either that they will not permit those activities according to rules of engagement or that there is a powerful military justification for those activities. If that is the case, they should have thought of that military justification when the convention was negotiated and should, if they felt it necessary, have put forward amendments to the convention. I hope that we shall be told during the debate whether the Government sought to table any amendments to the convention to give effect to clause 5, which would permit activity that is completely in breach of the convention.

**The Minister for the Armed Forces (Dr. John Reid):** British forces throughout the world will be listening with great interest to what the right hon. and learned Gentleman is saying. The rules of engagement, which this or any other Government would lay down, do not force soldiers to do anything; they permit. The right hon. and learned Gentleman is implying that, despite the Government's signing the convention, passing the Bill and laying down rules of engagement, the honour of British forces would be impugned by activities in which they would be willing to engage in breach of all those things. That is a scurrilous and disgraceful implication and I hope that he withdraws it immediately.

**Mr. Howard:** That is a disgraceful intervention. It is the honour of the Government that is at stake, not the honour of British forces. I would never do anything to impugn the honour of British forces.

**Dr. Reid:** It is a disgraceful allegation—*[Interruption.]*

**The First Deputy Chairman:** Order. Hon. Members must calm down. We have the ability to debate these matters in a reasonable manner. I cannot allow arguments across the Floor of the Committee.

**Mr. Howard:** The Minister's intervention shows how little he understands about the Bill's provisions. We are concerned about the legislation.

*[Mr. Howard]*

If the Government say that they would never issue rules of engagement that would take advantage of clause 5, why is it in the Bill? Why on earth do the provisions in the Bill not match what the Government say they will set out in the rules of engagement? The Government cannot have it all ways. They must match the provisions of the Bill to those of the convention.

**Mr. Menzies Campbell:** If the Bill is passed unamended, what would be the nature of the instrument of ratification lodged by the British Government in respect of the convention? Would that instrument of ratification have to contain some reservation or condition in the light of clause 5?

**Mr. Howard:** The hon. and learned Gentleman makes an excellent point. I intended to raise it later in my remarks, but I am content to adopt it because I do not want to prolong my speech. It is a pertinent question and I hope that it will be answered during the debate.

I remind the Committee of the provisions of article 9 of the convention, which states:

"Each State Party shall take all appropriate legal, administrative and other measures, including the imposition of penal sanctions, to prevent and suppress any activity prohibited to a State Party under this Convention undertaken by persons or on territory under its jurisdiction or control."

I assume that the Bill is the means by which the Government seek to give effect to article 9. It is the way in which the Government seek to prohibit by British forces activity that is prohibited by the convention. That is why the Government are in breach of their duties under the convention and are putting before the House legislation that is at variance with the terms of the convention.

11.45 am

When did the Government first become aware of the arguments that led them to insert clause 5? Was the Ministry of Defence consulted before the Government signed the convention? Did not the Ministry of Defence then make clear its reservations about joint operations with countries that did not sign the convention? Were those reservations simply ignored by the Foreign Office when it came to negotiate the convention, or did it try to amend the convention to reflect the concerns of the Ministry of Defence? Did it fail? Those questions lie at the heart of the inconsistency with which the Government are approaching the matter, and we must have answers to them.

It is a matter of deep regret that the Attorney-General is no longer with us—

**Mr. George Robertson:** Where is the shadow Attorney-General?

**Mr. Howard:** The shadow Attorney-General is undertaking a series of long-standing engagements today. His deputy is in the House and will actively participate in our scrutiny of the Bill.

Let us get down to the issues that really matter. The Attorney-General intervened earlier in the debate, but in a most general and unhelpful way. He expressed himself in agreement with a proposition put by the Foreign Secretary, but did so in the most general terms and did not approach the detailed interpretation of the Bill, which is relevant to the consideration of these matters. If the Attorney-General were here now, I am confident that he would be able to confirm that clause 5 will permit all the activities that I identified earlier in my remarks.

The hon. and learned Member for North-East Fife (Mr. Campbell) asked how the Government seek to ratify the Bill and whether they intend to propose a declaration when the time comes. I hope that we shall be told in what circumstances it may be possible for the Government to be taken to the International Court of Human Rights at The Hague, so that its interpretation of the convention may be put to the test.

Reference was made in the debate on Second Reading to the precedent adopted by the Government of Canada. The Foreign Secretary said, if my recollection is correct, that the Government's attitude was similar to that taken by the Government of Canada, but that is far from the case. I have the legislation passed by the Canadian Government before me and it is in very different terms from those of the Bill. It contains an express distinction between what is termed "active assistance" and passive assistance. It is accompanied by a declaration of understanding, which the Canadian Government have entered to the Ottawa convention. The Canadian legislation provides that participation in military operations is to be regarded as permissible so long as that does not amount to active assistance with prohibited activity.

The Secretary of State nods. There are no words to that effect in the Bill. The Government are not following the precedent set by the Canadian Government. The Bill is miles away from the Canadian precedent.

**Dr. Reid:** It is not.

**Mr. Howard:** Perhaps the Minister of State could refer me to the language in the Bill that mirrors the language to which I have just pointed in the Canadian legislation. It simply is not there.

**Dr. Reid:** It is the same pattern and process, not the same subject of detail. The interpretive declaration was put in at the time of ratification.

**Mr. Howard:** I have no idea what that intervention means and I doubt whether any other hon. Member does—*[Interruption.]*

**The First Deputy Chairman:** Order. Ministers and others on the Government Front Bench must be quiet. I have called the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) to speak, and he is the only person who should be speaking.

**Mr. Howard:** This is not a matter that requires a technical briefing from the Ministry of Defence. It is a matter for the Foreign Office. It is not the Ministry of Defence's view with which we take issue; we take issue with the Foreign Office's view. If the Ministry of Defence, for good reason, wanted to insert something like clause 5 in the Bill—there may be good reason for doing so—we have no argument with that. However, if that is

the view taken by the Ministry of Defence, the Foreign Office should have reflected that view when it negotiated the convention. The problem is not whether clause 5 is needed; it is that it is absolutely inconsistent with the convention. Nothing in the convention would give rise to an exception that comes anywhere near the provisions of the clause. That is the mess that the Government have got into, and, because they have got into that mess, they are asking hon. Members to agree to a Bill that would contravene the Ottawa convention, put this country in breach of its obligations under that convention and make our country depart from its long-standing tradition of honouring, ratifying and implementing in every detail the treaties and conventions that it has signed.

**Mr. Menzies Campbell:** I promise not to get too exercised if my old friend the Minister for the Armed Forces displays his customary zeal in defending the armed services. He has a long tradition of doing that, as a shadow Minister and from the Treasury Bench, and I understand his anxiety to ensure that they are properly protected. He will know that I do not seek to reflect on the honour of the armed services; I never served, but at least one member of my wife's family did, with great distinction. I am as conscious as he is of the importance of ensuring that the armed services are properly instructed and are not laid open unnecessarily to the possibility of conviction, and that we provide a proper legislative framework.

If clause 5 is, as the Minister for the Armed Forces describes it, the "heat of the battle" clause, I should make this point to him. He had reservations about my introduction of the concept of mens rea, or guilty intention, although they were not quite as robust as those of the hon. Member for Bolsover (Mr. Skinner), who has left the Chamber. Every soldier who fights on the battlefield has to obey the Geneva convention. So long as his actions are in accordance with it—or even if they are not, and he has not displayed any guilty intention—he would not be guilty of an offence. The notion of guilty intent is already in the international legal framework by which we determine the actions of soldiers, sailors and airmen when they are engaged in operations on our behalf.

The shadow Foreign Secretary and I share a view about clause 5, but we do not share precisely the same view about the solution. If he were to press clause 5 stand part to a vote, the clause could be taken out of the Bill altogether

**Mr. Howard:** I sought to make it clear at the outset that I do not intend to press the amendment to a vote and that I do not seek to remove clause 5 from the Bill. The purpose of our amendment is to demonstrate the inconsistency between clause 5 and the convention, so there is nothing between the hon. and learned Gentleman and me on that point.

**Mr. Campbell:** It may be that I can persuade the right hon. and learned Gentleman of the merits of our amendments. There is need for a form of what is in clause 5 and for a defence for soldiers engaged on the battlefield. There is not only a need; they are entitled to such a defence. He and I join forces on the fact that that defence should be consistent with the Ottawa convention and not apparently contradictory of it.

It is important to remind ourselves that article 1 of the convention contains a blanket prohibition, the terms of which we are all now familiar with, but only one exception to that is allowed—article 3, which allows for

"the retention . . . of a number of anti-personnel mines for the development of and training in mine detection, mine clearance, or mine destruction".

There is an issue there, because I understand that Italy has said that it intends to maintain 200,000 anti-personnel landmines for those purposes. Some people might think that 200,000 was a rather generous margin, and there may be a question about the strength of the language in respect of numbers.

It is understandable, and even desirable, that there should be a defence of the kind that clause 5 creates, but the difficulty is that clause 5(1) further defines the offence created by clause 2. It goes on to provide what is essentially a defence, at subsection (2). The effect of taking the two together is that a person charged with contravention of clause 2 could not be convicted if the conduct that had been complained of did not relate to the laying of anti-personnel mines in contravention of the Ottawa convention.

Likewise, under subsection (2), if proceedings were taken against such a person, it would be a valid defence to say that the conduct took place in the course of, or was for the purposes of, a military operation or the planning of such an operation, and was not the laying of any anti-personnel mines. The effect of that is that conduct up to, but not including, the laying of anti-personnel mines would not be struck at by the criminal provisions.

Our amendments are designed to make the position even clearer than it would be under clause 5 as it stands. We propose in amendment No. 3 the deletion of the words:

"the laying of anti-personnel mines in contravention of the Ottawa Convention"

and the substitution of the words:

"active assistance in any activity prohibited under"

the Ottawa convention. In amendment No. 4, we propose the deletion of the words:

"was not the laying of an anti-personnel mine"

and the substitution of the words:

"did not involve active assistance in any activity prohibited under the Ottawa Convention".

For my money, that is much more specific than the current provisions, which operate as much by implication as by express provision. It is right that any British soldier engaged in an international operation should have a valid defence, so long as he or she did not actively assist in any activity prohibited under the Ottawa convention, as those are defined in article 1 of the convention, and so long as his or her conduct did not involve active assistance in any activity prohibited under the convention.

By adopting a formula such as that which I have suggested, one would make the terms of the convention and of the statutory provision virtually identical; indeed, one would be adopting by reference the terms of the convention into the statutory provision. That deals with the point that we should have legislation consistent with the convention; it also has the advantage that it spells out in the clearest possible detail to the soldier in the heat of the battlefield that, so long as he or she does not do something amounting to active assistance, he or she

*[Mr. Campbell]*

cannot be the subject of criminal proceedings. If such people became the subject of criminal proceedings, they would be entitled to pray in aid the defence in subsection (2).

**Mr. Colvin:** I am trying to follow the gist of what the hon. and learned Gentleman is saying, and what was said by my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), our Front-Bench spokesman. When two lawyers get to work, it is sometimes difficult for the rest of us to keep up. I was under the impression that clause 5, which allows for exemptions and reservations, could not be law under the convention. I understood that article 19 of the Ottawa convention ruled out any reservations, so how can we pass the Bill as it stands and honour the convention?

**Mr. Campbell:** We can pass the Bill in any form we choose. The House is not bound to pass the Bill in a form prescribed by the convention, although the form in which we pass it may have consequences for whether we are able to ratify the convention, and whether the instrument of ratification is credible and valid. The hon. Gentleman makes a reasonable point about article 19, but my amendments would meet it by making it plain that so long as the individual concerned was not giving active assistance in any activity prohibited under the convention, he or she would have a valid defence. That would be a much clearer statement of affairs.

Because the laying of anti-personnel mines is specifically referred to, conduct up to, but not including, the laying of mines, would, by implication, be excused. It would be better, and it would be consistent with the convention, to adopt the formula of active assistance. That would make clause 5 consistent with the convention while avoiding any need to enter any reservation when the Government lodge the instrument of ratification. That can only be in our interests, and I hope that the Committee will consider the amendment sympathetically.

**Ms Oona King** (Bethnal Green and Bow): Clause 5(2)(d) provides a defence for British military personnel whose conduct is

"related to the laying of anti-personnel mines".

If the defence is that laying an anti-personnel mine requires the other prerequisites given for the transfer or transport of landmines, how widely can the net be thrown? It is obvious that we need a defence for British personnel, but British forces will not be allowed to use, possess, transfer or transport mines, or to assist others in doing so. Is this not an adequate defence?

12 noon

If, in the parallel universe occasionally raised by the Opposition today—I mean no disrespect by that, but I worked in Nicaragua in 1986 and saw the effects of landmines—clause 5 allowed any loophole, which I do not believe it does, will my right hon. Friend the Foreign Secretary undertake to review the legislation? Clause 5 hinges on the need for members of NATO and international allies to sign the Ottawa convention, particularly the United States. It is often said that we are five years behind the USA; let us hope that America will not be five years behind us in this case.

**Sir Robert Smith** (West Aberdeenshire and Kincardine): I did not intend to speak today, but the opening speeches left me concerned that political divisions sometimes prevent us from scrutinising the details of criminal legislation. At times, people are forced away from accepting reasonable words, such as those of my hon. and learned Friend the Member for North-East Fife (Mr. Campbell) on how to improve clause 5. We should seek consistency, particularly in criminal legislation. When we dealt with the Crime and Disorder Bill, the Government felt it right to draw the criminal net widely, saying that we need not worry about its drawing in people who should not be drawn in because those who implement the law will use regulations to avoid that. Today, they have flipped that logic the other way, arguing that exceptions should be drawn widely, so that people will not be brought into the net who should be drawn in under the convention.

The purpose of the House is to draft Bills and scrutinise them. It is perfectly in order for a Committee to amend a Bill, or to say that amendments can be made in the other place to tighten and improve the Bill. That is the purpose of the Committee stage. I hope that the Government will consider the arguments carefully and seek to bring the Bill more closely in line with the treaty.

**Fiona Mactaggart** (Slough): I welcome the Bill and the fact that we have set aside special time in which to pass it. However, whenever the House passes legislation relatively quickly, there is a risk that we may inadvertently draft the Bill badly and end up with something that is not quite what we intended. There may be such a risk in the drafting of clause 5.

There is another way of looking at clause 5. It seems odd that people who thought that during the election I was completely outrageous to campaign for the Labour party's position on anti-personnel mines have hinted that clause 5 is designed to enable Britain enthusiastically to participate in joint operations with countries, such as the USA, which are not signatories to the convention, and that we want to slide under the wire the fact that that may involve us in doing things that are wrong, immoral and are prohibited by the convention. I do not believe that that is the Government's intention.

During the progress of the Bill, it may be necessary to consider ways in which we can refine the wording to ensure that it is clear that we are on all fours with the convention, but that, in the circumstances described by the Foreign Secretary and others that are, as it were, closer to the border, the ordinary soldier is not criminalised by the Bill. That is not the intention, and it is absolutely essential that we should make that clear. I am sure that it is possible to draft the Bill in such a way as to achieve that.

I hope that the Minister for the Armed Forces will be able to assure me that the drafting in no way puts us at risk of being outside parts of the convention, as I am worried that it may do so. I am also anxious that, as we have so much business in the other place, if we spend ages considering this matter, other important Government business will disappear. Many of us who have been enthusiastic to get the Bill through have faced that argument. We are in a cleft stick.

I hope that the Minister will reassure us that the intention of clause 5 is merely to ensure that we do not criminalise officers of Her Majesty's forces who are doing their duty, who are working beside other forces that do not have our same international commitments and who unknowingly—that word is significant—participate in activities that may contravene the convention. I am confident that any necessary detailed wording changes can be considered after this debate. I should be grateful for some assurance about the fundamental intention of the clause.

**Dr. Jenny Tonge** (Richmond Park): I congratulate the hon. Member for Slough (Fiona Mactaggart) on making that point. Many people are worried about clause 5, because they feel that it allows us to cop out of the Ottawa treaty. It enables us to say, "Oh well, it wasn't us. It was the Americans in NATO who said that we were to participate in this action. We weren't there at the time, guv." I hope that that element of clause 5 was not intended, but the feeling is that it provides an excuse.

I am not a military person, and I know nothing of military matters. If we are operating as part of NATO and an American NATO commander gives an order to lay landmines, what is the position of our troops? How does this legislation work in a military exercise? Do our troops become conscientious objectors, and are they sent to peel the spuds? Perhaps the Minister will answer those questions.

**Mr. Colvin:** It is too late to table further amendments, but I cannot understand why the body of the clause cannot be more explicit. Clause 5 is entitled, "International military operations", but its wording throughout omits the word "international". I hope that the Bill will get its Third Reading, but, in the time between the proceedings in this House and in the other place, the Government should consider inserting in clause 5 the word "international", which would make the meaning of the body of the clause far easier for people like me and the world outside to understand.

**Dr. Reid:** I shall start, I hope usefully, by dealing with the issues that were raised by the hon. Member for Richmond Park (Dr. Tonge). She spoke about the Government's motivation; the armed forces, presumably as instruments of the Government's will; and her fears about clause 5 and our troops being given orders within alliances by a commander of a state that had not ratified the convention. I shall deal with those matters in turn.

The hon. Member recognised the balance that we had to consider when we were framing clause 5. Our troops would not carry out such an order because, for them, it would be an illegal order. On motivation, the hon. Lady need not fear that a Government who were prepared to ratify the convention, pass law, take a lead on these matters and lead the world in many ways within days of coming to office should somehow all along have wished to avoid the consequences of their actions. That would be a bizarre interpretation of motivation. I impugn the honour of no hon. Member, and for anyone to imply that not only the Government but British troops would wish to conduct themselves in that way impugns the honour of our troops. That was one of the reasons that I gave, perhaps too robustly, for rejecting the claims made by the right hon. and learned Member for Folkestone and Hythe (Mr. Howard).

I am surprised that many who have spoken in the debates, not only on clause 5 but on the Bill as a whole, seemed to question the Government's commitment to the Ottawa principles and the global elimination of anti-personnel landmines. Clause 5 has been portrayed as some kind of betrayal of the Ottawa convention. Such a claim is extraordinary, especially in view of the identity of some of the accusers: the previous Government were hardly distinguished by the urgency of their commitment to abolish anti-personnel landmines.

I had hoped that, whatever the past contained, the Government and the Opposition would be able to proceed, in the name of the nation, on one of the great humane moves of the 1990s and possibly of the century while protecting the honour and lives of British troops and reducing the practical risks to them. Motivation has featured in the debate. The Government took the lead on this issue, not only in the United Kingdom but throughout the world. Within days of the new Government's coming to office, I was called to the office of my right hon. Friend the Secretary of State for Defence, whose prime responsibility is to balance the great issues of humanity, civilisation, law and liberty. The unique tasks that we discharge through our troops means asking them to act not in rooms in which liberal lawyers have discussions but on the world's battlefields where life and limb are put at risk. On the issue of landmines, there was no question about the side of the fence on which my right hon. Friend the Secretary of State for Defence came down. The same applies to the Chief of the Defence Staff. The British troops were involved in that discussion, as was the Foreign Office.

Apart from taking that lead, and apart from early ratification, we have already introduced an export ban. A moratorium on use has been in place almost since the day that we came into office. Our stockpiles are being destroyed even more rapidly than we anticipated in that first week that they would. We have destroyed 46 per cent. of them—almost 500,000 landmines—since we came into office.

In addition, of the many thousands of mines in the Falkland Islands that have now been located, only one is British. Even though they are not our mines, however, demining of the Falklands is actively being considered. Work on putting appropriate verification arrangements in place is well advanced and we are assisting others in meeting their obligations under the convention.

In addition, we have created the humanitarian mine action section of the Ministry of Defence, as well as the mine information and training centre, which is run by the Royal Engineers with the specific aim of helping non-governmental organisations and others to deal with the blight of anti-personnel landmines that have already been laid throughout the world.

12.15 pm

Before today, I did not think that even the Government's worst enemy would suggest that, rather than leading the campaign to eliminate global landmines,

*[Dr. Reid]*

we had somehow been devoting our energies all along to thwarting the campaign—I counted without the shadow Foreign Secretary.

**Sir Robert Smith:** I hope that the Minister will recognise that many of us do not doubt the motivation. We are trying to ensure that the wording is accurately drafted in Committee.

**Dr. Reid:** I am glad that the hon. Gentleman has reminded me of part of my job. Another part of it is to respond to the points that have been raised by hon. Members, and one of them was the motivation question, raised by his colleague, the hon. Member for Richmond Park. It deserved a response because it underlies some of the suspicions, fears and implied criticisms that are being engendered by the shadow Foreign Secretary. However, I maintain that the Government's commitment is not in doubt.

Our motivation is not in question because, in contrast to the previous Government, our actions and practical moves have spoken louder than our words—and the people of Britain know that—but we did not and do not interpret the Ottawa convention to mean that coherent and effective joint operations that are carried out alongside non-signatory, non-ratifying allies should risk criminalising United Kingdom service men and women; our service personnel should not risk prison because of the acts of others. We did not and will not countenance putting our service men and women in that position.

That reading would not only call into question the future cohesion and effectiveness of NATO but would have serious implications for coalition action anywhere in the world, as well as for our service men and women. The important distinctions and nuances of legal interpretation that we are discussing are important, but nothing would give Saddam Hussein, or future Saddam Husseins, greater pleasure than the realisation that the Ottawa convention could be taken to prevent this country from playing an effective role in coalitions that might otherwise repel aggression or enforce peace. I will explain the practical implications of some of that.

**Mr. David Heath** (Somerton and Frome): I am listening to the Minister's arguments carefully and I agree entirely: we must ensure that our troops are in no doubt whatever about their ability to participate in joint operations. However, will he reflect on the answer that he gave to my hon. Friend the Member for Richmond Park (Dr. Tonge)? On the hypothetical position of a non-ratifying country commander giving an order to a British soldier, the Minister said that the soldier could rightly say that it was illegal to lay a mine, but does he not accept that, under clause 5, that soldier could not give the same reply if he were ordered to assist in laying a mine? As a protection for our troops, would it not be better if the Bill were absolutely explicit, so that no ambiguity existed?

**Dr. Reid:** I am coming to that very point and to the Liberal Democrat amendments. At the moment, I am dealing with the more general objection enshrined in the amendment tabled by the shadow Foreign Secretary, which would delete the whole of clause 5 and leave our troops without any legal defence whatever. That is different from the amendments tabled by the Liberal Democrats.

**Mr. Howard:** I repeat what I have said at least twice today. The amendment was tabled as a peg for a debate on a very important question about which disquiet has been expressed in all quarters of the House—the relationship between clause 5 and the Ottawa convention. I made it plain from the outset that I was not going to press the amendment to a vote, and that it was simply a peg for debate.

**Dr. Reid:** The right hon. and learned Gentleman is a learned and prestigious Queen's counsel, I think; I am just a common 5' 8". He has had a week in which to table a reasoned amendment and to offer a different legal interpretation, but he has chosen to table an amendment that would delete the whole of clause 5 which provides a defence for British troops. I was merely observing that that is somewhat different from the amendments tabled by the other Queen's counsel, the hon. and learned Member for North–East Fife (Mr. Campbell). I made that distinction in response to the hon. Member for Somerton and Frome (Mr. Heath).

**Mr. Howard:** It may help the hon. Gentleman to deal with the points that I have raised if I say why I tabled the amendment in the form that I did. The problem that the Minister has to address is whether it is possible to retain clause 5 in any form and still adhere to the Ottawa convention. The view that I reached—which is why I did not table a different amendment—is that it was not possible to retain any part of clause 5 and subscribe to the convention. I hope that the Minister will deal with that point. The solution may not be to get rid of clause 5, which he may well seek to justify for good military reasons, but to amend the Ottawa convention. That is at the heart of the dilemma.

**Dr. Reid:** The right hon. and learned Gentleman is now going to extraordinary lengths. I think he is saying that, as it is not possible to amend the convention, we should not ratify it. Not only does he wish us to remove the clause that protects British troops, on the basis that it is incompatible with the convention but he is now urging us not to ratify the convention, which I find even more extraordinary. Added to the fact that he keeps assuring us that he wants the Bill passed quickly so that the convention can be ratified, I think it shows that the confusion lies not with the Government but with the Opposition.

**Mr. Howard:** It is the Government who have caused the confusion. They drafted the Bill and they signed the convention. It is for them to explain, but so far we have not heard a word of explanation in response to the disquiet expressed in all quarters about to how clause 5 can be reconciled with the convention. That is the dilemma at the heart of the debate, and it is what the Government have to explain.

**Dr. Reid:** It has already been explained to the right hon. and learned Gentleman that the Bill is consistent with the convention. He heard it this morning, not only from my right hon. Friend the Foreign Secretary but from the

Attorney-General, who expressed his full agreement. The right hon. and learned Gentleman should know that we cannot amend the convention, but he had the opportunity to try to amend clause 5. If he is so keen to protect our service men and women—as we are doing in the clause—he had a chance over the past week, either in a private briefing by the Ministry of Defence or by publicly tabling an amendment, to make proposals on protecting our troops. However, at the end of that week—with all his learning and experience, and with his obviously strong views on the matter—his suggestion is that we delete clause 5, thereby taking away any protection for our troops.

I should move on, as I wonder whether Opposition Members who so loudly criticise the Bill really intend either that we should leave our troops defenceless if the activities of others are deemed to be criminal or that we should have to avoid multinational operations. Is the right hon. and learned Member for Folkestone and Hythe aware, for example, that it is a fact—it is regrettable, but nevertheless a fact—that neither Kuwait nor Saudi Arabia has so far signed the convention? Does he think that that strategic reality should simply be ignored if the United Kingdom has again to take up arms against a dictator?

Clause 5 is the Government's reconciliation of our duty of care to our troops and our adherence to Ottawa principles. We take both those matters very seriously indeed. We balance—as the hon. Member for Richmond Park asked us to do—those two considerations. Moreover, we will not be the first to enter an interpretive declaration—which is not an amendment or reservation, as the hon. and learned Member for North-East Fife suggested—making it clear that the convention was not intended to make coalition operations with non-signatories impossible. The Canadians led the way on such a provision.

We have given a great deal of thought to the wording of clause 5. Its purpose is to ensure that members of our armed forces cannot be prosecuted for the circumstances of planning and operating alongside troops from states for which the use of anti-personnel landmines remains legal. The clause provides a defence for personnel involved in an international operation alongside troops of a state not party to the Ottawa convention which may use anti-personnel mines.

United Kingdom personnel could not themselves use such mines or give any assistance whatever to a state party to the convention which planned to use such mines in contravention of its international obligations. The clause enables United Kingdom service men and women to engage closely in the planning and conduct of an operation with those who may, lawfully for them, use anti-personnel mines. Without such a provision, United Kingdom service men and women, if they were in some way indirectly implicated in use of anti-personnel mines by the forces of a state that is not party to the convention, would potentially be at risk of prosecution and imprisonment for up to 14 years. We cannot place the men and women of our armed forces in that invidious position.

It has been said that the clause is a licence. It is not a licence but a shield. It is a shield that has to be large enough to protect the men and women of our services in serving a country that has led the world in banning landmines and has absolutely no intention—in ratifying the convention, in passing the Bill or in the action of our troops—of doing anything other than adhering to the principles in which we have led the way.

**Mr. Menzies Campbell** *rose—*

**Dr. Reid:** I am coming to the hon. and learned Gentleman's main point.

In the practical circumstances—far from the comfortable surroundings in which we debate the matter—in the fog and heat of battle, in the planning and conduct of hostilities, we will be asking young men and women to make decisions. Their lives already depend on those decisions and, should they survive, we should not ask them to countenance the possibility of unwittingly facing criminal proceedings and penalties despite their sacrifices and the courage they have shown.

Let me give one or two practical examples. Without the clause, if non-ratifying states' vehicles, which could contain anti-personnel landmines, refuelled during hostilities at a United Kingdom refuelling facility, our service men and women could be laid open to criminalisation, criminal charges and penal servitude. Other examples were given earlier. Suppose that a non-ratifying state's forces equipped with anti-personnel landmines crossed United Kingdom-controlled areas of the battlefield, or that our forces were deemed to have benefited in some way from the activities involved in landmine laying by a non-ratifying state or, to use the example given by my right hon. Friend the Foreign Secretary, that a non-ratifying state's forces were to run a lorry full of anti-personnel landmines across a bridge built by our engineers. Without clause 5, all those possibilities could lay our service men and women open to criminal charges. I do not believe that is the will of the House and, more important, I cannot believe that it is the will of the British people. They want landmines removed from the globe and they do not want the reputation or the careers of our service men and women impugned in the course of achieving that aim.

12.30 pm

**Mr. Menzies Campbell:** Do I understand from what the Minister has said with some passion in the past four or five minutes that, on the battlefield, in the circumstances that he has described, clause 5 would permit British service men and women to do things that they would not be able to do if the operation were being conducted only by the United Kingdom or within the United Kingdom?

**Dr. Reid:** No. That is not the understanding. There is a balance to be struck. We believe that we have it right, and that is why I am asking the hon. and learned Gentleman not to press his amendment.

I now come to the hon. and learned Member's main point, which relates to active and passive assistance. He could reasonably say that none of my examples would be considered active assistance and that they would all be passive or unknowing assistance.

**Mr. Howard:** I wonder whether the Minister can help me, because I am confused by the answer that he has just given the hon. and learned Member for North-East Fife (Mr. Campbell). Clause 5(3)(a) makes it clear that the

*[Mr. Howard]*

clause applies only to military operations outside the United Kingdom; paragraph (b) makes it clear that it applies only if

"it involves the participation both of members of Her Majesty's armed forces and of members of the armed forces of a State other than the United Kingdom";

and paragraph (c) makes it clear that it applies only if that other state is not a signatory to the convention. Therefore, is not the position exactly as the hon. and learned Gentleman put it to the Minister—that the clause permits actions to be taken under circumstances that would be illegal if they were taken in the United Kingdom and not in the context of such joint operations? If that is not right, why not?

**Dr. Reid:** I know that the right hon. and learned Gentleman is a lawyer and not a military man. The hon. and learned Member for North-East Fife asked not whether the clause permitted something, but whether troops would be permitted to act in a different fashion. That was the question I was asked, as we will find if we check *Hansard*. The clause and the Bill cannot be taken as if we were discussing the matter in the abstract; it applies in the context of the rules of engagement, which are part of what a soldier, in the activity on a battlefield, will have to curtail his operations. The rules of engagement will be partly informed by the Bill. Thus, the answer to the hon. and learned Gentleman's question is no, there will not be different circumstances. He has raised a more important point, which is the question of active and passive assistance. The Government take the view that the distinction is an unsafe and imprecise basis for United Kingdom legislation.

My right hon. Friend the Secretary of State used the example of a British sapper building a bridge. What could be more active than building a bridge? The building of a bridge might assist a United States unit deploying landmines over the bridge. The sapper would not be able to rely on any mens rea defence under the Bill if he was capable of suspecting that the bridge might be used by a United States mine-laying unit. To put people in the position in the heat of battle of having to make those decisions would be a dereliction of our duty to protect our troops. So we have another defence that clearly covers that conduct, and it is enshrined in clause 5. We do that because we do not believe that we should put our soldiers, especially in a life-and-death situation, through the further agonies of worrying whether the action that they take will later be argued by lawyers to constitute a violation of the convention, for which they could face up to 14 years in prison.

The hon. and learned Member for North-East Fife made the point that the Geneva convention already implies that soldiers' actions can constitute a violation. I am sure that he accepts that the Geneva convention is of long standing and is not, like the Bill, a new piece of legislation, which we in the House of Commons, with legal minds surrounding us, have disputed. The Geneva convention has clarity, and we have experience of it which is of such long standing that it cannot be compared to the questions posed by the Bill for soldiers in the battlefield. We do not want them to be faced with those awful prospects. It would be a dereliction of duty to allow them to be so.

I do not go as far as my hon. Friend the Member for Bolsover (Mr. Skinner). I do not suggest that the hon. and learned Gentleman quaintly depicts British soldiers wandering through battlefields with a gun in one hand and "Archbold" criminal pleadings in the other, but it is reasonable to say to him under these circumstances that the Government have an obligation to clarify matters with regard to the soldiers' intent. The one thing that they can be absolutely clear about is when they are or are not laying mines. For that reason, that is all that we expressly cover in the offence. Beyond that, beyond the Bill, beyond our intentions and beyond our public statements, we have ways other than the criminal law of controlling the actions of our troops.

We have the most professional Army in the world. The House can be assured that Her Majesty's armed forces will fully comply with the spirit of the convention, but they should not be subjected to the suspicion that there may be legal nit-picking after the event in addition to the other burdens that we place upon them.

I hope that the hon. and learned Member for North-East Fife will see the merit in what I am saying and the sense of not pressing amendments Nos. 3 and 4. I am sure that it was never his intention that amendment No. 5 should remove an effective part of the implementation of the convention, but the purpose of the words that he seeks to remove is to ensure that if a military operation involving co-signatories to the convention included in its formal plans the use of anti-personnel landmines, the legal defence provided by the Bill would no longer be available to our personnel.

We would not want to condone any breach of the convention, even by allies who are also signatories. That is the purpose of the words that the hon. and learned Gentleman seeks to remove. If I understand him correctly, that would do the opposite of what he intends to do, and I am sure that he would not wish that to be the result, so I beg him not to press amendment No. 5.

The Government have taken a lead in the campaign for a global ban on landmines. We have done so through every instrument at the disposal of the state—through diplomacy, through government, through our contacts in the wider community and through our informal representations. We have also done so through our armed forces, which are an enduring source of national pride to this country.

Our armed forces undertake duties far beyond those required for the defence of the nation. They not only defend our rights: they are an instrument for the discharge of our wider moral responsibilities in the world, and they carry out that role not only in the interests of this country but in the wider interests of humanity. They work alongside parties from all over the planet, some of whom have not signed and will not ratify the Ottawa convention.

As my right hon. Friend the Secretary of State for Defence made it clear on Wednesday, such overseas deployments will be an increasing feature of life for our armed forces. It would be morally wrong for them to be exposed to the risk of prosecution simply for carrying out their duties in trying to meet military objectives, often in the most horrendous conditions, and as a result of anti-personnel mines laid by the forces of a state that is not party to the Ottawa convention.

The people of this country would expect the Government and the House to have a duty of care to our forces and to ensure that they are not exposed to such

risks—just as we have a duty to discharge in terms of wider international obligations, to rid the world of landmines. We take both those duties seriously, and we will discharge both of them.

**Mr. Menzies Campbell:** With the leave of the Committee, Mr. Martin, I shall return briefly to the question and answer that we heard a moment or two ago about the scope of the defence. As the Minister knows, and as I went out of my way to say, I think it desirable that there should be a defence to deal with the heat of the battlefield.

However, as I understand the position, the defence available applies when operations take place wholly or mainly outside the United Kingdom, involve the participation of the armed forces of a state other than the United Kingdom, and may involve some deployment of anti-personnel landmines.

If the defence is available in those defined circumstances, that must mean that it would not be available if those circumstances were not present. That therefore means that we are giving a defence in certain circumstances, which would not be available if the United Kingdom were acting alone—as in the Falklands war, for example—or if the United Kingdom were conducting a defence of the mainland of the United Kingdom against any invader.

We are giving a defence in relation to actions that would otherwise be illegal in either of the alternative scenarios that I have depicted. It is important to test the extent of the defence against those factors.

I hope that the Minister will not regard me as unduly facetious if I say that if his exemplary sapper were ever charged, I would volunteer to defend him myself, for nothing.

**Mr. George Robertson:** That is quite a good offer.

**Mr. Campbell:** Indeed it is—but subject to the qualification that the trial would have to be north of the border.

The example of the sapper is not one in which a prosecution would ever arise—or if one did, the defence that my amendments seek to add to the Bill would, in my view, be more than adequate.

The Minister said that when there was even a reason to suspect the use of the bridge, that might constitute a contravention of the criminal law. In my respectful view, a reason to suspect could not in any circumstances constitute the necessary guilty intention in relation to a defence that proceeded on the need to establish that there had been active assistance in activities prohibited under the Ottawa convention.

I do not propose to press my amendments to a Division. Technically, I should have to ask your permission, Mr. Lord, for a separate vote. However, I am not yet satisfied by the Government's responses. If they are worried about a plethora of lawyers in this place, they had better get their tin hats on before they go to the other place, where there are legions of lawyers who are much more experienced than me or the shadow Foreign Secretary, the right hon. and learned Member for Folkestone and Hythe (Mr. Howard). I predict that clause 5 will be as much a focus of attention there as it has been in our proceedings so far.

12.45 pm

**Mr. Howard:** I agree with the points made by the hon. and learned Member for North-East Fife (Mr. Campbell). I do not agree with the terms of his amendments—which he invited me to support, before he said that he would not press them to a Division—because I am not persuaded that those amendments provide a satisfactory way of solving the dilemma at the heart of the debate: how to reconcile the terms of the convention with the entirely legitimate and understandable desire, expressed at some length by the Minister of State, to provide proper protection for British troops in the heat of battle.

I am waiting for an explanation of how that dilemma can be resolved, consistent with the terms of the convention. I am not persuaded that the route provided by the Liberal Democrat amendments would work, but we have not yet had an answer to the dilemma from the Government. Disquiet has been expressed about the dilemma in all quarters of the Committee, and it is the function of this place to subject legislation to proper scrutiny. It will not do for Ministers to try to deflect that scrutiny by talking about distinctions and nuances of legal interpretation and to contrast them with real-life situations.

The purpose of our consideration of the Bill is to try to ensure that, in its detailed provisions, it matches real-life circumstances, provides a defence where it should do so and yet matches the obligations to which the Government have signed up by way of treaty and convention. That is the purpose of parliamentary scrutiny, which involves detailed examination of the clauses.

No immunity from that examination is provided by the high moral tone adopted by the Minister of State in the early part of his speech. We have become accustomed to the Government's attempts to wrap themselves in a cloak of moral sententiousness, telling us that they are so pure and impeccable that we do not need to look at the details of what they are doing, and that if we do look at those details we are impugning their high moral tone and standards of virtue. We will not be deflected from our duty of scrutinising the Bill by such considerations.

**Fiona Mactaggart:** There seems to be a contradiction between what the right hon. and learned Gentleman says about scrutinising the Bill and getting the detail right, and the aim of his amendment. He said that the amendment did not seek to correct the detail, but was a general, explosive, amendment. That runs side by side with the hypocrisy that he has shown in the matter.

**Mr. Howard:** As I have made plain on at least three occasions so far, the purpose of the amendment is to provide a peg on which to hang precisely the kind of detailed scrutiny, analysis and consideration that it is the duty of Parliament to undertake.

The Minister said a good deal about the military justification for clause 5. As I have said, I have some sympathy with his comments, but he touched on the heart of the dilemma when he said that the purpose of the clause is to provide a defence for British forces when they might be at risk of committing a criminal offence. British forces would be at risk of committing a criminal offence only if their conduct were in breach of the convention. That is the point at the heart of the dilemma. If British service men were to find themselves at risk of committing a

*[Mr. Howard]*

criminal offence in circumstances when the Secretary of State for Defence thinks they should not be, the fault would lie with the convention. If that is so—that is the dilemma about which we have been seeking enlightenment, but we have yet to find it—proper representations should have been made when the convention was signed.

The Minister of State devoted a good deal of time to clause 5 and to his attempts to justify it. He spent a great deal less time on the provisions of the convention. That is not surprising, and I sympathise with him on that count also. The Foreign Office negotiated the convention, and a Foreign Office Minister should have replied to this group of amendments. However, a simple question must be answered. It relates to article 1.1 of the Ottawa convention, which makes clear that never, under any circumstances, is any assistance to be given to anyone—whether or not they are a party to the convention—who engages in any activity that is prohibited to a state party under the convention.

The thrust of the Minister's contribution is that there may be all sorts of circumstances in which British forces might want to provide some assistance to parties who are not signatories to the convention. British forces might want to engage in activities that are in breach of the convention. That is the dilemma, and that is the problem facing the Committee today. We have not only not received an answer to that question; we have not come within miles of receiving such an answer.

My hon. Friend the Member for Romsey (Mr. Colvin) was absolutely correct to draw attention to article 19 of the convention, which provides that the convention should not be subject to any reservations. The Minister told us—for the first time, as far as I am aware—that the Government intend to make some kind of declaration of interpretation when they ratify the convention. If that is the case, it would assist the Committee greatly if we could see the text of any such declaration so that we can consider it and determine whether it amounts to a reservation from the convention—which, as my hon. Friend pointed out, would be contrary to article 19—or constitutes some ingenious way of resolving this dilemma.

We have not seen the text of any such declaration and, if we do not see it today, I certainly hope that it will be available before the Bill is considered in another place, where those to whom the hon. and learned Member for North-East Fife referred—and I concur in every detail with his description of them—will put it under close scrutiny.

I hope that, before we conclude our consideration of the amendments, we shall have an answer from the Minister to the simple point that I have made. The conduct for which, understandably, he wants to provide a protection for British troops would constitute a criminal offence only if it were contrary to the convention. If the Minister seeks to escape the provisions of the convention through clause 5, will he please show the Committee where in the convention there is any authority for that course?

I put to the Minister article 1.1 of the convention. It is unequivocal, explicit and clear. I put to him also article 19, which says that there should be no reservations. Will he please identify where in the convention there is any authority for the course of action that the Government are taking, as embodied in clause 5?

**Dr. Reid:** I shall respond, first, to the points raised by the hon. and learned Member for North-East Fife (Mr. Campbell), who asked about international and national operations. Clause 5 applies only to international military operations. I think that we are clear on that. The hon. and learned Gentleman contrasted that with other operations. We do not need a defence when acting alone. We do not need the clause when acting alone because the problem of anti-personnel landmines does not arise when we are acting alone. Therefore, we need a defence only in terms of multinational operations.

The difference between active and passive has been discussed. The hon. and learned Gentleman has given us his interpretation. I am grateful for his offer but I do not think that I would be thanked by the massed ranks of the British armed forces if I were to say, "We decided to ditch clause 5, which relates to your defence, but I know a guy who will do your defence for nothing." However, I am entirely grateful for the hon. and learned Gentleman's offer. Two great moves forward have been taken today in the context of world events. One of them, I hope, is a move forward on landmines; the second is finding a lawyer who is prepared to offer his services for nothing. I thank the hon. and learned Gentleman for that.

I do not know how to respond to the shadow Foreign Secretary without repeating the points that I have already made—because the right hon. and learned Gentleman merely repeated his points. He has been told by my right hon. Friend the Foreign Secretary, by the Ministry of Defence and by the Law Officers today that the Bill is completely consistent with the convention; the right hon. and learned Gentleman's asserting that it is not does not make it otherwise. However, we listen to what he says.

Secondly, clause 5 is not in the Bill as a licence or as a prompt to action but as a shield for our service men and women lest they be at any stage after the event deemed to be subject to criminality—deemed to be or potentially subject to criminality—because of the actions of others. We believe that the clause is completely compatible with the convention and essential if we are to ask our service men and women to engage in multinational operations where there may be alongside them a party or a state that is not a signatory or ratifying state to the convention.

The United Kingdom Government do not believe that the convention was intended to make international co-operation impossible. Article 1 must be read in that context and not in a vacuum. We have been as clear as anyone could possibly wish in clauses 1 and 2, and we are also clear in our intention in the practical application of the Bill and in the signal that we send to service men and women: that in seeking one great goal, as we do—indeed, in leading in the pursuit of one great goal, as the Government have done—we shall not inadvertently fail to discharge our duty to protect our service men and women from the possibility of being accused of criminality because of the acts of others. These are duties that we shall discharge.

**Mr. Howard:** The Minister says that he has explained why clause 5 is not inconsistent with the convention and that I have merely asserted why it is. The precise opposite

is the truth. I have explained at length and in detail precisely why clause 5 is inconsistent with the convention, whereas the Government have simply repeated assertions that that is not the case and offered no explanation to support those assertions. The situation remains as unsatisfactory as it was when we started the debate.

As I have repeatedly said, I tabled the amendments to provide a peg on which the debate could be hung. I made it plain from the outset that I would not press them to a vote. I therefore beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

1 pm

**Mr. Harry Cohen** (Leyton and Wanstead): I beg to move amendment No. 9, in page 2, line 37, leave out from 'for' to end of line 38 and insert 'life'.

The amendment provides for the maximum penalty for the laying of landmines to become life imprisonment. I want the use of anti-personnel mines to be punishable on the same level as war crimes. Negotiations for an international criminal court are currently going on in Rome and have included a discussion on whether the use of indiscriminate weapons such as landmines should be classed as a war crime. I think that it should, and I should like to discover the Government's view on that and on the setting up of an international criminal court.

I listened to the view expressed by the hon. and learned Member for North-East Fife (Mr. Campbell) in a debate earlier today. I have great respect for him. He talks a lot of sense in the House and in the Defence Committee, of which I am also a member, but on this issue I disagree with him. I think that the laying of a landmine should be classed as a war crime. It is an indiscriminate act and, as we have seen, the target is invariably civilians. Indeed, it makes normal civilian life, long after a war is over, near impossible. The former UN Secretary-General, Boutros Boutros Ghali, called landmines weapons of mass destruction in slow motion.

One has only to look at countries such as Bosnia or Cambodia, about which my hon. Friend the Member for Cynon Valley (Ann Clwyd) spoke earlier, to see that landmines are laid by war criminals. That is part and parcel of their genocide.

**Mr. Menzies Campbell:** I should not like the hon. Gentleman to have the impression that I have closed my mind entirely to whether the indiscriminate laying of landmines should become a war crime. However, I have a number of reservations. For example, would one have to lay 5,000 landmines or just one or two before the act qualifies as a war crime? There are problems of definition, and I am anxious to ensure that the importance of the category of war crime is not diminished by the addition of actions that do not appear naturally to fall within the definition. I repeat that my mind is not closed on the topic.

**Mr. Cohen:** I am grateful for the hon. and learned Gentleman's intervention. My view is that laying any landmines should be deemed to be a war crime and should be punishable by life imprisonment.

The laying of these weapons is abhorrent behaviour and by providing life imprisonment—the greatest punishment under British law—as a maximum, this country would send a clear signal that such behaviour is unacceptable. Life imprisonment is a maximum sentence, at the discretion of a judge. As with punishments for war crimes and other crimes, judges are likely to set a lower sentence, but the amendment is about signalling what is the maximum.

The laying of anti-personnel mines is an intention to murder. A minefield is nothing more or less than a death trap, and it must be clear in the mind of a British subject who uses anti-personnel mines that deaths may well be the result. Can we allow, under British law, a conviction for arson to be punished with a life sentence when the use of anti-personnel mines carries a maximum of only 14 years' imprisonment? Under section 3 of the Explosive Substances Act 1883, which is still in force, the making or keeping of explosives with an intent to endanger life is punishable by a maximum of life imprisonment—and possession of explosives includes possession of landmines. Under the Genocide Act 1969, the maximum sentence is life imprisonment.

My amendment would place the penalties for laying landmines on a par with those for arson, for possession of explosive substances, for genocide and for war crimes. My strong view is that the laying of landmines is a war crime. I hope that the Government will endorse that position in the negotiations to agree the remit of the international criminal court.

**Mr. Tony Lloyd:** My hon. Friend has raised two separable issues and I shall treat them as separate, if he will allow me. The first is the penalty available under the Bill for those who are found guilty. Let us establish at the outset that, whether 14 years in prison or life, the penalty will be severe and exemplary, which is right and proper for the crimes prescribed under the Bill. We must give clear signals: in what I hope would prove to be the unlikely event of people being prosecuted under our national legislation for such crimes, they would be dealt with in the most serious fashion by the courts. There is no dispute among hon. Members about the need for tough and exemplary sentences to be available and put into operation, should that be necessary.

We could argue almost endlessly about what precise level of penalty would be sufficient to act as a deterrent and to show the full gravity with which our society condemns such crimes. Precisely because the Bill does not seek to erode other parts of the criminal law, some activities consequent on the placing of landmines could, of themselves, attract higher penalties. Murder is murder, irrespective of how it is caused, so there can be no suggestion that we are not on all fours with some of the other heinous crimes mentioned by my hon. Friend the Member for Leyton and Wanstead (Mr. Cohen).

Under section 4 of the Explosive Substances Act 1883, the making or possession of explosives in suspicious circumstances carries a maximum penalty of 14 years. That was a reference point for the Bill. The Committee could have an interesting debate about the penalty that should apply to making or possessing explosives, but, after the terrorist outrages in London and Manchester, the location of one of the last IRA bombs, none of us treats those crimes as trivial. We are not being inconsistent by using as a reference point a crime that we judge to be heinous and requiring exemplary sentences.

While we can always argue about what precise measures should apply, I hope that my hon. Friend will accept that in the event of contravention of the Bill

*[Mr. Tony Lloyd]*

leading to death or serious injury, other criminal offences would apply, along with the relevant penalties. The reference point is consistent with the 1883 Act, so we are not far from making serious and exemplary sentences available to the courts. We are telling the world and our own people that exemplary punishments would be available if the Bill were contravened.

The more important part of my hon. Friend's remarks concerned whether use or possession of landmines should be a war crime. There is a serious debate about the nature of war crimes. As we speak, the conference in Rome on an international criminal court continues. I hope that the Committee supports the Government's wish to see that conference succeed. The hon. and learned Member for North-East Fife graciously said that he supports us; I hope that I can welcome his consistent support with just as much grace.

We are determined to help to bring the Rome conference to a successful conclusion. Agreement must not affect only a narrow group of states. We need an international court that can bear down on the serious and horrendous crimes that have disfigured the planet in recent times. In Europe, we have the example of Yugoslavia, and there is the prospect that the spectre of war crimes will haunt that region again. I have been to Arusha, where the tribunal on Rwanda is taking place, and to Rwanda itself where war crimes certainly happened. We must have an international criminal court that can deal with matters that need international sanctions or where the weight of international opinion is needed to ratify not just justice, but justice as part of reconciliation.

We can achieve wide agreement around the world on the need to criminalise activities such as genocide. It is easy to say, as Britain does strongly, that activities such as forcing children or young people into armed forces should be criminalised internationally. The crime of rape as part of the prosecution of war—I use that phrase although it is a contradiction—should be made a criminal offence under the statutes of the international criminal court.

Those matters are so important that we are insisting on a workable court that can bear down on those who commit such offences and can give a signal to the whole world that the international community is not prepared to allow them to go unpunished. The would-be perpetrators should know that their actions will lead to prosecution. The mechanism of the international criminal court would provide justice.

1.15 pm

My hon. Friend wants the use of landmines to be a war crime. My right hon. Friend said that he, as an individual, and, more important, as the Foreign Secretary, would have no difficulty accepting that the use of landmines and the other activities referred to in the Bill should be included in the definition of a war crime. However, I give my hon. Friend an important warning. Significant members of the international community have not signed up to the Ottawa process and are not yet ready to sign up to an alternative agreement, possibly through the conference on disarmament or wherever we pursue the establishment of a universal ban on landmines. In that climate, the setting up of an international criminal court is not more, but less, certain.

I caution my hon. Friend that, although I can offer him genuine sympathy for his ambitions and can reassure him that this matter does not cause the Government any problems, it would create real and practical problems if we were to pursue it at an international level. At least in the short term, it would make our ambition—which I know my hon. Friend shares—to establish the international criminal court less likely. In those circumstances, although I can offer him sympathy, I cannot offer him a way forward.

I hope that I have responded to my hon. Friend's remarks and that he accepts that the intentions that he wants to serve are either not achievable through his amendment or have already been achieved. The need to give the court real power and the ability to pass exemplary sentences has already been accepted, so I hope that he will withdraw his amendment.

**Mr. Cohen:** I accept the points made by the Minister, although I am disappointed at the conclusion he reaches. He said that the Explosive Substances Act 1883 was the benchmark for the 14-year maximum sentence. He referred to the carrying of explosive substances, but other aspects of the 1883 Act carry a life sentence.

My key point is about making the laying of landmines a war crime and for it to be within the international criminal court's remit. I favour the establishment of an international criminal court and I want it to deal with the issues to which the Minister referred. It clearly must cover genocide, rape of women as an act of war and the use of children in war. It must take action against the perpetrators of a holocaust. The use of landmines is a holocaust: it is a holocaust by drip. Individual after individual suffers. As Boutros Boutros Ghali said, landmines are a weapon of mass destruction in slow motion.

I hope that the Government will not lose sight of that point. Although they feel the need to give the international criminal court a more limited remit, I hope that they will, in the future, reconsider this matter and make the laying of landmines a war crime, which is what I favour. On that basis, I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Clause 2 ordered to stand part of the Bill.*

*Clauses 3 to 12 ordered to stand part of the Bill.*

**Clause 13**

RIGHTS OF ENTRY ETC. FOR FACT-FINDING MISSIONS

**Mr. Cohen:** I beg to move amendment No. 8, in page 11, line 29, leave out 'may' and insert 'shall'.

Article 8.14 of the Ottawa convention states that any state party that is subject to a fact-finding mission "shall" grant access. However, the Bill states that the Secretary of State "may" authorise access for such a mission. That allows the possibility of may not, but "shall" allows no such negative. The implementing legislation should contain the same word as the convention. Can the Minister assure the House that there are no circumstances in which authorisation would not be given to a fact-finding mission in the United Kingdom?

Fact-finding verification missions are important, and I would not want the Government to block them or to encourage a formula that would enable other

Governments to block them by claiming a UK precedent. The amendment is simple and I hope that it will be accepted.

**Mr. Key:** I should like to raise a point on behalf of the Halo Trust. It was approached by a Canadian human rights organisation which demanded minefield information on current tactical minefields between two countries. When the trust suggested that that was not an appropriate inquiry, the organisation quoted the Ottawa convention with veiled threats. The Halo Trust is not sure whether the rules for fact-finding missions and information and records apply only to fact-finding missions between states under article 8 of the convention or whether it also applies to humanitarian organisations. Furthermore, the trust is not sure whether the rules also apply to missions whose representatives speak to UK nationals working overseas. Some paragraphs suggest that that applies only in the United Kingdom.

The Halo Trust has raised the point because if missions visit humanitarian mine-clearance programmes overseas and demand minefield information, UK demining staff—for example those working for the Halo Trust—would perhaps by law have to hand over the information, even if it were privileged. For example, it could have come from local military commanders as a result of trust being built up between Halo Trust staff and local commanders in countries that had not signed up to the ban. If those commanders thought that non-governmental organisation workers were passing privileged information to the UK, they might not allow any access by international humanitarian staff. Therefore, the Bill's effect might be to reduce humanitarian mine clearance, which I am sure is not the intention. In some mined countries that are emerging from civil war, the distribution of privileged information about mines by international NGO workers could be considered even as espionage.

This is a slightly difficult area and the Minister of State may not be able to respond to it immediately, but I should be grateful if he could perhaps respond by letter, so that we can pursue the matter—*[Interruption.]* I am delighted that he says that he can do it now.

**Mr. David Heath:** I support the amendment that was tabled by the hon. Member for—

**Mr. Cohen:** Leyton and Wanstead.

**Mr. Heath:** I am grateful to the hon. Gentleman. I was thinking Leytonstone. I listened carefully to him, as I always do, particularly with the news that his lineage has been carefully researched over the past few weeks and the news of the bearers of his surname. He demands even greater respect.

It seems an odd anomaly that the word "may" is used in this context. Surely, Britain would always wish, under any circumstances, to co-operate with a fact-finding mission under the convention. When I say that, I do not question the Government's motives, and I do not want to hear the claim that we had earlier that we are undermining a positive move towards ratification of the Ottawa convention and everything that goes with it. However, the fact remains that a future Government may not be so well disposed. A future Secretary of State may have some scintilla of doubt about the application of the convention. In drafting the legislation, we must leave no area of ambiguity.

Curiously, reading further on in the clause, the word "shall" is used on a number of occasions. Once the Secretary of State, under subsection (1), has decided to issue an authorisation, the content of that authorisation is no longer a matter for his consideration, because the word "shall" appears in subsequent subsections, including, incidentally, the subsection on the overriding of the control functions of constables, which provides that they shall provide assistance. That is wholly welcome.

I am curious—perhaps the Minister of State can help me on this—whether the same provision applies to Customs and Excise officers and to the security services. I assume that, when he responds, he will say that the provision is analagous to that of other Acts that provide similar international obligations. However, perhaps he will explain why this word "may" is used, or do something better than that: accept the amendment, so that we have no doubt as to the position of not only this Government, but any future British Government in respect of the Ottawa convention.

**Mr. Tony Lloyd:** I have no intention of rushing to the defence that this is an attempt to subvert the Bill. The amendment is a different proposition from the clear wrecking amendment that the Opposition tabled under clause 5. I accept that the motivation of the hon. Member for Salisbury (Mr. Key) and the hon. Member for Frome—

**Mr. Heath:** Somerton and Frome.

**Mr. Lloyd:** I want to give the hon. Gentleman the Frome and not the Somerton. I accept that he, the hon. Member for Salisbury and my hon. Friend the Member for Leyton and Wanstead (Mr. Cohen) genuinely want to serve the purpose of the Bill.

The clause provides the power under which the Secretary of State can allow fact-finding missions to take place; it is not the manner in which the Secretary of State finds himself placed under a duty to make facilities available for such a fact-finding mission. The distinction is not unimportant. Under domestic law, clearly, it is necessary to give the Secretary of State the power by which he can facilitate fact-finding missions. That is sensible, and it is right and proper that it should be in the Bill. Once we ratify the convention, under international law, there will be a duty on the Secretary of State to allow for those fact-finding missions to enter this country. There is therefore no ambiguity about the intent. The duty will exist at the point of ratification and when the convention comes into force.

**Mr. David Heath:** I understand the Minister's point, but if he were to change the word "may" to "shall", he would combine the duty with the power and incorporate both into British law, which seems a more satisfactory solution.

1.30 pm

**Mr. Lloyd:** I am certainly not a lawyer—indeed, it is many years since I ceased to pretend to be a logician—but I hope that the hon. Gentleman will forgive me for saying that although I understand what he says, it simply is not necessary to do as he suggests. The shadow Foreign Secretary failed to grasp the fact that the Bill is not the

*[Mr. Lloyd]*

only way in which the Ottawa convention will be brought into operation. His inability to grasp the simple arguments made by my hon. Friend the Minister for the Armed Forces was the source of his confusion. The law and the other procedures that bring the convention into operation already exist in other fields, or will exist under international law on ratification of the treaty.

The hon. Member for Somerton and Frome (Mr. Heath) rightly asked about parallels. The convention on chemical weapons, for example, uses exactly the same form of words in respect of fact-finding missions. In respect of the convention on chemical weapons or the landmine legislation, it is inconceivable that any British Secretary of State would seek to place himself outwith the spirit or, more important, the letter of international law. I hope that I have reassured my hon. Friend the Member for Leyton and Wanstead (Mr. Cohen) and the hon. Member for Somerton and Frome that what is in the Bill is sufficient. We could go beyond that, but I assure the Committee that it is not necessary.

I refer the hon. Member for Salisbury to clause 27, which defines a fact-finding mission as

"a fact-finding mission under Article 8 of the Ottawa Convention".

That is important because a fact-finding mission under this part of the Bill is restricted to the Ottawa convention definition, which is agreed by states that are party to the convention. It could not lead to the problems mentioned today. I hope that I have managed to reassure the hon. Gentleman and those who asked him to express their concerns. If that reassurance is not adequate—although it seems that the hon. Member for Salisbury is indicating that it is—I invite him and those who raised matters with him to come back to me. I shall then attempt to set their minds at rest. However, I assure the Committee that it is not necessary to pursue the amendment, and that all the concerns expressed are covered in the Bill.

**Mr. Cohen:** The Minister says that what is in the Bill is sufficient. Verification is important, and there must be freedom of access if the treaty is to work and if there is to be confidence that it will work.

I note what the Minister said about the Bill's provisions being in addition to a duty to allow access under the Ottawa convention. In that case, I do not understand why he cannot accept the amendment. However, I assume from his comments that there would be no circumstances in which a Secretary of State would not allow access under the treaty—I see that he is nodding. He used the word "inconceivable" in that context so, on that basis, I beg to ask leave to withdraw the amendment.

*Amendment, by leave withdrawn.*

*Clause 13 ordered to stand part of the Bill.*

*Clauses 14 to 29 ordered to stand part of the Bill.*

*Bill reported, without amendment.*

*Order for Third Reading read.*

1.34 pm

**Mr. George Robertson:** I beg to move, That the Bill be now read the Third time.

Last year, one of the first visits I made as the new Secretary of State for Defence was to Bosnia, to visit our troops in multinational division south-west. I do not think that it was an accident that my Ministry decided that that should be my first visit. I have graphic memories not only of the service men and women who were serving there and of the dedicated and risky job that they do for us, but of Bosnia's physical and political scenery. That scenery has improved considerably since my visit, providing great testimony of the necessity both of that intervention and of the subsequent role played by our armed services—in stopping the fighting, killing, concentration camps, mass rape and torture occurring on our own continent, in rebuilding shattered communities and in allowing the Bosnian people the breathing space to grow their own new democratic institutions.

Flying over some parts of Bosnia in a British Army helicopter, one's breath was taken away by the physical beauty of the countryside. Flying over Glamoc, for example, one saw dazzling scenery of green spaces and tiny villages. One could not help being attracted to that country. However, one could not land in a helicopter or walk round Glamoc, as it had been riddled and contaminated by the thousands of anti-personnel landmines that were left behind by the warring factions as a legacy—which will continue for many years—to the conflict.

Seeing Glamoc brought home to me the depth of the problem, even more so than when I stood in a minefield outside Mostar, dressed in the cumbersome equipment—of which I am continually reminded by the replay of embarrassing pictures—that is required to enter a minefield. People continue to live and daily to risk their lives and limbs in Glamoc, as its surrounding countryside is covered with undetected mines.

There is therefore an unfinished mission that—for people living in Bosnia and in so many other countries around the world—is not only political or visionary but real and practical. That is why this debate, the Bill and our ratification of the convention are all so important, not only for us and the United Kingdom's credibility but for all humanity. I feel a burning sense of duty to ensure that the campaign continues, not only to ratify the Ottawa convention ourselves but to persuade countries that have not yet signed it and are still manufacturing, exporting and sowing anti-personnel landmines to stop those activities.

Although the House will pass the Landmines Bill in only one day, we have had a full and vigorous debate. The Opposition have highlighted some points of interest, contention and debate. However, they have taken themselves to a logically ludicrous position, essentially telling us that we should not ratify the treaty. They appear to be saying that only by amending the treaty—and that is impossible—can we give our armed forces safety and security. I do not find that a particularly practical position, but they have retreated from opposing the Bill, and I welcome their co-operation in taking the Bill so quickly and at such short notice.

Our success in dealing with the measure in one day demonstrates the strength of feeling on the issue in the House, and that must be welcome. It is also a fitting tribute to the enduring memory of Diana, Princess of Wales, and the work that she did, more than so many others, to draw attention to the evil effect of anti-personnel landmines.

My hon. Friend the Member for Cynon Valley (Ann Clwyd) made a moving speech, as did my hon. Friend the Member for Leyton and Wanstead

(Mr. Cohen). My hon. Friend the Member for Slough (Fiona Mactaggart) referred to the parallel universe that the Opposition appear to inhabit in respect of this subject. My hon. Friend the Member for Bethnal Green and Bow (Ms King) and the hon. and learned Member for North-East Fife (Mr. Campbell) also made powerful speeches. The hon. Member for Blaby (Mr. Robathan), who is not in his place, used his Army experience to some effect. He articulated a practical view that will be recognised by many soldiers, including the vast majority who now believe that anti-personnel landmines are a form of warfare which must be abandoned and outlawed for ever.

The debate has underlined the fact that the Government's policy on anti-personnel landmines that we adopted last year has been the right one. I am glad that we have been able to fulfil the pledge that my right hon. Friend the Foreign Secretary and I made 13 months ago when we came to power and took instant action on the issue. When it comes into force, the Bill will ensure that no British soldier will ever use an anti-personnel landmine again; no British company will be allowed to manufacture anti-personnel landmines; no one anywhere will ever be able to acquire anti-personnel landmines from a British source; and our operational stockpiles of anti-personnel landmines will be eliminated.

We have also ensured that members of our armed forces cannot be prosecuted for planning and operating alongside those from states for which the use of anti-personnel landmines remains legal. That is the right thing to do, and I welcome the recognition that the House has now given that today. Of course, any such protection for our armed forces will become increasingly unnecessary as more states sign and ratify the Ottawa convention. In that context, I welcome the announcement by the United States Government of their intention, at least in principle, to sign the Ottawa convention by 2006. That will provide a big boost towards our final goal. It also shows the inexorable public pressure that is now rightly exerted on all Governments.

There is still a long way to go. No country can measure its achievements merely by reference to its own efforts. The problem of anti-personnel landmines is a global one which requires a global effort. Achieving complete elimination of anti-personnel landmines remains a key objective for the Government, and we will use all our influence and endeavours in the international scene to exactly that effort.

Regrettably, some states do not feel ready or able to sign the convention. For those that have not, the quoted reasons are primarily connected with national security and the need to develop alternative capabilities. However, a comprehensive ban must be exactly that; the Ottawa convention provides a goal to which we have to encourage all states in the world to aspire. That means working closely with those states, recognising their security concerns while persuading them not to rely on such weapons, but to seek alternative and better means of providing their security. It may cost money; it may cause apprehension; but what is that compared with the human costs that are otherwise involved?

We must continue our efforts to demine the world. My Department will continue to play a significant role in that. I am pleased to inform the House that the mine information and training centre that I announced last October is now fully operational. As my right hon. Friend the Foreign Secretary said, it is running mine awareness courses on a large scale. Some 2,000 students have already completed its expert courses. It continues to look for ways to help NGOs with mine clearance. The Defence Evaluation and Research Agency also plays a valuable role in developing new techniques, and will continue to do so.

So our work does not end here today with this legislation. There is still much to do, and we will do it. I commend the Bill to the House, and wish it a smooth passage through the Lords.

1.44 pm

**Mr. Key:** Last October, my hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot) and I, on behalf of the Opposition, welcomed the signing of the Oslo agreement. We pointed out that it was severely weakened because it did not include major manufacturers of landmines such as China, Russia and Pakistan. We said that the debate on landmines had rightly focused on negotiations for a future ban, but that the problem required a dual approach—working towards a ban and removing existing mines. We offered consensus on the issue of anti-personnel landmines. We recognised that mines had had a military purpose, and that we should work to encourage the development of alternatives that could achieve that purpose without the appalling risk to civilians. We continue to support the Government's resourcing of mine clearance operations whether directly or through agencies as the Halo Trust.

Television pictures bring into our homes the horrors of wars in far-off lands and the horrendous impact that indiscriminate use of anti-personnel landmines have on innocent civilians. We all remember the scenes of the visit to Angola by Diana, Princess of Wales, which gave such global momentum to the cause of the International Committee of the Red Cross. Within our own continent, some of us here have visited Bosnia and seen the devastating impact of mines on that country and its people.

On Friday 13 May 1955, which happened to be in the middle of a general election campaign, when I was just 10 years old, a British anti-personnel landmine laid on Swanage beach to defend against wartime invaders was uncovered by a party of schoolchildren of whom I was one. By a stroke of fate, I and a friend got bored and returned to our sandcastle at the water's edge. A few minutes later, the explosion killed five of my friends. British children killed by a British mine. I believe that I am the luckiest man alive in the House today. I know how children and their parents feel in such traumatic circumstances, so it is with a real sense of pride that I stand at this Dispatch Box today giving a fair wind to the Bill.

It is also true that my military constituency in Salisbury has ensured that I understand why our service men continue to feel the need for battlefield protection by anti-personnel landmines. They are usually the very same people who are motivated to extremes of bravery when they put their lives at risk in mining operations both during their service and when they have retired. We must all recognise that ratification of the Ottawa convention will mean that our armed forces lose a significant military capacity, and that defensive landmines are effective in redressing the balance in favour of the user in the face of an assault by superior forces.

*[Mr. Key]*

I agree with the Secretary of State that this is not the end. Today is the beginning of a new era. The Secretary of State and his ministerial colleagues will, I know, address the question of how British soldiers will continue to have effective defensive protection. In 1996, the previous Government asked DERA to conduct studies of non-lethal obstacles for peacekeeping operations. I look forward to hearing what progress has been made.

There are viable alternatives to anti-personnel landmines. They may make static defence systems such as minefields increasingly irrelevant. I wonder how far the Ministry of Defence has got with remote surveillance methods such as electronic sensory devices, real-time satellite intelligence, drone aircraft with infra red and photographic capabilities and so on. How advanced are replacement technologies, ranging from non-lethal devices such as entanglement nets, slippery agents, foam and obscurants to Claymore-type mines that are activated by command through remote surveillance methods that automatically activate other forms of ordnance?

As my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) said, the Bill is a very imperfect animal. There is much unfinished business here. It must receive close scrutiny in another place, but we have made a start today and we give the Bill a fair wind.

1.48 pm

**Mr. Menzies Campbell:** In the cockpit of frenetic exchange today, it has sometimes been easy to forget the purpose for which we are here. We pass lots of legislation in the House, but there can rarely have been—

*It being a quarter of an hour after the commencement of proceedings on Third Reading of the Bill,* MR. DEPUTY SPEAKER, *pursuant to the Order [9 July], put forthwith the Question already proposed from the Chair.*

*Question put and agreed to.*

*Bill accordingly read the Third time, and passed.*

## Asylum Seekers

*Motion made, and Question proposed,* That this House do now adjourn.—*[Mr. Pope.]*

1.49 pm

**Dr. Vincent Cable** (Twickenham): I am grateful for the opportunity to introduce an Adjournment debate on the specific issue of asylum seekers and the role of local authorities in the associated funding. I see that the Minister has not yet arrived to respond to my debate, so I shall make my remarks as slowly as possible, to give her a chance to catch up—*[Interruption.]*

**Mr. Deputy Speaker (Mr. Michael Lord):** Order. Will hon. Members leaving please do so quickly and quietly?

**Dr. Cable:** I shall preface my remarks with a couple of introductory comments explaining the context within which I chose the debate. Most Adjournment debates stem from essentially local problems, and this one is no exception. My borough, like many other London boroughs, has had to cope with the financial and practical implications of an influx of asylum seekers, including, in our case, unaccompanied children.

I state at the outset my recognition that although we have genuine problems, they are not on the same scale as those of other London boroughs, especially those in the inner city. The Minister—I am glad to say that she has now arrived—represents an inner-city London borough, and I know that she is well aware of the magnitude of the problem. I would not want to exaggerate the difficulties that we have in our corner of London.

However, the fact that a borough with a relatively small number of asylum seekers still has a serious problem illustrates the magnitude of the problem in general. To put the numbers in context, we have about 242 asylum seekers at present, among whom particular problems surround a group of either 17 or 22—depending on how the numbers are measured—unaccompanied children. Hillingdon has almost 150 unaccompanied children, and, in terms of aggregate numbers, we are talking in terms of 2,000 or 3,000 in areas such as Southwark, Haringey and elsewhere. Although my borough's problems are relatively minor, they illustrate the broader issues.

Secondly, I realise that the Government inherited extremely offensive and unsatisfactory legislation, and that they have been battling with the problem ever since they came into office. The Asylum and Immigration Act 1996 and the Housing Act 1996 created a morass of problems, which the Under-Secretary of State for the Home Department, the hon. Member for North Warwickshire (Mr. O'Brien), who is, I believe, the lead Minister in the matter, called a "shambles within a shambles". That is an accurate description. We have a combination of highly defective and pernicious legislation and subsequent court action; that has created the problem that the Government now have.

I also recognise that the Government have given assurances that they will introduce new measures soon, and that the Minister may be inhibited by the spending announcements due next week. None the less, I feel that there are ways in which we could take matters a little further forward in this discussion. A particular question

that I wish to pursue—we can pursue it in qualitative terms even if the numbers are not open for discussion—is whether there will be a role for local authorities in the new measures that the Government envisage, and if so, what kind of role that will be. I hope that I shall be able to press the Minister on that question.

My third introductory point is the fact that, when we talk about asylum seekers, Members of Parliament have a responsibility not to whip up xenophobia, racism and other such feelings in their areas. It is easy for such matters to get out of control. In my borough, which I emphasise is not one of the most affected areas, there were reports a few weeks ago of "floods of asylum seekers", but, when the story was investigated, it turned out to involve only seven people. By then, however, local opinions had become thoroughly inflamed. We have a duty to represent our areas and to express their concerns, but also a duty not to inflame public opinion.

Long before I became a Member of Parliament, I was involved in immigration issues, and fought and argued hard for the rights of people to have access to the United Kingdom—for example, in the context of the problems associated with the Asians from east Africa. I strongly support the position taken by my party leader on the rights of people from Hong Kong. I support a liberal and humane approach to asylum and immigration. If we are to sustain that argument, we must deal with the problems faced by local authorities. That is the spirit in which I present this debate.

As most of us know, a substantial number of asylum seekers remain ineligible for benefits under the legislation introduced by the previous Government. Three categories present problems in different degrees for local authorities.

First, there are the single people, of whom there are about 10,000 in London, according to the Hammersmith figures, which are the common statistical basis. Those 10,000 people are all pushing for bed-and-breakfast accommodation, in a city where such accommodation is extremely difficult to get. Because of recent court rulings, they cannot share with other families, so the problem has been fragmented and the demand for accommodation is even greater than it otherwise would be. There is a disparity between the funding that the Government are making available for single people once costs are deducted, and the costs that local authorities have to pay. The estimate that I have been given is that London boroughs as a whole are paying out of their own resources £6 million for this category.

The second group are the families. Under the Government's complicated funding structure, local authorities must pass a threshold of spending—£80,000, I think—before they can begin to claim back some of those expenses. In order to accommodate about 13,000 people, London boroughs must pay out of their own resources about £13 million.

The third category is unaccompanied children. I shall speak in more detail about this group because, although it is relatively small in number, it presents particular problems under the asylum rules and procedures. There are 890 unaccompanied children in London as a whole. Hillingdon is the worst-affected borough, and possibly also Westminster. My borough has a smaller number. Estimates over the past week have risen from 17 to 22.

Accommodating children is extremely expensive, at £1,000 a week. It is very difficult for the local authorities to access the funding that is available from Government. They must spend £200,000 before they can claim anything back. The restrictive nature of the procedures in the Children Act 1989, under which local authorities are acting, means that services for vulnerable children in the local area are being cut to finance those costs.

I am told that if my local council had been more imaginative in the use of creative accounting, the problem would not have arisen, but councils should not be forced into that position. A literal interpretation of the Children Act 1989 would imply that the interests of vulnerable children are being placed against those of asylum seekers. That is wrong.

We often hear that many asylum seekers are bogus. I tend to take such stories with a pinch of salt. No doubt some are bogus, but surely no one would argue that children were bogus asylum seekers. Most of them are entirely genuine and incapable of dissimulating, as fraudsters would. The current influx of children is from Kosovo, and no one would dispute that that is a war-torn area where ethnic cleansing is being practised, and that there are genuine victims. The particular needs of children and the way in which those impact on local authorities is an issue to which we should give specific attention.

Why is the current practice fundamentally unacceptable? I should not need to speak at length about this point, as Labour, in government and in opposition, has acknowledged why the present situation is fundamentally unsound and unsatisfactory. It is unsound for local authorities because they must pick up a large bill—I believe that the figure is about £26 million for the whole of London. That burden is imposed on local authorities that have stretched financial services and capping limits. It appears to local residents that asylum seekers are being financed at the expense of other services.

The current system is bad for asylum seekers because the payments in kind that they receive under national assistance legislation are barely adequate. Asylum seekers receive food, but cannot get money for travel, which they need in order to pursue asylum appeals. The current payment mechanisms are totally unsatisfactory, and asylum seekers are often introduced to a dependency trap from which they may never escape. The situation is bad for the authorities, for asylum seekers and, almost certainly, for the Government who, at the end of the day, must pay large sums to supply asylum seekers through inefficient mechanisms. That would not occur if there were a properly integrated national programme. Worst of all, the present situation is bad for race relations. As a result of the immediate juxtaposition of asylum seekers and reduced Government services in local areas, people's feelings are inflamed unnecessarily.

The present situation is thoroughly unsatisfactory, but what can the Government do about it? I recognise that announcements are imminent and that perhaps the Government cannot reveal the details of their proposals. However, if the Government are moving towards a national system of asylum benefits that is qualified by the provision of documentation—I believe that that is the proposal on offer—where will it leave local authorities? Will they still be responsible for undocumented cases, particularly children, who are most unlikely to be carrying documents? What role will local authorities play? How will they be reimbursed according to the new proposals under consideration?

*[Dr. Cable]*

I hope that we can make some headway on the issue of transitional arrangements until the Government's new procedures come into effect. The situation is urgent in many cases, and local authorities must receive some relief—for example, we should remove the threshold regarding the amount of money that must be spent before local authorities qualify for reimbursement. Last year, the number of unaccompanied children reached double figures in 16 London authorities. However, only three local authorities had sufficient numbers of unaccompanied children to be able to claim Government money. That is the sort of anomaly for which the Minister's Department is responsible, and I hope that the Government will address that problem without prejudicing their overall expenditure targets, which will be announced next week.

Although the Minister is not responsible for the Home Office, we must put in context the way in which the Home Office is managing the asylum seeker issue. Many Members of Parliament deal with asylum seekers' cases, some of which have been around for years. The delays are appalling. I understand that the problem was inherited from the previous Government, but it is totally unclear why a substantial number of civil servants have not been drafted in to deal with the problem much more expeditiously. That is very strange, and it is quite wrong that the solution to an enormous human and financial problem should be obstructed by bureaucratic difficulties in the Home Office. I hope that the Minister will provide an assurance that proper priority is being given to that issue.

I hope that, in defining their approach to asylum seekers and local councils, the Government will adopt a much more holistic approach. At present, the response to the problem is fragmented: various Government Departments do different things, and local authorities do their own thing. Some of them act adequately and heroically, while others pass the buck to other local authorities. We need a co-ordinated approach that is led from the centre.

There have been examples of when the Government of the day, Conservative or Labour, have faced up to the difficulties presented by immigration problems. The country's response to the Ugandan Asians crisis, for example, ultimately reflected credit on most of those concerned. We had a concerted national response to the problem of the boat people, which was led by the Government of the day. I realise that the asylum seekers issue is much more complex than either of those two examples. However, we need Government leadership, which must be integrated and co-ordinated. That is what most of us are seeking from the Government.

2.4 pm

**The Minister for Public Health (Ms Tessa Jowell):** I begin by paying tribute to the hon. Member for Twickenham (Dr. Cable) for raising this important issue. The House will know that asylum seekers who claim asylum at the point of arrival are entitled to social security benefits that cover their needs for housing, food and other necessities while their applications are considered. Local authorities have become responsible for supporting asylum seekers under the National Assistance Act 1948 and the Children Act 1989 as a consequence of the previous Government's removal of entitlement to benefit for people who claimed asylum after entering the country or whose initial application had been turned down.

We recognise that the current arrangements have placed an undue burden on local authorities and, quite inappropriately, on social services departments. Local authorities are in a difficult position in having to meet an open-ended commitment without having any control over the number of people approaching them for assistance. The point was well made by the hon. Gentleman. Staff and other resources that should have been used for community care services are being diverted, to the detriment of other service users.

The current support arrangements are a mess, and we are having to consider a way of relieving the burden on local authorities, but we still need them to play a role given their access to and expertise in this area. As a matter of priority we initiated a wide-ranging interdepartmental study to examine the asylum process from beginning to end, including the present arrangements for welfare support. It is unacceptable that any asylum seeker should be left destitute, but, equally, we are conscious that a balance must be struck between reducing the benefit incentive for economic migrants to make unfounded asylum applications and the need to support asylum seekers while their applications are considered.

The study team has now completed its work, and we are considering its findings carefully across government. We shall carefully examine all the options before deciding what to do, and we shall announce the way ahead as soon as we are able to do so. I am fully aware of the sense of urgency with which our announcement is awaited. The Government's policy on asylum seekers is that we should deal with their cases quickly and fairly so that genuine refugees receive the protection to which they are entitled and those who seek to abuse the asylum process are given no opportunity to play the system by pursuing appeals that have no chance of success.

Our aim is to put in place a strategy for dealing with asylum issues that is responsible, properly thought out, comprehensive and enduring. We intend to implement a clear, coherent and comprehensive policy across the board. In the meantime, it is our responsibility to operate the law as it stands. The removal of benefits in 1996 and subsequent court judgments have had severe consequences for many social services authorities, especially in London. The local authorities for the boroughs of Lambeth and Southwark, in which my constituents live, are facing precisely the sort of pressure that the hon. Gentleman referred to. I know that that pressure is shared by other hon. Members and by my hon. Friends, especially those who represent London constituencies.

A new duty has been imposed on many social services authorities to support adults for whom they have never before had to provide services and for which they do not have funding. Although there is no new duty in respect of families with children and unaccompanied children, the numbers are very high and the burden on local authorities is therefore substantial.

At 29 June, just over 10,000 adults were being accommodated by London authorities and a further 1,000 were being accommodated in the rest of Great Britain. In addition, almost 6,500 families and some 900 unaccompanied children were being accommodated by London authorities alone.

**Mr. John McDonnell** (Hayes and Harlington): My hon. Friend will be aware that my constituency includes Heathrow. Other hon. Members present today will testify to the scale of the problem of unaccompanied children. Although it is a problem that we welcome because we want to stand by our humanitarian concerns and uphold people's right to live in peace and security, the scale of the problem is placing an increasing burden on our local authority and diverting resources from the local community.

We have two desperate requirements: first, additional financial resources and, secondly, assistance with and a review of practice at ground level to ensure that the services that we provide are appropriate and adequately supported by both the local authority and the local voluntary sector. I urge the Government to deal with those issues as rapidly as possible.

**Ms Jowell:** I thank my hon. Friend for the two important points that he has raised, which will no doubt be relevant to, and supported by, other hon. Members.

One of the tests of the new measures that will be announced as a result of the review will be the capacity to deal with the pressures being faced by local authorities such as that of the hon. Member for Twickenham. I wish to underline the fact that some of the most distressing asylum cases involve unaccompanied children who have no source of support or nurture other than that provided by the local authority. In many cases, there is intolerable tension between meeting the demand in terms of cost and responding in a humanitarian way, which none of us would want local authorities to avoid. My hon. Friend has highlighted the tensions and I hope that the review will meet those points.

We recognise that it is not right that a financial burden on the scale that this issue represents should be imposed on council tax payers, or that community care services for local people should suffer. We have continued to make available to local authorities three special grants to alleviate the burden imposed on them. Last year, the Department of Health paid local authorities almost £40 million to support adult asylum seekers. The majority of claims by local authorities for reimbursement of expenditure on adult asylum seekers was fully met in 1997–98. However, we have listened carefully to what local authorities and local authority associations have been saying about the costs of supporting asylum seekers and we have therefore undertaken to increase the adult grant by some 18 per cent., subject to parliamentary approval, to £165 a week per adult asylum seeker accommodated in 1998–99.

With regard to local authority support for asylum seeking families, under section 17 of the Children Act 1989 local authorities have a general duty to safeguard and promote the welfare of children who are in need within their area and, so far as is consistent with that duty, to promote the upbringing of such children by their families by providing a range and level of services appropriate to those needs. Section 17 duties are for children under the age of 18. The Government paid £28.4 million for that grant in 1997–98 to target compensatory funds to local authorities with significant numbers of asylum seekers with children.

**Dr. Jenny Tonge** (Richmond Park): Will the Minister acknowledge that one of the difficulties for local authorities is that there is a threshold above which they receive compensation from the Government? They are juggling with a few tens of thousands of pounds within the tight finances that apply to local government to try to stretch the money over the services. That is causing huge difficulty, especially in areas where money to support asylum-seeking children has to come directly out of the children department.

My hon. Friend the Member for Twickenham (Dr. Cable), whose constituency shares a borough with mine, has pointed out that that is causing huge stresses and tensions in the boroughs, because parents of vulnerable children and children in need are being asked to give way for asylum-seeking children. We want to cater adequately for both categories, but the threshold often prevents us from doing that.

**Ms Jowell:** I entirely accept that some local authorities have difficulties. The hon. Lady will be aware that the grant is not intended to meet the full costs of care for children, but is focused on local authorities that deal with the largest number of children. Whatever formula is settled on, it is extremely important that it is administratively simple and gets the resources to where they are most needed.

The purpose of the children's grant is to provide compensation to local authorities for unforeseen additional expenditure in carrying out their duties under sections 17 and 18 of the Children Act 1989, rather than the reimbursement of the full costs. The grant is to support children in need, and their families, through support for the whole family, or to support children of 16 or 17 who are without a family and are not already being looked after by social services, which are affected by changes in social security benefits and housing legislation for asylum seekers. The grant is intended to keep the family together.

My right hon. Friend the Secretary of State for Health is seeking resources of a commensurate level for the current financial year. The number of families with children being supported by local authorities has been rising steadily, and the Government recognise that local authorities will need resources to reflect that increasing demand. For unaccompanied asylum-seeking children, we currently have a grant of up to £3 million a year, as the hon. Member for Richmond Park (Dr. Tonge) said, to help meet local authorities' costs in respect of them. As she suggested, authorities qualify for the grant if they spend more than 5 per cent. of the children block standard spending assessment on unaccompanied asylum-seeking children.

We introduced that threshold because many authorities deal with only a handful of unaccompanied children seeking asylum and the amounts of money involved do not justify the administrative costs that would be incurred in paying grant to them. We are, however, reviewing the arrangements for the grant and have taken on board the views expressed by some local authorities about the threshold.

We intend to continue to support local authorities for as long as the current arrangements exist. The courts imposed a new duty on local authorities for supporting

*[Ms Jowell]*

adult asylum seekers for which there was no personal social services funding. The families with children grant and the unaccompanied asylum-seeking children grant recognise that local authorities already had a duty to those groups under the Children Act 1989, and they are considered to be a contribution to the increased costs that local authorities face. We have listened carefully to representations from local authorities and local authority associations about the conditions of various grants. We have undertaken to reconsider the grants and we will put proposals and special grant reports for 1998 and 1999 before the House in due course.

The hon. Member for Twickenham made a very important point about the needs of asylum seekers. We need holistic solutions that transcend the boundaries between Departments, and that is a test of our capacity for joined-up government. The awful circumstances facing many asylum seekers are evident from our constituency surgeries every week. That experience underlines the importance of conducting procedures fairly, transparently and speedily. We must ensure that local authorities have the capacity to respond to difficult demands.

*Question put and agreed to.*

*Adjourned accordingly at twenty minutes past Two o'clock.*

# Written Answers to Questions

*Monday 29 June 1998*

## LORD CHANCELLOR'S DEPARTMENT

### Gender Impact Assessments

**Jackie Ballard:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will place in the Library copies of gender impact assessments which have been undertaken in respect of legislation introduced in this Parliament; if he will make it his policy to do so in respect of future legislation; and if he will make a statement. [47025]

**Mr. Hoon:** I refer the hon. Member to the answer given by my hon. Friend the Under-Secretary of State for Women on 24 June 1998, *Official Report*, column *557*.

### Action Zones

**Mr. Llwyd:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list the initiatives undertaken by his Department since 1 May 1997 which have involved the establishment of *(a)* action zones and *(b)* pilot schemes limited to particular geographical areas, indicating the name of the programme and the action zone or pilot scheme areas covered in each instance. [47054]

**Mr. Hoon:** The information requested is set out in the table.

| *Name of programme* | *Area(s) covered* |
|---|---|
| Legal Aid Board pilot franchises for the provision of publicly funded mediation services. Pilots commenced May 1997. | Newcastle-upon-Tyne, Durham, Manchester, Birmingham, Coventry, Northampton, Cambridge, Peterborough, Bristol, Cardiff, Bromley and London. |
| Pilot to test the administrative arrangements necessary to implement S.9 of the Crime (Sentences) Act 1997. Pilots commenced January and June 1998. | Coventry, Southampton, Oxford and Carlisle |
| Pilot to test draft checklist in Crown Court cases involving children. Pilots took place June to September 1997. | Liverpool and Norwich |
| Information Meetings Project (pilot to test arrangements for S.8 of the Family Law Act 1996). Pilots commenced June 1997. | Birmingham and Coventry, East Anglia, Greater Manchester, Leicestershire and East Midlands, London, North East, South Wales, South West, South Yorkshire and North East Derbyshire. |

### Departmental Reviews

**Mr. Allan:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list, for each of the last four years, all departmental inquiries and reviews instigated by ministers which have been chaired by individuals outside his Department; and in each case if he will give the date of establishment and the name of the chairman. [46837]

**Mr. Hoon:** The information requested is set out in the table.

| *Inquiry/review* | *Date established* | *Chair* |
|---|---|---|
| An inquiry into access to civil justice | March 1994 | Conducted by Lord Woolf |
| Review of the Court of Appeal (Civil Division) | October 1996 | Sir Jeffrey Bowman |
| Review of the law relating to profits of crime | March 1997 | Professor Gareth Jones, Vice-Master, Trinity College Cambridge (sole reviewer) |
| Review of civil justice and legal aid | June 1997 | Sir Peter Middleton |

## NORTHERN IRELAND

### Payments to Farmers

**Mr. Charles Kennedy:** To ask the Secretary of State for Northern Ireland what percentage of payments due in December 1997 to farmers *(a)* have not been paid to date and *(b)* were paid late; and if she will make a statement. [46946]

**Mr. Paul Murphy:** Under the Arable Aid Scheme in Northern Ireland, 96.74 per cent. of applicants received payments by 31 December 1997 (representing 96.84 per cent. by value).

At 1 June 1998, all applicants had received payment.

### Elections Review

**Mr. William Ross:** To ask the Secretary of State for Northern Ireland when she expects her review of electoral procedures to complete its work; when she expects to publish its report; and when she intends to publish her draft legislation. [46744]

**Mr. Paul Murphy:** My right hon. Friend the Secretary of State expects to receive the Elections Review Report in mid August which will be considered by Ministers, and published shortly afterwards.

Thereafter, the Secretary of State will consult the Northern Ireland parties and legislation will be drafted and published as soon as possible.

### Union Flag (Ulster Hospital)

**Mr. John D. Taylor:** To ask the Secretary of State for Northern Ireland when the Ulster hospital, Dundonald was provided with a Union Flag; if it was flown on the occasion of Her Majesty's official birthday; what arrangements have been made to fly the Union Flag at the Ulster hospital on the appropriate dates; and if she will make a statement. [46727]

**Mr. Worthington:** The Ulster Community and Hospitals Health and Social Services Trust has confirmed that it has always had a Union Flag and that it was flown on the occasion of Her Majesty's official birthday on Saturday 13 June 1998. Management of the Trust have passed the schedule of dates for flying the Union Flag to

the reception porters based at the main reception of the Ulster Hospital who have responsibility for hoisting the Flag.

### Multiple Births

**Mr. Wigley:** To ask the Secretary of State for Northern Ireland how many sets of *(a)* twins, *(b)* triplets, *(c)* quadruplets, *(d)* quintuplets and *(e)* sextuplets were born in Northern Ireland in each year from 1990 to 1997; what was the total number of maternities in each year; and how many multiple births of each type in each year were conceived as a result of (i) in-vitro fertilisation, (ii) gamete intra-fallopian transfer and (iii) other forms of assisted conception. [46929]

**Mr. Worthington:** The information requested in relation to total maternities and total multiple births is set out in Table 1.

| *Type* | *1990* | *1991* | *1992* | *1993* | *1994* | *1995* | *1996* | *[1]1997* |
|---|---|---|---|---|---|---|---|---|
| *Sets of* | | | | | | | | |
| *(a)* twins | 267 | 315 | 258 | 308 | 303 | 324 | 311 | 327 |
| *(b)* triplets | 5 | 6 | 8 | 9 | 6 | 7 | 11 | 6 |
| *(c)* quadruplets | — | — | — | — | — | 2 | 2 | 1 |
| *(d)* quintuplets | — | 1 | — | — | — | — | — | — |
| *(e)* sextuplets | — | — | — | — | — | — | — | — |
| Maternities | 26,338 | 26,050 | 25,425 | 24,729 | 24,119 | 23,663 | 24,398 | 24,057 |

[1] Provisional

With regard to the number of multiple births conceived as a result of IVF and other forms of infertility treatment, the information is as follows:

In a period 1 August 1991[1] to 31 March 1996[2], there were 148 multiple births[3] recorded in Northern Ireland following infertility treatment at the Royal Maternity Hospital (RMH), Belfast, the only clinic licensed to provide such treatment in Northern Ireland.

[1] Date from which HFEA commenced keeping records

[2] Latest verified data available

[3] Figures have been provided by the HFEA, whose annual reports appear in the Commons Library. They are grossed up to ensure confidentiality

### Gender Impact Assessments

**Jackie Ballard:** To ask the Secretary of State for Northern Ireland if he will place in the Library copies of gender impact assessments which have been undertaken in respect of legislation introduced in this Parliament; if he will make it his policy to do so in respect of future legislation; and if he will make a statement. [47020]

**Marjorie Mowlam:** The Policy Appraisal for Fair Treatment (PAFT) administrative guidelines of 1993 require the Northern Ireland Office and Northern Ireland Departments to assess the equality impact of new policies, including legislation, in terms of gender and seven other categories. Such assessments are not published, but are covered by annual reports on the implementation of PAFT. A report for 1997 is in preparation. The White Paper, "Partnership for Equality", published on 11 March 1998, proposed replacing PAFT with a statutory obligation to promote equality of opportunity.

### Health and Social Services Boards

**Mr. John D. Taylor:** To ask the Secretary of State for Northern Ireland what was the total cost to public funds of each of the four area councils for health and social services in each of the last three years. [47115]

**Mr. Worthington:** The table discloses expenditure on Health and Social Services Councils by the Northern Ireland Health and Personal Social Services Boards for 1995–96 and 1996–97. The information for 1997–98 is not yet available.

*Health and Social Services Councils expenditure 1995–96 to 1997–98*

*£000*

| | *1995–96* | *1996–97* | *1997–98* |
|---|---|---|---|
| Northern Board | 100 | 127 | Not available |
| Southern Board | 175 | 155 | Not available |
| Eastern Board | 313 | 305 | Not available |
| Western Board | 81 | 87 | Not available |
| Total | 669 | 674 | Not available |

*Note:*
The information has been extracted from the Revenue Income and Expenditure Accounts of each of the HPSS Boards Final Accounts for 1995–96 and 1996–97

### Bloody Sunday Inquiry

**Mr. McNamara:** To ask the Secretary of State for Northern Ireland if the families of the *(a)* deceased and *(b)* wounded on Bloody Sunday have been informed of the number of counsel and firms of solicitors who will represent them at the Bloody Sunday Inquiry; and if they will have the solicitor, and counsel of their choice. [47003]

**Marjorie Mowlam** *[holding answer 24 June 1998]:* I understand that these matters will be discussed at the preliminary hearing of the Inquiry which will be held at the Guildhall, Londonderry on 20 July as laid down in the list of considerations given in the Bloody Sunday Inquiry press notice of 18 June.

### Housing Grants

**Mr. Donaldson:** To ask the Secretary of State for Northern Ireland if data are available to enable her to make a statement on the religious affiliation of *(a)* applicants for grants and *(b)* applicants whose grants have been approved, in both cases by district council area, under the Housing (Northern Ireland) Order 1992. [47275]

**Mr. Paul Murphy:** This is a matter for the Northern Ireland Housing Executive, whose Chief Executive has advised me that to date, there are still insufficient data to make a meaningful assessment of the impact of the grants scheme on applicants of particular religious persuasions. The Commission for Racial Equality has recommended

that a completion rate of 80 per cent. to the relevant question on the preliminary inquiry form is the minimum which would allow for meaningful monitoring. At present, only 63 per cent. of applicants are completing the question.

### Higher Education Applications

**Mr. Gorrie:** To ask the Secretary of State for Northern Ireland how many of those aged *(a)* under 21, *(b)* 21 to 24 and *(c)* over 25 years and over, registered in Northern Ireland, applied through UCAS for admission to a course of higher education for the (i) 1994, (ii) 1995, (iii) 1996, (iv) 1997 and (v) 1998 entry cycles; what were the numbers of the population in Northern Ireland aged *(a)* to *(c)* for (i) to (v); and what was the proportion of those applying as a percentage of the appropriate population cohort. [47266]

**Mr. Worthington:** The information requested is set out in the tables.

*NI domiciled applicants through UCAS*

| Year | *(a)* Under 21 years | *(b)* 21–24 years | *(c)* 25 years and over | Total |
|---|---|---|---|---|
| 1994 | 11,915 | 1,164 | 867 | 13,946 |
| 1995 | 12,419 | 1,278 | 930 | 14,627 |
| 1996 | 12,537 | 1,188 | 821 | 14,546 |
| 1997 | 13,584 | 1,418 | 904 | 15,906 |
| 1997 as at 16 May 1997[1] | 13,282 | 1,254 | 789 | 15,325 |
| 1998 as at 16 May 1998[1] | 13,167 | 1,157 | 651 | 14,975 |

*Population estimates (mid-year)*

| Year | *(a)* 18–20 years | *(b)* 21–24 years | *(c)* 25–39 years |
|---|---|---|---|
| 1994 | 73,717 | 104,802 | 362,864 |
| 1995 | 72,096 | 103,125 | 366,664 |
| 1996 | 71,079 | 101,364 | 374,246 |
| 1997 | 69,805 | 99,736 | 377,190 |
| 1998 | 71,099 | 95,945 | 379,554 |

*NI domiciled UCAS applicants as percentage of the relevant population cohort*

| Year | *(a)* Under 21 years | *(b)* 21–24 years | *(c)* 25 years and over |
|---|---|---|---|
| 1994 | 16.2 | 1.1 | 0.2 |
| 1995 | 17.2 | 1.2 | 0.3 |
| 1996 | 17.6 | 1.2 | 0.2 |
| 1997 | 19.5 | 1.4 | 0.2 |
| 1997 as at 16 May 1997[1] | 19.0 | 1.3 | 0.2 |
| 1998 as at 16 May 1998[1] | 18.5 | 1.2 | 0.2 |

[1] Total applicant figures are not yet available for 1998. Therefore the latest available figures (as at 16 May 1998) are included along with the corresponding position at the same date in 1997 to allow comparisons to be made

### University Students

**Mr. John D. Taylor:** To ask the Secretary of State for Northern Ireland what equal opportunity monitoring is conducted of students in universities in Northern Ireland; who is responsible for undertaking the monitoring; what are the proportions of Protestant and Catholic students at *(a)* the Queen's University, Belfast, *(b)* the University of Ulster at each of its campuses and *(c)* the Open University; and if she will make a statement. [45821]

**Mr. Worthington:** The Higher Education Statistics Agency (HESA), on behalf of the Department of Education Northern Ireland, gathers data on the gender, ethnicity, religion and disability of students in universities in Northern Ireland.

The figures from the provisional 1997–98 data in respect of Northern Ireland domiciled students are as follows:

*Percentage*

| | Protestant | Roman Catholic | Other | Missing data |
|---|---|---|---|---|
| *Queen's University Belfast* | | | | |
| Full-time undergraduate students who entered via UCAS | 33 | 40 | 2 | 25 |
| *University of Ulster at Belfast* | | | | |
| Full-time undergraduate and postgraduate students (1st year) | 42 | 42 | 6 | 11 |
| Part-time undergraduate and postgraduate students (1st year) | [2] | 67 | [2] | [2] |
| *University of Ulster at Coleraine* | | | | |
| Full-time undergraduate and postgraduate students (1st Year) | 42 | 48 | 3 | 7 |
| Part-time undergraduate and postgraduate students (1st year) | 33 | 44 | [2] | 20 |
| *University of Ulster at Jordanstown* | | | | |
| Full-time undergraduate and postgraduate students (1st year) | 37 | 54 | 3 | 6 |
| Part-time undergraduate and postgraduate students (1st year) | 39 | 35 | 5 | 22 |
| *University of Ulster at Magee* | | | | |
| Full-time undergraduate and postgraduate students (1st year) | 12 | 69 | 4 | 16 |
| Part-time undergraduate and postgraduate students (1st year) | 11 | 64 | 3 | 22 |

[1] In these cases students have been asked the monitoring questions, but not answered

[2] Percentage not given if based in fewer than 5 students

*Note:*

No religion data are collected on Open University students

## DEFENCE

### Scottish Parliament

**Mr. Jenkin:** To ask the Secretary of State for Defence which battalion will be assigned for public duties in Scotland for the first opening of the Scottish parliament. [48033]

**Mr. George Robertson:** The 1st Battalion The Argyll and Sutherland Highlanders and the 1st Battalion The Black Watch will be assigned to public duties in Scotland during the summer of 1999. No decisions have been taken on which units will participate in the opening ceremony for the first Scottish parliament.

### Gulf War Syndrome

**Mr. Hancock:** To ask the Secretary of State for Defence what recent research he has *(a)* commissioned and *(b)* evaluated regarding the causes of Gulf War Syndrome illnesses. [38601]

**Mr. Reed:** To ask the Secretary of State for Defence (1) what research is currently being carried out on behalf of his Department into the effects of Gulf War Syndrome on servicemen; [44673]

(2) what criteria are used to select control groups in studies into Gulf War Syndrome; [44675]

(3) how many servicemen are currently participating in studies of Gulf War Syndrome. [44674]

**Dr. Reid:** In addition to our present work on the subject of illnesses suffered by Gulf War Veterans, I am today announcing that MOD will be funding an independent systematic literature review of worldwide published research relating to Gulf veterans' illnesses. This decision follows a recommendation from the Medical Research Council (MRC) who advise the Government on research aimed at addressing Gulf veterans' health concerns. The review will be carried by a team led by Professor Glyn Lewis at the University of Wales at Cardiff and will cost £75k over three years. The findings of the review will be published at regular intervals.

The Government are already funding two major epidemiological studies to look at the health of Gulf veterans and their families. One study, under Professor Nicola Cherry at Manchester University, aims to determine whether Gulf veterans are experiencing greater ill-health than service personnel who did not take part in the conflict and will involve a total of 9,600 Gulf veterans, plus a control group of 4,800 personnel. The other study, under Dr. Patricia Doyle at the London School of Hygiene and Tropical Medicine, will examine the reproductive health of Gulf veterans and the health of their children. Dr. Doyle aims to contact all personnel who served in the Gulf, some 53,000 in all, plus a control sample of the same size. Controls for these studies are drawn from personnel who were serving at the time of the Gulf War but did not deploy there.

A further epidemiological study looking at whether service in the Gulf is associated with increased illness of UK veterans is being funded by the US Department of Defense and carried out by Professor Wessely at Kings College School of Medicine. Although this study is being carried out independently of MOD, the Department is co-operating with Professor Wessely by providing essential data to the study team. This study involves 4,250 Gulf veterans and two control groups: one of 4,250 non-Gulf personnel and another of 4,250 personnel who have served in Bosnia. The control groups have been randomly selected to form a sample similar to the Gulf cohort on the basis of Service, age, sex and Officer/Other ranks status. The Army and RAF samples are also selected according to Regular/Reservist status and fitness.

The Government are also funding King's College, London to carry out a clinical study under Dr. Michael Rose and Dr. Mohammad Sharief. The study will focus on those veterans who have, according to their response to the epidemiological study carried out under Professor Wessely, significant neuromuscular symptoms.

Control subjects for this study will be randomly selected through Professor Wessely's epidemiological study and will include Gulf veterans who do not exhibit any neuromuscular symptoms, Service and ex-Service personnel who were serving at the time of the Gulf War but did not deploy there and personnel who have served in Bosnia. In addition, a group of civilian patients will be used to validate the research methodology, although they will not be used for comparison as part of the study.

The Government are also funding a programme of research to investigate the possible adverse health effects of the combination of vaccines and tablets which were given to troops in the Gulf to protect them against biological and chemical warfare agent. This research is based principally on animal studies, but it is also planned to monitor the health of staff at Porton Down who receive multiple vaccinations as part of their normal safety regime.

### MOD Police

**Mrs. Gilroy:** To ask the Secretary of State for Defence what assessment he has made of the performance of the MOD Police Headquarters; and how many cases relating to *(a)* grievance and *(b)* disciplinary procedures took (i) six months or more and (ii) 12 months or more to reach a conclusion in (1) 1996–97, (2) 1995–96 and (3) 1994–95. [46495]

**Dr. Reid:** The Ministry of Defence Police is an executive agency and therefore subject to the same review procedures as all other departmental executive agencies. I have made no specific assessment of the performance of the MOD Police Headquarters in addition to the normal agency reviews. The information requested on the duration of grievance and disciplinary cases is as follows:

*(a)*

| *Year* | *Grievance cases 6 months to 12 months to conclusion* | *Grievance cases 12 months or more to conclusion* |
|---|---|---|
| 1996–97 | 1 | 3 |
| 1995–96 | 0 | 2 |
| 1994–95 | — | — |

*Note:*

The current grievance procedure was not adopted by the MDP until July 1995 and so the information is available only from the year 1995–97 onwards

| Year | (b) Discipline cases 6 months to 12 months to conclusion | Discipline cases 12 months or more to conclusion |
|---|---|---|
| 1996–97 | 40 | 13 |
| 1995–96 | 25 | 7 |
| 1994–95 | 29 | 23 |

*Note:*
Figures for the year 1994–95 cover the 15 month period from 1 January 1994 to 31 March 1995

### Gender Impact Assessments

**Jackie Ballard:** To ask the Secretary of State for Defence if he will place in the Library copies of gender impact assessments which have been undertaken in respect of legislation introduced in this Parliament; if he will make it his policy to do so in respect of future legislation; and if he will make a statement. [47017]

**Dr. Reid:** I refer the hon. Member to the reply given by my hon. Friend the Under-Secretary of State for Women on 24 June 1998, *Official Report*, columns *557–58*.

### Divisional Headquarters, York

**Miss McIntosh:** To ask the Secretary of State for Defence if he will make a statement on the proposed closure of Divisional Headquarters in York. [47101]

**Dr. Reid:** No proposals have been put to Ministers for the closure of the Divisional Headquarters at York. Various options are under consideration as part of the study into the future divisional structure of the Army in the United Kingdom, details of which I set out in the answer I gave to my hon. Friend the Member for City of York (Mr. Bayley) on 16 January 1998, *Official Report*, column *349*.

### Death Penalty

**Mr. McNamara:** To ask the Secretary of State for Defence when his Department's inquiry into the retention of the death penalty in military law will be completed. [45740]

**Dr. Reid:** *[holding answer 17 June 1998]:* Consideration of the review is now in the final stages and I will advise the House of the outcome as soon as possible.

### Greenwich Hospital Site

**Mr. Viggers:** To ask the Secretary of State for Defence if he will make a statement on the implementation of long-term plans at the Greenwich Hospital site under section 26 of the Armed Forces Act 1996. [46650]

**Dr. Reid:** I assume the question refers to section 30 of the Armed Forces Act 1996. The section requires my right hon. Friend the Secretary of State for Defence to have regard to the heritage of the Royal Naval College site at Greenwich, the desirability of securing reasonable public access to it, and to prevent use out of keeping with its unique history and character. My right hon. Friend the Secretary of State for Defence hopes soon to be able to conclude a head lease with the Greenwich Foundation, an independent charitable trust, whose intentions for the site are entirely consistent with Section 30(2). The plans for the future of the site, which include planned occupation by the University of Greenwich, are being developed by the Foundation in consultation with my right hon. Friends the Secretaries of State for Culture, Media and Sport and for Defence.

### Large Aircraft

**Mr. Hoyle:** To ask the Secretary of State for Defence when is the anticipated delivery date of the C130-J aircraft; when it was originally due to be delivered; what compensation has been offered for its late delivery; and if he will cancel the order of C130-Js due to late delivery. [46822]

**Mr. Spellar:** On current plans, the Ministry of Defence will receive delivery of the first aircraft for test and evaluation in mid 1998. It was originally due to be delivered in November 1996. We will be claiming liquidated damages from the company, currently estimated at £30 million, which will be used to offset the additional costs incurred by the MOD. We have no plans to cancel the contract.

### RAF Stanmore Park

**Mr. McNulty:** To ask the Secretary of State for Defence what the timetable is for the dismantling of RAF operations at RAF Stanmore Park and for the disposal of the site; and if he will make a statement. [46919]

**Mr. Spellar:** RAF Stanmore Park formally closed on 1 April 1997 with units transferring to RAF Bentley Priory. However, until the necessary work to provide messing and accommodation at RAF Bentley Priory is complete, use will continue to be made of facilities at Stanmore Park. Although on current plans the site will not be vacated until 1 June 1999, a marketing strategy is already being prepared by the Defence Estates Organisation in order that an open market sale can take place as soon as possible thereafter.

### Parachute Regiment

**Mr. Bob Russell:** To ask the Secretary of State for Defence when he proposes to make an announcement about the future roles of *(a)* the Parachute Regiment and *(b)* 24 Air Mobile Brigade. [46813]

**Dr. Reid:** A package of proposals, covering all our Armed Forces, has been submitted to the Cabinet. Once decisions have been taken, the results of the Strategic Defence Review will be published in a White Paper as quickly as possible thereafter.

### WE177 Weapon

**Mr. Matthew Taylor:** To ask the Secretary of State for Defence what is the estimated cost of withdrawing and dismantling the WE177 weapon. [46824]

**Mr. Spellar:** The estimated cost of dismantling WE177 is some £23m; withdrawal costs are not separately identifiable.

**Mr. Matthew Taylor:** To ask the Secretary of State for Defence how many WE177 weapons were manufactured by his Department before the weapon was withdrawn from service; and in what years these weapons were manufactured. [46826]

**Mr. Spellar:** WE177 was manufactured between 1966 and 1977. Regular servicing was carried out as necessary to ensure continued safety and reliability whilst in service. I am withholding information as to the number of weapons manufactured under Exemption 1 of the Code of Practice on Government Information relating to Defence, Security and International Relations.

**Mr. Matthew Taylor:** To ask the Secretary of State for Defence which contractors and Ministry of Defence organisations designed each variant of the WE177 weapon; and when this work was carried out. [46825]

**Mr. Spellar:** Design work for WE177 was started over 30 years ago with the design for the first variant completed in 1963, the second in 1965, and the last in 1972.

The co-ordinating design authority for all WE177 variants was Hunting Engineering, with the Atomic Weapons Research Establishment as design authority for the warhead element. The Royal Ordnance Factories at Burghfield, Cardiff and Chorley, RAF Farnborough, and RARDE Fort Halstead assisted in the work, as did a number of other contractors. Given the age of the programme, it has not been possible to compile a full and accurate list.

**Mr. Matthew Taylor:** To ask the Secretary of State for Defence, pursuant to his answer of 12 November 1997, *Official Report*, column *581*, if the weights, sizes and yields of each type of the WE177 weapon are now declassified information. [47804]

**Mr. Spellar:** Information on the size and weight of all three variants of the WE177 bomb is unclassified and is listed. Technical details relating to the performance of the weapons, including yield, which would reveal information about our design capabilities, or aspects of current operational systems, or be of assistance to proliferators, continues to be covered by exemption 1 of the code of practice on access to Government information relating to defence security and international relations.

| *Variant* | *Weight* | *Size* |
|---|---|---|
| Type A | 600lb | 112 inches long |
| Type B | 950lb | 133 inches long |
| Type C | 950lb | 133 inches long |

All variants had a diameter of 16.5 inches and a fin span of 24.5 inches.

### Commachio Group Royal Marines

**Mr. Matthew Taylor:** To ask the Secretary of State for Defence where the Commachio Group Royal Marines is based; how many companies it comprises; what is the function of each company; and what plans he has for their relocation. [46820]

**Dr. Reid:** Commachio Group is based at RM Condor, Arbroath, and comprises an HQ Company and 3 Rifle Companies. The latter rotate in protecting the UK's strategic deterrent assets at HMS Neptune, Faslane, the RN Armament Depot Coulport, and during related road movements. Following public consultation, I approved earlier this year the Group's permanent relocation to HMS Neptune by April 2001.

### HMS Ocean

**Mr. Hancock:** To ask the Secretary of State for Defence, pursuant to his answer of 11 June 1998, *Official Report*, column *638*, when he expects to receive details of the costs and the liability in respect of the damage to the tail shaft bearings of HMS 'Ocean'; and if the *(a)* costs and *(b)* inquiry conclusions will be made public. [47074]

**Mr. Spellar:** The Formal Inquiry currently underway into the cause of the damage to HMS Ocean's port shaft "A" bracket bearing is expected to conclude in the autumn of this year. The Inquiry is being conducted by the prime contractor, Vickers Shipbuilding and Engineering Limited. The costs of, and liability for, the damage will be the subject of negotiation between MOD and the company following the Inquiry and is not expected to be resolved before the end of the year.

**Mr. Hancock:** To ask the Secretary of State for Defence, pursuant to his answer of 11 June 1998, *Official Report*, column *638*, what assessment his Department has made of the cause of the damage to HMS Ocean on her launch in October 1995; and what changes to operating arrangements have been made as a result. [47063]

**Mr. Spellar:** The hull damage sustained by HMS Ocean during her launch on 11 October 1995 was attributable to the accidental collapse of a forward launch cradle. It is the responsibility of the prime contractor Vickers Shipbuilding and Engineering Limited to ensure that launch arrangements are safe and acceptable and, where necessary, adapted to reflect lessons learnt from previous experience. The damage will not require any change to the proposed operating arrangements of HMS Ocean once she enters service.

### SA80 and M16 Rifles

**Mr. Mitchell:** To ask the Secretary of State for Defence if the bullets used by British forces using *(a)* SA80 and *(b)* M16 rifles have tumbling action. [47044]

**Dr. Reid:** The large majority of bullets used by British Forces in SA80 and M16 rifles are known as ball or tracer rounds. Armour-piercing rounds are also used. These bullets are categorised as spin-stabilised, non-deforming bullets. All spin-stabilised bullets will tumble to some degree when they hit a human target.

### UFOs

**Mr. Caton:** To ask the Secretary of State for Defence if he will make a statement on the role of RAF Brawdy, Pembrokeshire in the investigation of sightings of unidentified flying objects. [47318]

**Mr. Spellar:** Brawdy ceased to be an RAF station on 31 March 1996 when the establishment was transferred to the Army.

Generally, my Department examines reports of unidentified flying objects only to establish whether there is any evidence that the United Kingdom's Air Defence Region has been penetrated by hostile or unauthorised foreign military activity. Unless a report reveals evidence of a potential threat from an external military source, no attempt is made to determine the precise nature of what might have been seen.

### Underwater Monitoring

**Mr. Caton:** To ask the Secretary of State for Defence if the hydrophonic cables connected with SOSUS Network that extend from the ex-US Navy facility at RAF Brawdy, Pembrokeshire are currently used for underwater monitoring. [47319]

**Dr. Reid:** The sound surveillance system (SOSUS) cables extending from former US Navy Facility at RAF Brawdy are no longer used for underwater monitoring. The facility has now been passed to the Defence Estate Organisation for disposal.

### Air Traffic Control

**Mr. Hoyle:** To ask the Secretary of State for Defence if he will make a statement on the effect on defence aviation of the sell-off of NATS. [47404]

**Mr. Spellar:** The Government intend to sustain the principle of equal access to national airspace for all classes of user, and to maintain a joint and integrated civil-military system of air traffic control. We will, therefore, ensure that future arrangements for NATS can continue to accommodate the existing close working relationship with the Ministry of Defence, although there would of course be some structural changes.

### Training Aircraft

**Mr. Maples:** To ask the Secretary of State for Defence for what reasons he chose the Grob 115D aircraft in preference to the Slingsby Firefly as the aircraft to be used by University Air Squadron and Air Cadet Experience. [47321]

**Dr. Reid** *[holding answer 24 June 1998]:* As I said in my announcement on 18 June 1998, *Official Report*, columns *265–66*, the Grob 115D was selected in preference to the Firefly because it offered best value for money. The Grob is better suited to the particular requirements of the University Air Squadrons and Air Cadet Air Experience Flights and is both quieter and cheaper to operate than the Firefly. Furthermore, the Grob was the preferred choice of the Royal Air Force for this task.

### Territorial Army (Shropshire)

**Mr. Paul Marsden:** To ask the Secretary of State for Defence if he will make a statement on the future of the 5 Shropshire and Herefordshire Light Infantry and the Royal Mercian & Lancastrian Yeomanry Territorial Army battalions. [47681]

**Dr. Reid:** The future role of all arms and services within the Territorial Army will be decided as part of the Strategic Defence Review. An announcement will be made as soon as possible, but it may be some time before we can say how individual units will be affected by the outcome of the Review.

### Armoured Reconnaissance Vehicle

**Mr. Wilkinson:** To ask the Secretary of State for Defence if he will take further steps to ensure that the projected multi-role armoured reconnaissance vehicle is delivered to the British Army on time. [47806]

**Mr. Spellar:** We will continue to work with our French and German partners to make sure that the contract for development and initial production of the Multi-Role Armoured Vehicle, which is currently under negotiation with the preferred bidder, includes the conditions necessary to ensure that deliveries are made to meet the requirements of the British Army.

### Nuclear Accidents

**Mr. Matthew Taylor:** To ask the Secretary of State for Defence (1) how many exercises to test procedures for dealing with accidents involving nuclear weapons are to be held by his Department during 1999; when and where these exercises will be held; and what are the titles of these planned exercises; [46800]

(2) how many exercises to test procedures for dealing with accidents involving nuclear weapons are to be organised on British territory by the United States Government during 1999; when and where these exercises will be held; what are the titles of the planned exercises; and if his Department will participate in all exercises. [46801]

**Dr. Reid:** The following Grade A, B and C nuclear weapon accident exercises are planned to be held in the United Kingdom in 1999:

*Nuclear weapon accident exercises—1999*

| *Date* | *Exercise* | *Location* |
|---|---|---|
| June 1999 | Exercise Dimming Sun[1] | Norfolk |
| To be decided | Exercise Bowling | Coulport |
| To be decided | RAF weapon convoy Standardisation | To be decided |
| To be decided | RAF Station NARO team Standardisation[2] | To be decided |

[1] Exercise Dimming Sun will be a joint UK/US nuclear weapon accident response exercise, the planning for which is being led by my Department. The exercise will test the response to an accident as described in the Local Authority and Emergency Service Information on Nuclear Weapon Transport Contingency plans

[2] RAF Station NARO teams provide immediate response forces for the air transportation of nuclear weapons

*Note:*

Details of minor exercises, organised at either UK or US unit level is not held centrally and could be provided only at disproportionate cost

### Nuclear Weapons (Transport)

**Mr. Matthew Taylor:** To ask the Secretary of State for Defence when his Department plans to publish the third edition of the Local Authority and Emergency Service Information on Nuclear Weapon Transport Contingency Plans. [46814]

**Dr. Reid:** I refer the hon. Member to the answer I gave on 26 January 1998, *Official Report*, column 33.

### Agency Newsletters

**Mr. Matthew Taylor:** To ask the Secretary of State for Defence what are the current security classifications of the newsletters produced for the staff of the *(a)* Defence Analytical Services Agency, *(b)* Defence Postal and Courier Agency and *(c)* Naval Manning Agency; how often each newsletter is produced; and when each was first produced. [46799]

**Mr. Spellar:** This is a matter for the Chief Executives of the Agencies concerned. I have asked them to write to the hon. Member.

*Letter from Brigadier Tweedie McG. Brown to Mr. Matthew Taylor, dated 29 June 1998:*

I am replying to your question to the Secretary of State for Defence about Agency newsletters as this matter falls within my area of responsibility as Chief Executive of the Defence Postal and Courier Services Agency (DPCSA).

DPCSA produces a monthly internal newsletter for its staff in the Agency and Postal and Courier personnel world-wide entitles "Post Notes". It was first published in April 1995 and it is currently classified Restricted.

I hope that this information is helpful.

*Letter from Fabian Malbon to Mr. Matthew Taylor, dated 29 June 1998:*

I am replying to your Question to the Secretary of State for Defence about newsletters produced for the staff of the Naval Manning Agency as this matter falls within my area of responsibility as Chief Executive of the Naval Manning Agency.

No regular Newsletter is produced for the staff of my Agency. A Newsletter dealing with the introduction of Investors in People (IIP) was produced in September of last year and it is likely that a further Newsletter on the same subject will be produced in September of this year. The security classification was, and will be, Unclassified.

*Letter from Paul Altobell to Mr. Matthew Taylor, dated 29 June 1998.*

I am replying to that part of your Question to the Secretary of State for Defence on staff newsletters which refers to the Defence Analytical Services Agency, as this matter falls within my area of responsibility as Chief Executive of DASA.

The DASA weekly newsletter 'Grapevine' produced by the staff themselves on a rota basis, is unclassified.

The first edition appeared in 1994 and has been issued at approximately weekly intervals since. I have pleasure in enclosing a copy of a typical issue. I hope you find this information useful.

## Northern Ireland

**Mr. Olner:** To ask the Secretary of State for Defence if he will list the *(a)* number and *(b)* names of individual members of the armed forces killed while serving in Northern Ireland since 1982. [38405]

**Dr. Reid** *[pursuant to his reply, 20 April 1998, c. 462–65]:* I should make it clear that the information given related only to those members of the armed forces killed by terrorist action while serving in Northern Ireland.

# HOUSE OF COMMONS

## Adjournment Debates

**Mr. Flynn:** To ask the President of the Council if she will list each hon. Member who has had more than *(a)* one, *(b)* two and *(c)* three adjournment debates in the current Parliament. [46467]

**Mrs. Ann Taylor:** The following statistics include ½ hour end of day, 90 minute and ½ hour Wednesday morning adjournment debates as at 19 June 1998.

| | Number |
|---|---|
| *Members who have had two debates* | |
| Miss Diane Abbott | 2 |
| Ms Candy Atherton | 2 |
| Mr. Tony Baldry | 2 |
| Mrs. Jackie Ballard | 2 |
| Mr. Hugh Bayley | 2 |
| Mr. Bob Blizzard | 2 |
| Dr. Peter Brand | 2 |
| Mr. Julian Brazier | 2 |
| Mrs. Angela Browning | 2 |
| Ms Karen Buck | 2 |
| Mr. Simon Burns | 2 |
| Mr. Paul Burstow | 2 |
| Mr. David Chaytor | 2 |
| Mr. Michael Clapham | 2 |
| Mr. John Cryer | 2 |
| Mr. David Davis | 2 |
| Mr. Nigel Evans | 2 |
| Mr. Christopher Fraser | 2 |
| Mr. Roger Gale | 2 |
| Mr. Barry Gardiner | 2 |
| Mr. Christopher Gill | 2 |
| Dr. Evan Harris | 2 |
| Mr. Oliver Heald | 2 |
| Mr. John Healey | 2 |
| Mr. David Hinchliffe | 2 |
| Mr. Alan Hurst | 2 |
| Mr. Alan Johnson | 2 |
| Ms Tess Kingham | 2 |
| Mr. Archy Kirkwood | 2 |
| Dr. Ashok Kumar | 2 |
| Mr. Oliver Letwin | 2 |
| Mr. David Lidington | 2 |
| Miss Anne McIntosh | 2 |
| Mr. Alasdair Morgan | 2 |
| Mr. Patrick Nicholls | 2 |
| Mr. Eddie O'Hara | 2 |
| Mr. David Prior | 2 |
| Mr. Bill Rammell | 2 |
| Mr. Alex Salmond | 2 |
| Mr. Adrian Sanders | 2 |
| Mr. Brian Sedgemore | 2 |
| Mr. Keith Simpson | 2 |
| Mr. Richard Spring | 2 |
| Dr. Phyllis Starkey | 2 |
| Mr. Desmond Swayne | 2 |
| Mr. Peter Viggers | 2 |
| Mr. Nigel Waterson | 2 |
| Dr. Alan Whitehead | 2 |
| Mr. Dafydd Wigley | 2 |
| Mr. John Wilkinson | 2 |
| Mr. Michael Wills | 2 |
| Mr. Derek Wyatt | 2 |
| Mr. Tim Yeo | 2 |
| *Three debates* | |
| Mr. David Amess | 3 |
| Mr. Norman Baker | 3 |
| Mr. Harry Cohen | 3 |
| Mr. Tony Colman | 3 |
| Mrs. Claire Curtis-Thomas | 3 |
| Mr. Edward Davey | 3 |
| Mr. David Drew | 3 |
| Mr. Jim Fitzpatrick | 3 |
| Mr. George Galloway | 3 |
| Dr. Ian Gibson | 3 |
| Mr. Simon Hughes | 3 |
| Mr. Archie Norman | 3 |
| Sir Michael Spicer | 3 |
| Dr. George Turner | 3 |
| Mr. Charles Wardle | 3 |
| Miss Ann Widdecombe | 3 |

| | Number |
|---|---|
| *More than three debates* | |
| Mr. Martin Bell | 4 |
| Dr. Vincent Cable | 4 |
| Ms Roseanna Cunningham | 4 |
| Mr. Matthew Taylor | 4 |
| Mr. Llew Smith | 5 |
| Mr. Tam Dalyell | 7 |
| Mr. Austin Mitchell | 7 |

## HOME DEPARTMENT

### Traffic Policing

**Ms Hewitt:** To ask the Secretary of State for the Home Department what plans he has to set a police key performance indicator to reduce the rate of death and injury on the road. [46922]

**Mr. Michael:** The Government recognise the important contribution which traffic policing can make towards promoting community safety. We regard traffic policing as a central part of the police's responsibility for maintaining law and order, preventing and detecting crime, and reducing death and injury on the roads.

Traffic policing, however, is only one of the several types of policing which are crucial in tackling crime and disorder. The Home Secretary's national key objectives and key performance indicators are intended to reflect the Government's major initiatives and key priorities, and their number needs to be limited if priorities are to remain clear. Traffic policing should, though, be included in local objectives where police authorities consider that to be appropriate. Performance indicators for the police published by the Audit Commission include the number of road traffic accidents involving death or personal injury.

In 1987, the Department of Transport introduced a target to reduce casualties by one third by the year 2000 compared with the average for 1981–85. As at 1997, fatalities were down 36 per cent. and serious casualties were down 42 per cent. despite an increase in motor traffic of 52 per cent. The Government will be setting a new road traffic target for Great Britain for reducing casualties by the year 2010. It will be incorporated into a coherent road safety strategy, reflecting the Government's work on an integrated transport policy. The objective is to have a new road safety headline target and sub-targets agreed and set during 1998.

The Government are committed to reducing the number of fatalities and injuries which occur on our roads, and we are carefully considering a range of further measures to improve the safety of all road users against the background of our integrated transport policy.

### Probation Service

**Mr. Clappison:** To ask the Secretary of State for the Home Department what changes there have been in the funding of the Probation Accommodation Grants Scheme operated by the Inner London Probation Service since 1 May 1997. [47065]

**Ms Quin:** Excluding grants for accommodation training, the Inner London Probation Service received £1,344,218 in 1997–98 and £1,308,742 in 1998–99 in Probation Accommodation Grants Scheme funding, which represents an improvement of £35,476 on what was originally envisaged in the previous Government's spending plans.

Since 1 April 1995, local probation services, not the Home Office, have been responsible for the administration of grants to the independent sector for offender accommodation (the "Probation Accommodation Grants Scheme"—PAGS). Prior to that date, the Home Office paid providers directly, regardless of their area of location.

When the grants were devolved, this was on the basis that payments to each probation service would be tapered over about five years until the proportion of the total accommodation grant paid to each service was in proportion to the total revenue grant paid to each service under the national cash limits formula. This has meant that some services have received stepped increases in their accommodation grants whilst others, including the Inner London Probation Service, have received decreased grants.

### Victim Support

**Mr. Dismore:** To ask the Secretary of State for the Home Department if he will make a statement on the provision of support for, and information to, the victims of mentally disordered offenders who by reason of their disorder are committed for medical treatment. [47010]

**Ms Quin:** Both the Home Office and the Department of Health are committed to improving the level of support and information provided to the victims of crimes committed by people with mental disorders. Due consideration needs to be given to confidentiality of personal information, but I hope the first results of the work we are undertaking will be seen in the next few months, in the form of a Department of Health leaflet for victims about the care and discharge arrangements for mentally disordered offenders.

### Action Zones

**Mr. Llwyd:** To ask the Secretary of State for the Home Department if he will list the initiatives undertaken by his Department since 1 May 1997 which have involved the establishment of *(a)* action zones and *(b)* pilot schemes limited to particular geographical areas, indicating the name of the programme and the action zone or pilot scheme areas covered in each instance. [47055]

**Mr. Straw:** No action zones have been established by my Department since 1 May 1997. The details of the pilot schemes we have set up in that period are:

*1 Crime and Disorder Bill [Lords]*

(1) Youth justice measures (youth offending teams and youth justice services)

London Boroughs of Hammersmith and Fulham, Kensington and Chelsea, City of Westminster (jointly); Hampshire, Isle of Wight, Southampton and Portsmouth (jointly); Sheffield, Sunderland; London Borough of Lewisham, Luton and Bedfordshire (jointly); Wolverhampton; St. Helens; and Devon

(ii) Reducing delay in the criminal justice system:

Blackburn and Burnley; Croydon:

Northamptonshire; North Staffordshire; North Wales; and Tyneside.

(iii) Live television links for preliminary hearings between courts and prisons:

Bristol and Manchester Magistrates' Courts.

(iv) Drug Treatment and Testing Order:

Liverpool; London Borough of Croydon; and Gloucestershire.

*2. Crime (Sentences) Act 1997 (sections 35, 37, 39, 40 and 43):*

Greater Manchester and Norfolk

Trials of electronic monitoring as a condition of bail and an alternative to remand in custody are included in the pilots and are taking place in Norwich Magistrates' Court, Norwich Crown Court, City of Manchester Magistrates' Court and Manchester Crown Court.

*3. Ministerial/National Initiatives:*

(i) Smart Telephone Technology:

Her Majesty's Prisons Belmarsh, Manchester and Bedford

(ii) Welfare to Work

Her Majesty's Prisons Cardiff, Deerbolt, Glen Parva, Highdown, Huntercombe, Lancaster Farms, Moorland, New Hall, Onley, Portland and Stoke Heath.

*4. Private Finance Initiative:*

(i) Police forces:

Force Headquarters/Training Centre: Cheshire

Joint Firearms Training: Cleveland/Durham

Workington Divisional Police Station: Cumbria

Derby Divisional Headquarters: Derbyshire

Ilkeston Police Station (contract awarded): Derbyshire

Divisional Headquarters and Police Station: Dorset

Forcewide Property Review: Greater Manchester

Ystrad Mynach Police Station: Gwent

Communications System: Hertfordshire

Force Headquarters: Norfolk

Mounted Section Facility (contract awarded): Northumbria

Area Traffic Wing: Nottinghamshire

Area Headquarters and Sector Station: Thames Valley

(ii) Fire authorities:

Avon, Somerset and Gloucestershire (jointly)

Cornwall

Lancashire

London

Greater Manchester

Northumberland

North Yorkshire

South Wales

## Incapacitant Sprays

**Mr. Maclean:** To ask the Secretary of State for the Home Department what reports he has received that police officers in Cumbria used incapacitant spray in an inappropriate way; what assessment he has made of such reports; and if he will make a statement. [47213]

**Mr. Michael:** We have not received any reports or representations on this subject. I understand from inquiries made with Cumbria Constabulary following the tabling of this question that, since the force introduced CS sprays, no complaint about use of CS has been substantiated, and that the force has seen a drop of 14.4 per cent. in assaults on officers.

## Child Safety Week

**Mr. Maclean:** To ask the Secretary of State for the Home Department what initiatives his Department will take to promote Child Safety Week on 22 to 28 June. [47196]

**Mr. Straw:** I refer the right hon. Member to the reply given by my right hon. Friend the Secretary of State for Health on 25 June 1998, *Official Report*, column *582*.

## Football Hooligans

**Mr. Bayley:** To ask the Secretary of State for the Home Department what discussions he has had over measures to combat hooliganism by UK citizens travelling to football matches abroad. [46317]

**Mr. Michael:** My right hon. Friend has had correspondence and discussions with the French Minister of the Interior, and there have been extensive discussions over many months between the British and French Governments, police and football authorities. In February, the Home Secretary hosted a European Union seminar on the policing of football, which was also attended by my hon. Friend the Minister for Sport and myself, at which 23 countries were represented. In March, we published the Government's strategy for the World Cup, a copy of which was sent to every hon. Member. The Government's aim throughout has been to ensure that every assistance is given to the honest and well-behaved spectator in France. Minimising hooliganism and ensuring a high level of co-operation with the French authorities are crucial parts of that.

Police operations in France during the World Cup are a matter for the authorities there, but there have been extensive discussions between British police and their counterparts in France. Police officers from England and Scotland are in France assisting the French police, and I am satisfied that arrangements for the rapid collection and dissemination of intelligence on possible offenders are in place and working.

## Correspondence

**Mr. Beith:** To ask the Secretary of State for the Home Department when the Under-Secretary of State expects to reply to the letters of 19 March and 12 May from the right hon. Member for Berwick-upon-Tweed about the treatment of Mr. James by the Prison Service and the response given by the Prison Service to inquiries from his prospective employers. [47821]

**Ms Quin:** Following my consideration of the correspondence, I understand that a meeting has been arranged on Wednesday 8 July for the right hon. Member to discuss Mr. James's case with Prison Service officials.

### Public Registers

**Mr. Cohen:** To ask the Secretary of State for the Home Department if he will list the public registers which his Department have responsibility for. [47351]

**Mr. Straw:** My Department has direct responsibility for the following registers:

Index of Exempted Dogs (Dangerous Dogs Act 1991)[1]

Licensees and Certificate Holders under the Animals (Scientific Procedures) Act 1986[1]

Official Roll of the Baronetage

Register of Forensic Pathologists

In addition, the Home Office has limited responsibility, by virtue of our supervision of the relevant local services and/or the governing legislation, for the following registers:

Electoral Registers (Representation of the People Act 1983)

Coroners' Registers of Deaths Reported (Coroners' Rules 1984)[2]

Registers of Burials (and Records of Disinterments) (Local Authorities' Cemeteries Order 1977)[2]

Registers of Grants (Local Authorities' Cemeteries Order 1977)[2]

Register of Cremations (Cremation Regulations 1930)[2]

[1] Not accessible to the public

[2] Information available to the public subject to approval of individual authority holding register.
The Data Protection Registrar, a Home Office Non-Departmental Public Body, is responsible for making available the Data Protection Register.

### Data Protection

**Mr. Cohen:** To ask the Secretary of State for the Home Department (1) what progress has been made on the Code of Practice as defined in section 122 of the Police Act 1997; [47375]

(2) what plans he had to implement the Criminal Conviction Certificate. [47376]

**Mr. Michael:** We have decided to implement Part V of the Police Act 1997 which provides for the establishment of a Criminal Records Agency. When established, the Agency will be responsible for the issue of Criminal Conviction Certificates and other forms of certificate provided for in the Act. Many of the practical issues were not addressed at the time of legislation, but consideration is now being given to the options for phasing in the provisions of the Act and the timetable for implementation. As part of this process, and in full consultation with interested groups, further consideration will be given to the Code of Practice intended to inform the use of information provided by the Agency.

**Mr. Cohen:** To ask the Secretary of State for the Home Department (1) how many subject access requests were received by the Metropolitan Police in *(a)* 1995–96, *(b)* 1996–97, *(c)* 1997–98 and *(d)* 1998 to date; and if he will make a statement; [47373]

(2) how many subject access requests involved the retrieval of personal data stored on the Police National Computer in *(a)* 1995–96, *(b)* 1996–97, *(c)* 1997–98 and *(d)* 1998 to date; and if he will make a statement. [47374]

**Mr. Michael:** The information requested is given in the table.

| | *1995–96* | *1996–97* | *1997–98* | *1998 to date* |
|---|---|---|---|---|
| Total number of applications | 35,100 | 54,530 | 71,963 | 13,754 |
| Number of subject access requests received by the Metropolitan Police Service | 9,461 | 15,036 | 19,962 | 3,923 |

The number of applications received which involve retrieval of personal data on the Police National Computer is not recorded.

**Mr. Cohen:** To ask the Secretary of State for the Home Department for what reasons the Interpretation of the Second Principle of the Data Protection Bill 1998 creates a link to the notification requirements of that Bill. [47364]

**Mr. George Howarth:** Notification to the Data Protection Commissioner is one way in which the purposes for which personal data are obtained may be specified in accordance with the second data protection principle.

**Mr. Cohen:** To ask the Secretary of State for the Home Department for what reasons the provision with respect to medical purposes in Schedule 3, paragraph 8 of the Data Protection Bill 1998 differs from the corresponding provision in Article 8(3) of the Directive 95/46/EC. [47363]

**Mr. George Howarth:** The Data Protection Bill *[Lords]* is intended to make clear how the general provisions in the Directive should operate in the United Kingdom. Paragraph 8 of Schedule 3 sets out the circumstances in which sensitive data may be processed for medical purposes. It is fully consistent with Articles 8.3 and 8.4 of the Directive.

### Offshore Financial Regulatory System

**Mr. Cousins:** To ask the Secretary of State for the Home Department if he will list those who have *(a)* been asked to contribute to his review of the financial regulatory system in the Channel Islands and Isle of Man and *(b)* offered contributions; and if this review will hold public evidence sessions. [47726]

**Mr. Mike O'Brien:** The detailed conduct of the Review is the responsibility of Mr. Andrew Edwards, in consultation with Home Office officials and the authorities in the Channel Islands and Isle of Man.

Mr. Edwards has had extensive consultations with the Island authorities, with private sector practitioners and with others in the Islands. In addition, he has consulted widely within the United Kingdom and elsewhere.

I understand that he has no plans to hold sessions open to the general public; but in the early stages of this Review Mr. Edwards issued statements to the media in the Islands inviting anyone who felt they had something to contribute to the Review to write to him at the Home Office. I understand that firms and individuals in the Islands have responded positively to this invitation.

Although this is an internal Review, the Home Secretary announced to the House on 20 January 1998, *Official Report*, columns *506–08*, that a summary of its main conclusions would be published.

### Mentally Ill Prisoners

**Ms Julie Morgan:** To ask the Secretary of State for the Home Department how many people in prison in Wales are classified as mentally ill. [47845]

**Ms Quin:** The information is not available in the form requested. However, applying the percentage from the two studies of the prevalence of mental disorder in prisoners undertaken for the Prison Service by the Institute of Psychiatry to the population of the four prisons in Wales would suggest that some 900 people in prisons in Wales could be diagnosed as suffering from some form of mental disorder, including substance dependency or abuse.

### Key Cutting

**Ms Stuart:** To ask the Secretary of State for the Home Department, pursuant to his answer of 18 June 1998, *Official Report*, columns *322–23*, concerning key cutting, what the terms of reference are for the review process; and on what date the review will take place. [47297]

**Mr. Michael:** It is anticipated that a review of the Vehicle Key Cutting Code of Practice will take place in September 1998, six months after its launch, involving representatives of the police service and the key cutting industry bodies. This review would consider whether the existing monitoring procedures adopted by local beat officers and the industry bodies were working satisfactorily. Depending on the outcome, consideration could be given to extend the Code to other key types.

### Recidivism

**Mr. Beith:** To ask the Secretary of State for the Home Department what plans he has to commission research comparing recidivism rates of prisoners leaving privately and publicly managed prisons. [46241]

**Ms Quin:** The Home Office Offenders and Corrections Unit monitors reconviction rates for each prison. The latest survey covered prisoners discharged in 1994, and included the privately managed prisons in operation at that time.

The present data are based solely on the prison from which a prisoner is discharged, irrespective of the time they have spent there. In many cases, the bulk of the total sentence will have been spent in establishments other than that from which a prisoner is discharged.

The Prison Service is currently examining ways of constructing more effective forms of measurement to improve our monitoring of recidivism.

## TREASURY

### UK Areas

**Mr. Timms:** To ask the Chancellor of the Exchequer if he will make a statement on the progress being made in agreeing a new classification of United Kingdom areas for European statistical purposes. [48267]

**Mrs. Liddell:** Following extensive discussions, the Government Statistical Service has reached agreement with Eurostat, the Statistical Office of the European Union, on a revised classification. The Nomenclature of Units of Territorial Statistics (NUTS) provides a breakdown of the European Union's territory for producing regional statistics which are comparable across the Union. It has five hierarchical levels, and is built up from administrative units such as local government areas in the member states. A summary of the newly agreed UK structure is give in the table.

*Proposed structure*

| | *Type of area* | | | | *Number of areas* |
|---|---|---|---|---|---|
| *Level* | *England* | | *Scotland and Wales* | *Northern Ireland* | |
| 1 | Government Office Regions | | Countries | Country | 12 |
| 2 | Counties (some grouped) | | Groups of unitary authorities | Country | 37 |
| 3 | Upper tier authorities (counties) | Groups of unitary authorities | Groups of unitary authorities | Groups of districts | 133 |
| 4 | Lower tier authorities (districts) | Individual unitary authorities | Individual unitary authorities | Individual districts | 443 |
| 5 | Wards | | Wards | Wards | About 11,000 |

In Scotland, Levels 2, 3 and 4 areas are combinations of unitary authorities, LECs or part thereof

At NUTS level 1, the classification now recognises the areas which will also form the boundaries of the Regional Development Agencies.

At NUTS level 2, the major changes agreed, compared with the current structure, are:

The separation of Cornwall and Devon into two separate areas, recognising the very different economic condition of the two counties, Cornwall's sparsity of population, geographical peripherality and distinct cultural and historic factors.

The Separation of London into Inner and Outer London, recognising the differences between the inner city and the outer fringe, as well as the fact that London was one of the largest level 2 areas in the European Union.

The two-way split of Wales to be on an east/west basis, rather than the current north/south structure. This reflects the evolving differences between the east and the less accessible western and Valleys areas.

Changes to boundaries in Scotland to recognise the area represented by Highlands and Islands Enterprise (HIE). This enables the structure to more closely reflect the uses to which NUTS-based statistics are put. The HIE area is defined by Act of Parliament and is currently recognised for economic development by the EU and the UK.

At NUTS level 3, as substantial increase in the number of areas has been agreed, for the existing 65 to 133, to reflect the changes in local government structures throughout the UK.

Further details are set out in the Government Statistical Service press notice issued today, copies of which are available in the House of Commons Library.

## Private Finance Initiative

**Mr. Timms:** To ask the Chancellor of the Exchequer what is the total value of Private Finance Initiative contracts signed since 1 May 1997; and if he will place a list of those contracts in the Library. [48268]

**Mr. Geoffrey Robinson:** Contracts with a total value of £2.085 billion have been signed since May 1997. A list of those contracts, with their respective capital values, is shown in the table which has been placed in the House Library today.

*Projects signed as of June 1998*

| | *Capital value* |
|---|---|
| *Defence* | |
| Army Personnel IT System | £150 million |
| Defence Fixed Telecoms | £70 million |
| Helicopter Simulator | £100 million |
| Hawk Simulator | £10 million |
| Tidworth Water | £6 million |
| Joint Service College | £68 million |
| *Department for Education and Employment (PFI/PPPs)* | |
| Clarendon College | £16 million |
| Colfox School | £15 million |
| Falmouth College | £3 million |
| UCL | £14 million |
| Kings/UMDS | £142 million |
| Employment Service IT System | £150 million |
| *Department of the Environment Transport and the Regions* | |
| Harrow (IT) (LA) | £1 million |
| Isle of Wight waste management (LA) | £13 million |
| Surrey CC residential homes | £29 million |
| Kirklees Waste Management | £33 million |
| LB Westminster | £5 million |
| *Foreign and Commonwealth Office* | |
| 2 small vehicle service contracts | £3 million |
| *Northern Ireland* | |
| Medical equipment | £3 million |
| Belfast Hospital Renal Unit | £3 million |
| Planning Services IT | £3 million |
| *Health* | |
| Carlisle Hospital | £63 million |
| Dartford and Gravesham Hospital | £115 million |
| Norfolk and Norwich Hospital | £214 million |
| South Bucks Hospital | £39 million |
| North Durham Hospital | £96 million |
| *Home Office* | |
| 2 Passport Agency contracts worth | £15 million each |
| Derbyshire (Ilkeston) Police Station | £2 million |
| *Inland Revenue* | |
| Edinburgh accommodation | £9 million |
| Glasgow accommodation | £9 million |
| *Lord Chancellor's Department* | |
| ARAMIS IT System | £30 million |
| *Scotland* | |
| Baldovie Waste to energy plant | £43 million |
| Bowhouse Prison | £32 million |
| Stirling FE Centre | £4 million |
| Highlands and Islands Inverness Airport | £10 million |
| Hairmyres Hospital | £70 million |
| *Department of Social Security* | |
| Longbenton estate | £120 million |
| Prime DSS estate | £350 million |
| *Serious Fraud Office* | |
| Document management IT System | £4 million |
| *Wales* | |
| Chepstow Community Hospital | £8 million |
| Total | £2.085 billion |

## Unemployment

**Mr. Redwood:** To ask the Chancellor of the Exchequer what estimate he has made of the impact on unemployment of a one per cent. increase in average earnings. [47542]

**Mrs. Liddell** *[holding answer 29 June 1998]:* The impact on unemployment would depend on why wages increased, and how employers, employees and others in the labour force responded to the increase in wages. For example, an increase in wages reflecting higher productivity need not have any effect on unemployment.

## Public Sector Investment

**Mr. Malcolm Bruce:** To ask the Chancellor of the Exchequer if he will estimate for each year from 1978–79 to 2001–02 the expenditure by the Government on public sector net investment *(a)* in real terms in 1997–98 prices and *(b)* as a percentage of gross domestic product. [46387]

**Mr. Darling** *[holding answer 18 June 1998]:* Figures for public sector net investment can be found in Table 4A.1 or Table 4.5 (for years beyond 1998–99) of the Economic and Fiscal Strategy Report (EFSR). Projections

for the GDP deflator and money GDP can be found in Table 4.1 of the EFSR. Historical figures for GDP can be found in Table 2.1 of Economic Trends. These publications can be found in the House of Commons Library.

### Economic and Fiscal Strategy

**Mr. Malcolm Bruce:** To ask the Chancellor of the Exchequer if he will update Table 318, page 128, of the Financial Statement and Budget Report March 1998, to include information published in the Economic and Fiscal Strategy report (June 1998); and if he will make a statement. [46380]

**Mr. Darling** *[holding answer 18 June 1998]:* There has been no change to the outturn information for 1996–97 since the Financial Statement and Budget Report March 1998. Provisional outturn information by department for 1997–98 was published in the Public Expenditure Outturn White Paper (Cm 3988) on 19 June. There have been no changes to the 1998–99 Control Total, with the exception of those noted in Table 3A.1 of the Economic and Fiscal Strategy Report 1998 (Cm 3978).

### Public Spending

**Mr. Malcolm Bruce:** To ask the Chancellor of the Exchequer on what date the Bank of England was first notified of the new plans for public spending and borrowing, as set out in the Economic and Fiscal Strategy report (June 1998); and if he will make a statement. [46384]

**Mr. Gibb:** To ask the Chancellor of the Exchequer (1) if the Monetary Policy Committee of the Bank of England was informed of the Chancellor's statement on public spending prior to reaching its decision to raise interest rates on 4 June; [46533]

(2) if the Governor of the Bank of England was informed of the Chancellor's statement on public spending prior to the Monetary Policy Committee reaching its decision to raise interest rates on 4 June. [46534]

**Mr. Heathcoat-Amory:** To ask the Chancellor of the Exchequer (1) if the Treasury representative present at the Monetary Policy Committee's meeting on 3 and 4 June was informed of the plans set out in the Economic and Fiscal Strategy report; [46853]

(2) if his Department informed the Monetary Policy Committee of the plans set out in the Economic and Fiscal Strategy report at or before its meeting on 4 June. [46852]

**Mrs. Liddell** *[holding answers 18, 19 and 22 June 1998]:* I refer to what the Chancellor of the Exchequer said in response to the right hon. Member for Horsham (Mr. Maude) at Treasury Oral Questions on 25 June 1998, *Official Report*, column 1153.

**Mr. Malcolm Bruce:** To ask the Chancellor of the Exchequer if he will estimate the annual real terms growth of *(a)* total Government expenditure, *(b)* control total expenditure, *(c)* current expenditure and *(d)* capital expenditure, for (i) 1978–79 to 1982–83, (ii) 1982–83 to 1986–87, (iii) 1986–87 to 1991–92, (iv) 1991–92 to 1996–97 and (v) 1996–97 to 2001–02. [46386]

**Mr. Darling** *[holding answer 18 June 1998]:* Figures for current expenditure and capital expenditure can be found in Table 4A.1 or Table 4.5 (for years beyond 1998–99) of the Economic and Fiscal Strategy Report (EFSR). Total Managed Expenditure is the sum of current spending and net capital investment. Figures for the Control Total up to 1996–97 are given in the Table B24 of the Financial Statement and Budget Report (March 1998). The figure for 1997–98 was published in the Public Expenditure Outturn White Paper (19 June) and the 1998–99 figure was given in the FSBR, with the revisions noted in Table 3A of the EFSR. Figures for the Control Total are available on a consistent basis only from 1984–85. This concept is not applicable beyond 1998–99, as from 1999–2000 a reformed control regime will be introduced. Projections for the GDP deflator and money GDP can be found in Table 4.1 of the EFSR. Historical figures for GDP can be found in Table 2.1 of Economic Trends. These publications can be found in the House of Commons Library.

### Departmental Underspending

**Mr. Malcolm Bruce:** To ask the Chancellor of the Exchequer in which departmental areas, and for what reasons, there was underspend in 1997–98, compared with the spending plans as set out in the Financial Statement and Budget Report, March 1998; what was the size of the underspend; and if he will make a statement. [46403]

**Mr. Darling** *[holding answer 18 June 1998]:* Reasons for individual departmental underspends are matters for the departments concerned. Provisional control total outturn by department is shown in Table 1 of the Public Expenditure Outturn White Paper (PEOWP) (Cm 3988) published on 19 June.

### Channel Tunnel Rail Link

**Mr. Gibb:** To ask the Chancellor of the Exchequer if he will estimate what the financial markets would have charged for the Channel Tunnel Rail Link guarantee. [46969]

**Mr. Darling** *[holding answer 22 June 1998]:* The Government believe that the amount of finance required for the Channel Tunnel Rail Link is such that the financial markets would have been unable to provide the credit support which Government are to give.

**Mr. Gibb:** To ask the Chancellor of the Exchequer what was the basis of the valuation of the Government's participation in the Channel Tunnel Rail Link; what is that value; and who prepared the calculations on behalf of the Government. [46858]

**Mr. Darling** *[holding answer 22 June 1998]:* The information requested was set out in the statement by my right hon. Friend the Deputy Prime Minister on 3 June 1998, *Official Report*, columns 367–70. The Government's participation in the Channel Tunnel Rail Link was assessed using a model of London and Continental Railways' future finances prepared by the company and independently reviewed by external consultants.

### Hospital Repairs

**Mr. Heathcoat-Amory:** To ask the Chancellor of the Exchequer if he plans to classify expenditure on hospital repairs as current or capital spending. [46849]

**Mr. Darling** *[holding answer 22 June 1998]:* Expenditure on hospital repairs will follow the classification rules for the national accounts.

### Comprehensive Spending Review

**Mr. Malcolm Bruce:** To ask the Chancellor of the Exchequer in what form the results of the Comprehensive Spending Review will be published; and if he will make a statement. [47862]

**Mr. Darling:** A White Paper setting out the outcome of the Comprehensive Spending Review will be published before the summer Recess.

**Mr. Malcolm Bruce:** To ask the Chancellor of the Exchequer what is his policy in relation to consultation on departmental spending plans for the period 1999–2000 to 2001–2002; and if he will make a statement. [47863]

**Mr. Darling:** When setting up the Comprehensive Spending Review, Departments were encouraged to consult outside bodies where that would assist the conduct of the Review. Many representations have been made.

### VAT (Art Market)

**Mrs. Lait:** To ask the Chancellor of the Exchequer what representations he has received on the consequences of VAT harmonisation on London's art market. [46320]

**Dawn Primarolo:** I have received representations from the British Art Market Federation and from members of the art trade, and am aware of concerns about the effects of harmonisation of VAT on imports of works on the UK art market.

Goods imported into the UK normally bear VAT at the standard rate (17.5 per cent.). Under the terms of EC law introduced in 1995, certain works of art, antiques and collectors' pieces imported into the UK are eligible until 30 June 1999 for an effective rate of VAT at importation of 2.5 per cent. After that date, the UK is obliged to increase the VAT rate to at least the normal minimum effective reduced rate of 5 per cent. No import VAT is due in the UK on works of art that are temporarily imported for auction and are re-exported.

This year, the European Commission will review the effects of the relevant EC legislation on the competitiveness of the Community art markets compared to third countries' art markets. The relevant Government departments are working with the British Art Market Federation to evaluate those effects, and will be closely involved in the Commission's review to ensure that the position of the UK's fine art market is properly represented.

### Economic Forecasts

**Mr. Malcolm Bruce:** To ask the Chancellor of the Exchequer if he will re-calculate tables *(a)* B24, *(b)* B21, *(c)* B17, *(d)* B14, *(e)* B13, *(f)* B11, *(g)* B9 and *(h)* B8 from the Financial Statement and Budget report of March 1998, on the basis of the information in the Economic and Fiscal Strategy report of June 1998. [46361]

**Mr. Darling:** The Treasury normally publishes two forecasts a year, as required by the Industry Act 1975. The first of these forecasts for 1998 was published in the March Financial Statement and Budget Report (FSBR), and the second Industry Act forecast will be published later in the year. The Economic and Fiscal Strategy Report (ESFR) included a summary update of the March 1998 FSBR, based on new spending plans and updated projections of aggregate receipts to reflect outturns available since the Budget. Information on the updated fiscal projections can be found throughout chapters 3 and 4 of the EFSR.

### Third World Debt (Donations)

**Mr. Maclean:** To ask the Chancellor of the Exchequer, pursuant to his answer of 24 March 1998, *Official Report*, columns *124–25*, to the hon. Member for Perth (Ms Cunningham), what has been the administrative cost to his Department of accounting for postcards with money attached; what has been the average amount donated per donor; and how many responses have been sent to (i) members of the public and (ii) hon. Members and at what estimated cost. [45712]

**Mrs. Liddell:** The cost of processing postcards with money attached as a donation towards debt relief was estimated in March to be around £28,000. A rough calculation suggests that each donor has contributed, on average, around 50p.

Since January 1997, in response to postcards with money attached, around 4,500 responses have been sent to members of the public and over 1,600 responses have been sent to hon. Members.

### Public Finance

**Mr. Maude:** To ask the Chancellor of the Exchequer what are his cyclically adjusted estimates for *(a)* total managed expenditure, *(b)* general Government receipts, *(c)* public sector net borrowing, *(d)* public sector net cash requirement and *(e)* net public sector debt (i) in cash terms, and (ii) as a percentage of gross domestic product, for (1) 1998–99, (2) 1999–2000, (3) 2000–01, (4) 2001–02, (5) 2002–03 and (6) 2003–04, assuming trend output is 1.5 per cent. above trend in the first half of 1997. [47135]

**Mr. Darling:** Table 4.1 of the Economic and Fiscal Strategy Report set out the economic assumptions underlying the public finance projections. If output were 1½ per cent. above trend in the first half of 1997, then the assumptions in the EFSR imply that it would be approximately 2 per cent. above trend in 1997–98 as a whole. Cyclically adjusted estimates of the public finances can be calculated using the Treasury's estimates of the effects of the economic cycle on the public finances set out in Treasury Occasional Paper No 4 "Public Finances and the Cycle", published in September 1995. The effects of the economic cycle should not be significantly different between total managed expenditure and general government expenditure, or between public

sector net borrowing and the public sector net cash requirement. The Treasury does not calculate cyclically-adjusted measures of public sector debt.

### Departmental Expenditure Limits

**Mr. Maude:** To ask the Chancellor of the Exchequer what is his policy with regard to allowing any unused AME margin to be allocated to departmental expenditure limits. [47121]

**Mr. Darling:** The Annually Managed Expenditure (AME) Margin is designed to meet increases above forecast in elements of AME.

### Low Pay

**Mr. Browne:** To ask the Chancellor of the Exchequer if he will estimate how many *(a)* men and *(b)* women working (i) part-time and (ii) full-time in Kilmarnock and Loudoun earn less than (1) £3 per hour, (2) £3.60 per hour and (3) £2.50 per hour; and in each case if he will give the percentage of the total number employed. [47078]

**Mrs. Liddell** *[holding answer 23 June 1998]:* The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to reply.

*Letter from Tim Holt to Mr. Desmond Browne, dated June 1998:*

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent parliamentary question on earnings in Kilmarnock and Loudoun.

The latest information, from the New Earnings Survey (NES) April 1997, is contained in the attached table. The NES is based on a one percent sample of employees in the PAYE system and is therefore likely to under-represent relatively low paid staff and in particular those who work part-time.

The extent of this bias may be estimated for Scotland by using data from the NES augmented by data from the Labour Force Survey. This suggests that the estimate of the proportion of employees earning below £3.00 and £3.60 could understate the true position by as much as 3 percentage points. However, it is unlikely that the occurrence of lower paid jobs is uniform across the country, and so it would be wise to treat these figures as broadly indicative rather than as precise estimates.

*Employees on adult rates, whose pay for the survey pay-period was unaffected by absence—New Earnings Survey—April 1997*

| | *Percentage of employees with hourly earnings (excluding overtime) less than:* | | |
|---|---|---|---|
| *Kilmarnock and Loudoun* | *£2.50* | *£3.00* | *£3.60* |
| Full-time men | 0.0 | 0.0 | 0.0 |
| Part-time men | '— | '— | '— |
| Full-time women | 1.7 | 1.7 | 13.6 |
| Part-time women | 2.4 | 9.5 | 28.6 |
| All employees | 1.1 | 2.8 | 11.0 |

'Denotes an estimate which is unavailable because the sample size is too small

**Gillian Merron:** To ask the Chancellor of the Exchequer if he will estimate how many people in the constituency of Lincoln earn less than the proposed national minimum wage, broken down by *(a)* gender, *(b)* age and *(c)* full- or part-time employment. [47092]

**Mrs. Liddell** *[holding answer 24 June 1998]:* The information requested falls witnin the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to reply.

*Letter from Tim Holt to Gillian Merron, dated June 1998:*

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on earnings in Lincoln.

The national minimum wage will become effective in April 1999 and has been set at £3.60 for employees aged over 21 and £3.00 for those aged 18 to 21, although there are a number of qualifications to this general observation.

The Low Pay Commission, in arriving at their recommendations, had to adjust 1999 pay rates to 1997 values. Their methodology produces £2.80 and £3.40 as the 1997 values of the government's preferred rates and I have provided supplementary data for these levels.

The attached table presents data from the 1997 New Earnings Survey (NES) for the parliamentary constituency of Lincoln. I cannot provide data for those aged 18–21 years who would earn below the proposed minimum wage since there were only 10 individuals in the NES sample for Lincoln.

The NES is based on a one percent sample of employees in the PAYE system and is therefore likely to under-represent relatively low paid staff and in particular those who work part-time.

The extent of this bias may be estimated for the East Midlands by using data from the NES augmented by data from the Labour Force Survey. This suggests that the estimate of the overall proportion of employees earning below £3.60 could understate the true position by as much as 3 percentage points. However, it is unlikely that the occurrence of lower paid jobs is uniform across the region, and so it would be wise to treat these figures as broadly indicative rather than as precise estimates.

*Employees whose pay for the survey pay-period was unaffected by absence—New Earnings Survey—April 1997*

| | *Percentage of employees with hourly earnings excluding overtime and shift payments less than:* | |
|---|---|---|
| | *£3.40* | *£3.60* |
| *Lincoln—Employees aged over 21 on adult rates of pay* | | |
| Full-time males | 0.7 | 2.1 |
| Part-time males | '— | '— |
| All males | 0.6 | 1.9 |
| Full-time females | 4.3 | 9.6 |
| Part-time females | 9.2 | 22.4 |
| All females | 6.5 | 15.3 |
| All full-time | 2.1 | 5.0 |
| All part-time | 8.3 | 20.2 |
| All | 3.7 | 9.0 |

'Denotes an estimate which is unavailable because the sample size is too small

## PRIME MINISTER

### European Policy

**Mr. Trend:** To ask the Prime Minister (1) what meetings involving the Cabinet Office and 10 Downing Street have taken place since 11 May to discuss the Government's approach to the European Union; and which other Government Departments were involved; [47556]

(2) if he will list the strategy meetings which have taken place since 11 May to discuss policy towards the European Union involving representatives from Departments, units or agencies other than his Policy Unit or Political Office; and if he will list the Departments or agencies represented in these discussions; [47557]

(3) if it is his practice to invite Foreign Office Ministers to attend discussions of European policy at Downing Street. [47553]

**The Prime Minister:** My staff and I have regular meetings with Ministerial colleagues and others on a wide range of subjects, and will continue to do so. As with previous Administrations, it is not my practice to provide details of confidential discussions.

### Cabinet Ministers (Security)

**Mr. Paul Marsden:** To ask the Prime Minister if he will review the security arrangements for all Cabinet Ministers. [47683]

**The Prime Minister:** The security arrangements for Cabinet Ministers are reviewed regularly.

### Public Sector Pay Review Bodies

**Mrs. Dunwoody:** To ask the Prime Minister what is the current membership of the public sector pay review bodies. [48153]

**The Prime Minister:** The current membership is as listed:

*Senior salaries review body*

Sir Michael Perry CBE (Chairman)
Hon. Michael Beloff QC
Mr. David Clayman
Professor Sandra Dawson
Mrs. Rosemary Day
Sir Terence Heiser GCB
Sir Gordon Hourston
Sir Sydney Lipworth QC
Miss Patricia Mann OBE
Mr. Mark Sheldon CBE
Professor Sir David Williams QC, DL

*Armed forces pay review body*

Sir Gordon Hourston (Chairman)
Mrs. Kay Coleman OBE
Mr. John Cox CBE
Mr. John Crosby
Vice Admiral Sir Tody Frere KCB
The Lord Gladwin of Clee CBE
Professor David Greenaway
Ms Gay Haskins

*Review body on nursing staff, midwives, health visitors and professions allied to medicine*

Professor Clive Booth (Chairman)
Mr. Jim Bartlett
Mrs. Sheila Gleig
Miss Anne Mackie OBE
Mr. Michael Malone-Lee CB
Mr. Keith Miles
Mr. Clive Monks OBE
Professor Gillian Raab

*Review body on doctors and dentists remuneration*

Mr. Brandon Gough (Chairman)
Mrs. Matti Alderson
Professor Nicholas Bourne
Miss Carol Hui
Mr. Roderick Jackson
Mr. Christopher King CBE
Professor Sheila McLean
Mr. David Penton

*School teachers review body*

Mr. Tony Vineall (Chairman)
Mrs. Brigita Amey
Mr. Peter Gedling
Mr. Michael Harding
Mr. Vincent Harris
Miss Janet Langdon
Mr. Christopher Lyddon
Mrs. Patricia Sloane

## ATTORNEY-GENERAL

### Public Registers

**Mr. Cohen:** To ask the Attorney-General if he will list the public registers which his Department has responsibility for. [47360]

**The Attorney-General:** There are no public registers for which my Department has responsibility.

## SCOTLAND

### Overseas Travel

**Mr. Malcolm Bruce:** To ask the Secretary of State for Scotland what is his estimate of the cost of Ministerial overseas travel in his Department in *(a)* 1995–96, *(b)* 1996–97 and *(c)* 1997–98 to date. [26645]

**Mr. Dewar** *[holding answer 2 February 1998]:* The costs of Ministerial overseas travel including those for officials accompanying Ministers are as follows:

| Year | £ |
|---|---|
| 1995–96 | 67,042.43 |
| 1996–97 | 94,913.42 |
| 1997–98 | 95,259.68 |

### Children's Reporter Administration

**Ms Squire:** To ask the Secretary of State for Scotland what plans he has to permit the management of the Scottish Children's Reporter Administration to conduct pay negotiations with staff for 1998–99. [46749]

**Mr. Galbraith:** Approval of the Scottish Children's Reporter Administration's Pay Remit for 1998–99 was given on 9 June. This was in accordance with Treasury guidance to Departments on local pay bargaining arrangements for Executive Non-Departmental Public Bodies. The Administration opened negotiations with its staff side on 15 June.

### Public Registers

**Mr. Cohen:** To ask the Secretary of State for Scotland if he will list the public registers which his Department has responsibility for. [47348]

**Mr. Dewar:** The following registers are held by my Department or Agencies for which it is responsible:

*Scottish Office*

- Grant Eligible Pre-school Education Centres
- Statutory list of roads
- Water Supply Zones (including results of analysis of water quality)
- Trade Effluent Discharges
- Release of Genetically Modified Organisms
- Register of Independent Schools

*Student Awards Agency for Scotland*

- Register of Educational Endowments

*Fisheries Research Service*

- Food and Environmental Protection Act 1985, Pt2, Deposits in the Sea

*Historic Scotland*

- Building Conservation Register for Scotland
- Conservation Register (held jointly with the Museums and Galleries Commission)

*Rent Registration Service*

- Register of Rents

*Scottish Agricultural Science Agency*

- Persons and Firms registered as Seed Merchants, Seed Processors, and Seed Packers

*Registers of Scotland*

- General Register of Sasines
- Land Register
- Register of Deeds and Probative Writs in the Books of Council and Session
- Register of Judgments in Books of Council and Session
- Register of Service of Heirs
- Register of the Grant Seal
- Register of the Cachet Seal
- Register of the Quarter Seal
- Register of the Prince's Seal
- Register of Crown Grants
- Register of Sheriff's Commissions
- Register of Hornings
- Register of Inhibitions and Adjudications
- Register of Entails

### Higher Education

**Mr. Gorrie:** To ask the Secretary of State for Scotland how many of those aged *(a)* under 21, *(b)* 21 to 24 and *(c)* over 25 years and over, registered in Scotland, applied through UCAS for admission to a course of higher education for the (i) 1994, (ii) 1995, (iii) 1996, (iv) 1997 and (v) 1998 entry cycles; what were the numbers of the population in Scotland aged *(a)* to (c) for (i) to (v); and what was the proportion of those applying as a percentage of the appropriate population cohort. [47267]

**Mr. Wilson:** Figures on Scottish domiciled UCAS applicants by age, and relevant Scottish population from 1994 to 1998, are given in the table. For 1997 and 1998, the most up to date figures are based upon applications processed by UCAS by 16 May 1997 and 17 May 1998. Not all applications have arrived by this date, therefore 1997 and 1998 figures are undercounts and not directly comparable with previous years.

| *Year* | *Age under 21* | *Age 21 to 24* | *Age>25* |
|---|---|---|---|
| *Applicants[2] through UCAS* | | | |
| 1994 | 22,209 | 2,715 | 3,777 |
| 1995 | 23,798 | 3,105 | 4,772 |
| 1996 | 24,261 | 3,104 | 4,855 |
| 1997[1] | (23,549) | (2,299) | (3,637) |
| 1998[1] | (23,068) | (2,058) | (3,298) |
| *Scottish Population* | | | |
| 1994 | 1,291,973 | 306,312 | 3,455,928 |
| 1995 | 1,288,539 | 292,323 | 3,473,901 |
| 1996 | 1,282,497 | 277,482 | 3,488,335 |
| 1997 | 1,277,322 | 266,350 | 3,499,706 |
| 1998 | 1,276,902 | 255,750 | 3,507,728 |
| *Proportion of cohort applying* | | | |
| 1994 | 1.7 | 0.9 | 0.1 |
| 1995 | 1.7 | 0.9 | 0.1 |
| 1996 | 1.8 | 1.1 | 0.1 |
| 1997[1] | 1.9 | 1.1 | 0.1 |
| 1998[1] | (1.8) | (0.9) | (0.1) |
| | (1.8) | (0.8) | (0.1) |

[1] Forms processed by UCAS by 16 May 1997 and 17 May 1998

[2] Age at 30 September in year of entry

## INTERNATIONAL DEVELOPMENT

### EU Commission Documents

**Mr. Matthew Taylor:** To ask the Secretary of State for International Development what reviews she has undertaken of the European Commission's implementation of the Code of Conduct on Public Access to Commission Documents. [47459]

**Clare Short:** I refer the hon. Member to my answer to him of 8 June 1998, *Official Report*, column *446*, about the steps the Government are taking to increase access to information about EC development projects.

It is for the Commission to review their implementation of the Code of Conduct on Public Access to Commission Documents. They collate annual statistics which are available on request. For 1997, these showed that 89.3 per cent. of the 745 admissible requests for documents requested were released. 11.9 per cent. of requests related to external affairs, including development.

Any cases of apparent maladministration in the Commission's implementation of its Code may be referred to the European Ombudsman.

### EC Programmes (Developing Countries)

**Mr. Matthew Taylor:** To ask the Secretary of State for International Development if she has received the Environmental Resources Management report, "Evaluation of the Environmental Performance of EC Programmes in Developing Countries". [47458]

**Clare Short:** Further to my reply to the hon. Member's question on this subject, of 11 May 1998, *Official Report*, columns *24–25*, my Department received the Environmental Resources Management report several months ago and we are still awaiting the European Commission's response. This is due within the next few weeks. We will comment on this response in due course.

### Sudan

**Mr. Cox:** To ask the Secretary of State for International Development what plans *(a)* she and *(b)* the Under-Secretary have to visit the Sudan. [47338]

**Clare Short:** We have no plans to visit the Sudan. My Relief and Rehabilitation Field Manager has been to the crisis area twice since February and reported to me. Our Ambassador in Khartoum also visits the South and reports. A visit by me or the Under-Secretary would serve to hinder and not help the main aim at the moment, which is to get the maximum amount of food in as swiftly as possible to those who sorely need it.

### Public Registers

**Mr. Cohen:** To ask the Secretary of State for International Development if she will list the public registers which her Department has responsibility for. [47353]

**Clare Short:** The Department for International Development does not have responsibility for any public registers.

### Coral Reefs

**Mr. Hoyle:** To ask the Secretary of State for International Development if she will make a statement on the depletion of coral reefs; and what initiatives the Government are taking to prevent the destruction of coral reefs. [47811]

**Mr. Foulkes:** This Department recognises that depletion of coral reefs is a significant cause of poverty in developing countries, where poor coastal communities often lack land and employment and the coastal ecosystems offer the only accessible source of nutrition and income.

Degradation of coral reefs is occurring in many regions of the tropical oceans as the recently published World Resources Institute/World Conservation Monitoring Centre (WRI/WCMC) report "Reefs at Risk" makes clear. Traditional management systems in many small island communities have permitted sustainable use of reef resources for many years, but increasing population pressure and inappropriate development have contributed to the breakdown of these community-based management systems and a decline in the resource base. Modern arrangements for protection of coral reefs often aim to combine conservation with tourism and, unless carefully planned, can impose costs on the poor through loss of livelihoods. This Department is examining ways in which resources provided by coral reef biodiversity can be sustainably used to support people's livelihoods.

The United Kingdom is a founder member of the International Coral Reef Initiative (ICRI) and this Department has recently published a Manual of Coastal Resource Management in South Asia, following up earlier financial and technical support for the ICRI South Asia Region Coral Reef Management Workshop. We are also helping our partners in South Asia to protect their coral reefs by providing funds and expertise to the International Oceanographic Commission of UNESCO for the development of a South Asia region coral reef monitoring network, the first regional component of a planned global network.

The Government support the development of new approaches to the conservation and sustainable use of coral reef resources through research projects in the Caribbean investigating the biological and social impacts of coral reef protection, and the rate at which degraded reefs can recover when protected. We have funded research to develop a new technology for accelerating the recovery of degraded reefs through research in The Maldives, where coral rock is mined for use as building material. Reefs which had been bare of living coral organisms for 20 years became recolonised within a period of 12 months. We have recently supported work to improve the accuracy of remote sensing methods used in monitoring the state of the coral reef environment.

Our concern for the protection of coral reefs, and other tropical coastal ecosystems, is to help our partners stabilise and regenerate natural resources which are of significant importance to global efforts to eradicate poverty.

## HEALTH

### Primary Care Groups

**Mr. Levitt:** To ask the Secretary of State for Health what measures he proposes to take to *(a)* prevent and *(b)* deal with overspending by primary care groups in the new NHS. [45482]

**Mr. Milburn:** Primary Care Groups will be accountable to health authorities for the way in which they discharge their functions, including financial matters. Guidance on management arrangements and risk management plans for PCG budgets will be issued in the summer.

If a Primary Care Group overspends, the overspend will be managed within the funds made available to health authorities generally, and to the National Health Service more widely, much as health authority overspends are handled now.

### Trauma Patients

**Mr. Nigel Jones:** To ask the Secretary of State for Health how many patients have been treated for trauma in each health authority area for the last five years for which figures are available. [46511]

**Mr. Boateng:** The number of patients treated for post-traumatic stress disorder drawn from the Hospital Episode Statistics for 1995–96, the most recent year for which figures are available, is in the table. Information for earlier years is not available in an equivalent form. However, it is likely that the figures reported for post-traumatic stress disorder under-represent the number of people treated for the psychological after-effects of trauma since other people may be diagnosed as suffering from depression, anxiety or an adjustment disorder.

*Finished consultant episodes for 1995–96 Diagnosis 'F43.1' Post-Traumatic Stress Disorder*

| *District health authority* | *Number* |
|---|---|
| *England* | 347 |
| A11 Northumberland | 3 |
| A16 Sunderland | 1 |
| A30 North Durham | 10 |
| A31 South Durham | 1 |
| A32 Tees | 5 |
| A33 Gateshead and South Tyneside | 4 |
| A34 North Cumbria | 3 |
| A35 Newcastle and North Tyneside | 5 |
| B11 East Riding | 2 |
| B21 North Yorkshire | 5 |
| B31 Bradford | 1 |
| B51 West Yorkshire | 3 |
| B61 Leeds Health Authority | 3 |
| B71 Wakefield Health Care | 4 |
| CO1 North Derbyshire | 2 |
| CO9 Barnsley | 2 |
| C10 Doncaster | 2 |
| C12 Sheffield | 4 |
| C14 North Nottinghamshire | 5 |
| C15 Lincolnshire | 21 |
| DO5 North West Anglia | 1 |
| D12 Suffolk | 7 |
| D13 East Norfolk | 1 |
| EO9 Hillingdon | 4 |
| E18 East and North Herefordshire | 7 |
| E19 Brent and Harrow | 4 |
| E20 Ealing, Hammersmith and Hounslow | 4 |
| F31 North Essex | 4 |
| F32 South Essex | 3 |
| F33 Barking and Havering | 2 |
| F34 Redbridge and Waltham Forest | 1 |
| F35 East London and The City | 3 |
| F36 New River | 3 |
| F37 Camden and Islington | 4 |
| G12 Bromley | 9 |
| G21 East Sussex, Brighton and Hove | 1 |
| G22 East Kent | 4 |
| G23 West Kent | 10 |
| G26 South East London | 4 |
| H17 Merton, Sutton and Wandsworth | 2 |
| H20 West Surrey | 7 |
| H21 East Surrey | 9 |
| J10 Dorset Health Authority | 7 |
| J21 Portsmouth and South East Hampshire | 4 |
| J25 North and Mid Hampshire | 2 |
| J30 Wiltshire | 8 |
| J41 Isle of Wight | 1 |
| K24 Buckinghamshire | 9 |
| K33 Northamptonshire | 4 |
| K41 Oxfordshire | 9 |
| L10 Bristol and District | 8 |
| L21 Cornwall and Isles of Scilly | 4 |
| L35 Exeter and North Devon | 5 |
| L36 Plymouth and Torbay | 2 |
| L40 Gloucestershire | 2 |
| L51 Somerset | 13 |
| MO2 Herefordshire | 4 |
| MO5 Shropshire | 5 |
| MO7 North Staffordshire | 18 |
| M18 Dudley | 1 |
| M20 Solihull | 2 |
| M27 South Staffordshire | 1 |
| M28 Warwickshire | 6 |
| M29 North Birmingham | 1 |
| N17 North Cheshire | 4 |
| N18 South Cheshire | 6 |
| N21 Liverpool | 2 |
| N31 St. Helens and Knowsley | 4 |
| P16 Stockport Health | 2 |
| P21 East Lancashire | 1 |
| P22 South Lancashire | 1 |
| P24 Bury and Rochdale | 10 |
| P25 West Pennine | 10 |
| P26 Manchester Health | 7 |
| P27 Salford and Trafford | 3 |
| P28 Morecambe Bay | 1 |

### Mental Health

**Mr. Nigel Jones:** To ask the Secretary of State for Health which of the components of the NHS will make recommendations for the placement in mental nursing homes of people with learning difficulties or mental health problems under the new arrangements set out in the White Paper, The New NHS (Cm 3807). [46509]

**Mr. Boateng:** The White Paper *The New NHS* makes no change in this respect. Clinicians, working where appropriate with the relevant social work professionals, will make decisions about the appropriate placing of people with learning difficulties or mental health problems within the health and social care systems.

### Nurses (Working Holiday Visas)

**Dr. Starkey:** To ask the Secretary of State for Health when officials from his Department last met Home Office officials to discuss working holiday visas for nurses. [46502]

**Mr. Milburn:** Officials from the Department periodically meet officials from the Home Office and other Government departments to discuss a range of issues concerning the employment of overseas nurses. The last meeting which involved Home Office officials was held on 31 October 1995. In addition, Departmental officials have regular contact with officials from the Overseas Labour Service who are responsible for advising the Home Office on the acceptability of work permit applications from employers to fill shortage posts with overseas nationals. The last meeting was held on 4 February 1998.

**Dr. Starkey:** To ask the Secretary of State for Health what assessment he has made of the potential contribution of overseas nurses working in the United Kingdom on working holiday visas to addressing shortages in nursing provision. [46505]

**Mr. Milburn:** It is not the purpose of the working holidaymaker scheme to address skill shortages in the United Kingdom. A mechanism already exists, through the work permit scheme, for non-European Economic Area nationals to be employed in cases of skills shortages. Information on the numbers of overseas nurses registering with the United Kingdom Central Council for Nursing, Midwifery and Health Visiting is published in the statistical analysis of the UKCC's professional register 1 April 1996 to 31 March 1997, copies of which are available in the Library.

### Testosterone

**Mr. Matthew Taylor:** To ask the Secretary of State for Health if he will list the standards relating to the permissible levels of testosterone in *(a)* edible and *(b)* medicinal products in the UK; and what procedures apply in circumstances where products are banned. [46802]

**Ms Jowell:** The use of hormones as growth promoters in animal production has been banned in the European Union since 1988. Any confirmed residue of testosterone in food resulting from the use of a growth promoter is illegal.

There are no standards relating to permissible levels of testosterone in medicinal products for human use in the United Kingdom. Currently, there are 14 licensed human medicinal products (capsules, injections, implants and transdermal patches) which contain testosterone, one of several testosterone esters or methyltestosterone as the active ingredient at amounts of 20–250 milligrams. Recommended doses are based on information obtained from clinical trials. The products are indicated mainly for treatment of conditions in males where testosterone supplementation is required, and are obtainable only on prescription.

In cases where there are concerns relating to safety, quality or efficacy of any licensed medicinal product, the marketing authorisation (MA) may be withdrawn voluntarily by the MA holder. Alternatively, the licensing authority may take steps to revoke or suspend the MA. Procedural provisions relating to the grant, renewal, variation, revocation or suspension of UK MAs are contained in the Medicines for Human Use (Marketing Authorisations etc.) Regulations 1994.

The sale, supply and importation of medicinal products, and of animal feeding stuffs incorporating such medicinal products, which are the subject of a prohibition order under Section 62 of the Medicines Act 1968 are illegal, and a criminal offence by virtue of Section 67(3) of this Act. The maximum penalty is 2 years' imprisonment and/or an unlimited fine on indictment to the Crown Court.

### Food Safety (Cheese)

**Sir Alastair Goodlad:** To ask the Secretary of State for Health what representations he has received about the use by his officials of powers granted under the Food Safety Act 1990 to ban the sale of cheese without court proceedings; and if he will make a statement. [47070]

**Ms Jowell:** The powers to which the right hon. Member refers are conferred on Ministers. On 20 May 1998, I signed an emergency control order under section 13 of the Food Safety Act 1990 prohibiting commercial operations in respect of cheese from a Somerset producer, because I was satisfied that such operations involved or may have involved imminent risk of injury to health. A 12 year old boy had become seriously ill after eating cheese contaminated with e-coli. The source was traced to the producer who was the subject of the order.

One business made representations and attended a meeting at the Department. I responded to the hon. Member for North Cornwall (Mr. Tyler), who initiated a debate on the matter, and to the right hon. Member for Wells (Mr. Heathcoat-Amory) who made representations in the course of the debate, 17 June 1998, *Official Report*, columns 338–46. We have also received a letter from the Specialist Cheesemakers' Association, and as at 24 June 1998, three letters from hon. Members and one from a member of the public.

### Waiting Times

**Mr. Hammond:** To ask the Secretary of State for Health if he will collate and publish on a regular quarterly basis information showing *(a)* the number of people awaiting an out-patient consultation at an NHS hospital and *(b)* the number of out-patient consultations that have taken place in NHS hospitals in the previous quarter. [47133]

**Mr. Milburn:** No. A considerable amount of data on outpatient appointments are already collected and published in a quarterly statistical bulletin.

### Drugs Misuse (London)

**Mrs. Ann Winterton:** To ask the Secretary of State for Health what assessment he has made of the level of liaison which exists between the boroughs of London in co-ordinating an effective strategy to combat drugs misuse; and if he will make a statement. [47341]

**Ms Jowell:** The Greater London Association of Directors of Social Services have, since 1993, co-ordinated a subgroup—the Greater London Drug and Alcohol Purchasers Group—for all directors of social services in London to discuss substance misuse issues.

The Greater London Drug and Alcohol Purchasers Group meets regularly with the Inner London Purchasers of Substance Misuse Services, which represents health authorities. This forum, known as the London Drug and Alcohol Purchasers Group, aims to ensure consistency in approaches to the treatment and prevention of drug misuse. The aim of the group is to standardise policies on pricing, treatment programmes and quality standards. It meets regularly with the London Drug Services Consortium, which represents the interests of voluntary and private sector providers of drug services in the London area.

In addition, the London Drug Policy Forum encourages joint working between these groups, the police, the probation and prison services and all those working in the provision of services for drug misusers. For example, it organises regular meetings for chairs of London drug action teams, and has recently produced a guide for local authorities on their role in tackling drugs misuse "Drugs in the Community—what local authorities can do".

All these groups are currently reviewing how they can work together more effectively to achieve the objectives of our new anti-drug strategy "Tackling Drugs to Build a Better Britain".

### Elderly People (Discrimination)

**Mr. Hancock:** To ask the Secretary of State for Health what research his Department has evaluated on discrimination against the elderly within the NHS; and if he will make a statement. [47588]

**Mr. Boateng:** Although allegations of age discrimination in the National Health Service have been made from time to time over a number of years, there is a lack of reliable evidence based research on the subject.

At the end of last year, my right hon. Friend the Secretary of State commissioned HAS 2000 to examine the care which acute NHS hospitals provide for older people, including claims about age discrimination. HAS 2000 are due to report at the end of this month. The Department will be evaluating the report, which will be published. Copies will be placed in the Library.

### Wheelchairs

**Mr. Corbett:** To ask the Secretary of State for Health if he will list those categories of people eligible to be provided with electric wheelchairs at public expense; and what plans he has to review this provision. [47590]

**Mr. Boateng:** The National Health Service provides powered indoor/outdoor wheelchairs for severely disabled people, including children, who can benefit from them. Each health authority assesses local needs and determines local eligibility criteria within the broad national framework that the severely disabled person is unable to propel a manual wheelchair outdoors, is able to benefit from the chair through increased mobility leading to improved quality of life, and is able to handle the chair safely.

NHS provision of electronically powered indoor/outdoor wheelchairs was introduced in 1996, at the same time as a voucher scheme to enable wheelchair users to contribute towards a more expensive wheelchair of their choice. The NHS Executive will shortly begin an evaluation of the operation of both these initiatives and it aims to complete the study by the end of the 1998–99 financial year.

### Correspondence

**Miss McIntosh:** To ask the Secretary of State for Health what was the volume of correspondence sent to and received from hon. Members by the Secretary of State for Health in the periods *(a)* 1 January to 26 March 1994 and *(b)* 1 January to 26 March 1998. [47689]

**Ms Jowell:** The information is not available in the form requested. The total volume of correspondence replied to by Ministers from this Department for the period 1 January 1994 to 31 March 1994 was 2,505. The total volume of correspondence replied to by Ministers for the period 1 January 1998 to 26 March 1998 was 3,585. From the records kept, it is not possible to distinguish between those replies addressed to hon. Members and those addressed to other individuals or organisations, although the majority of the replies would have been to hon. Members.

### Data Protection

**Mr. Cohen:** To ask the Secretary of State for Health what plans he has to introduce a code of practice with respect to the use of data-matching techniques which require access to medical or other administrative records held by health bodies in relation to anti-fraud initiatives in the NHS. [47370]

**Mr. Milburn:** General guidance on the use of person-specific information held by National Health Service bodies was issued in 1996 and the general principles were reinforced in the report of the Caldicott Committee in 1997. These principles apply equally to the use of NHS records in connection with anti-fraud work in the NHS. We will shortly be reviewing this guidance in the light of the Data Protection Bill and will clarify the circumstances in which information held by NHS bodies may be shared with non-NHS agencies.

**Mr. Cohen:** To ask the Secretary of State for Health when he expects the Audit Commission to commence data-matching exercises using their powers under the Audit Commission Bill 1998; and if such matching will involve records held by local authorities. [47371]

**Mr. Boateng:** The Audit Commission Act 1998 consolidates existing legislation and does not introduce new powers. Auditors appointed by the Audit Commission have used data-matching techniques in local authorities for four to five years. They have recently extended this to a number of National Health Service pilot sites. The Audit Commission has no current plans to extend this to cross matching local authority and NHS records.

### NHS Drugs

**Mr. Hoyle:** To ask the Secretary of State for Health what proportion of NHS money is spent on parallel trading in drugs. [47809]

**Mr. Milburn:** Full information on expenditure on parallel traded medicines by the National Health Service is not available. However, within the Family Health Services sector in England and Wales, the Pharmacists' Discount Inquiry estimates that, in 1997–98, 4.63 per cent. of the net ingredient cost of prescriptions dispensed by community pharmacies was in relation to parallel imported products. Over each of the six years 1992–1997, the corresponding figures were between 4.09 per cent. and 4.80 per cent. For 1997–98, this equates with a figure of some £197 million expenditure on such products, providing an estimated saving to the NHS of around £19 million.

**Mr. Hoyle:** To ask the Secretary of State for Health what percentage of drugs for use in the NHS are imported from overseas. [47810]

**Mr. Milburn:** Records are not kept of the origin of drugs in the National Health Service. However, in 1997, pharmaceutical products worth £3,192 million were imported into the United Kingdom, with exports of £5,484 million. This includes pharmaceuticals used outside the NHS. The latest available figures (financial year 1996–97) indicate an expenditure of £4,735 million on the drugs bill in England. This figure includes community prescribed and hospital medicines.

### Microbiological Research Authority

**Mr. Key:** To ask the Secretary of State for Health, pursuant to his answers of 21 July 1997, *Official Report*, columns *409–10*, and 25 March 1998, *Official Report*, column *180*, if he will now send to the hon. Member for Salisbury a copy of the final submission made to him under the quinquennial review from the Microbiological Research Authority Board; and if he will make a statement about that quinquennial review. [47843]

**Ms Jowell:** I understand that a copy of the final submission from the Microbiological Research Authority to the team undertaking the quinquennial review of the Microbiological Research Authority was sent to the hon. Member on 5 November 1997 and that he acknowledged receipt on 11 November.

The findings of the first stage of the review are still the subject of discussions by Ministers. We will make a statement when these are completed.

### Tattoo Removal

**Mr. Oaten:** To ask the Secretary of State for Health what was the cost to the National Health Service of tattoo removal for each of the last four years. [47592]

**Mr. Boateng:** The information relating to this specific procedure is not collected centrally on a routine basis. Within the current standard coding classifications used by the National Health Service there is no unique code or combination of codes for treatments specifically related to tattoo removal. This procedure is classified along with other procedures to remove skin lesions e.g. iron pigmentation.

### Maternity Services (North Essex)

**Mr. Whittingdale:** To ask the Secretary of State for Health when he expects to reach a decision on the future of maternity services in North Essex. [47890]

**Mr. Milburn:** A decision will be made on the future of maternity services in North Essex when we have considered carefully all the evidence following the objection by the local community health councils to North Essex Health Authority's consultation document 'Taking the Initiative'.

## TRADE AND INDUSTRY

### Millennium Compliance

**Mr. David Atkinson:** To ask the President of the Board of Trade if she will provide hon. Members with an information pack on the millennium compliance of computer systems similar to that supplied to hon. Members on the euro on 15 July by the Minister for Trade and Competitiveness in Europe. [47011]

**Mrs. Roche:** I will send a suitable information pack to each hon. Member in a few weeks' time.

**Mr. White:** To ask the President of the Board of Trade for what reasons the original year 2000 Millennium conformance standard set by BSI was deficient in respect of real time requirements. [46500]

**Mrs. Roche:** The so-called Millennium Conformance Standard is not a standard in the strict sense, but a Published Document prepared by the British Standards Institution setting out Year 2000 conformity requirements. I understand that, following representations from the telecommunications industry about its interpretation, this document is being reviewed within BSI.

### Small Businesses

**Mr. Baldry:** To ask the President of the Board of Trade if she will make a statement on the Government's policy objectives for small businesses. [47428]

**Mr. Jenkins:** To ask the President of the Board of Trade if she will list the current *(a)* objectives and *(b)* targets of the Government's small firm policies. [47144]

**Mrs. Roche:** The overall aim which underpins the Government's small firms policy is to enhance the competitiveness of small businesses by maintaining a supportive economic and business environment, and delivering high quality business support services.

More detailed policy objectives are currently being refined through a process of consultation, which includes listening to the views of representatives of small business. Our work is also being informed by the recent report of the Trade and Industry Select Committee on Small and Medium Sized Enterprises, and the small firms debate which was held in the House of Commons on 19 June 1998, *Official Report*, columns 606–76.

The Government's policies for small businesses will be set out in the Competitiveness White Paper to be published in the Autumn.

### Newspaper Pricing

**Mr. Chidgey:** To ask the President of the Board of Trade what legal advice she has taken concerning the

relevance of the special circumstances found to have held in the European Court Case C-333/94 P Tetra Pak *v.* Commission to pricing strategies in the UK's daily broadsheet market. [42612]

**Mrs. Beckett** *[holding answer 19 May 1998]:* The Competition Bill sets the framework which prohibits anti-competitive behaviour and the abuse of dominance. Decisions in specific cases are matters for the independent regulator. It is not, therefore, for me to comment on how the principles of EC jurisprudence would apply in individual circumstances.

### Insolvency Proceedings

**Mr. Cranston:** To ask the President of the Board of Trade what steps she intends to take to revive the European Union convention on insolvency proceedings; and if she will make a statement. [47113]

**Mr. Nigel Griffiths:** The European Convention on Insolvency Proceedings was opened for signature between 23 November 1995 and 23 May 1996. The United Kingdom did not sign the Convention during that time. There are no proposals currently for the Convention to be revived.

### Eastern Natural Gas

**Mr. Pickthall:** To ask the President of the Board of Trade what representations she has received about the methods used by Eastern Natural Gas in acquiring new customers. [46587]

**Mr. Battle** *[holding answer 22 June 1998]:* My Department has received a number of representations regarding marketing methods used by gas suppliers, including some relating to Eastern Natural Gas. The Government believe that consumers who are sold gas contracts on the doorstep should have proper protection. I raised my concerns with the Director General of Gas Supply last year, and this led to Ofgas introducing, on 26 January, a new suppliers' licence condition to bring such activities under tighter control.

Among other things, the new condition includes rules on the proper selection and training of sales staff who are in direct contact with domestic customers, auditing of sales activities, schemes for paying compensation, and a ban on gas suppliers using agents who ask for payment in advance of arranging a supply of gas.

This initiative should help to further enhance consumer protection with regard to doorstep selling. I am, however, keeping the situation, including the need for further action, under review.

### Employment Rights Act

**Mr. Wills:** To ask the President of the Board of Trade what was the *(a)* total and *(b)* average amount of ex gratia payments her Department made in (i) 1996 and (ii) 1997 under the Employment Rights Act 1996. [47072]

**Mr. Ian McCartney:** In the period between 22 August 1996, when the Employments Rights Act 1996 became effective, and the end of the 1996/97 financial year *(a)* the total paid under ex gratia arrangements in relation to claims under the Employments Rights Act 1996 was £13,160; *(b)* the average in that period was £1,880 per case (£1,196 per single payment).

In the 1997/98 financial year *(a)* the total paid under ex gratia arrangements in relation to claims under the Employments Rights Act 1996 was £24,666; *(b)* the average in that period was £2,242 per case (£1,542 per single payment).

**Mr. Wills:** To ask the President of the Board of Trade what was the largest single ex gratia payment her Department made in *(a)* 1996 and *(b)* 1997 under the Employment Rights Act 1996. [47073]

**Mr. Ian McCartney:** The largest single ex gratia payment made in relation to claims under the Employment Rights Act 1996 in *(a)* 1996 was £3,210, and in *(b)* 1997 was £6,777.

### Manufacturing Exports

**Mr. Jim Cunningham:** To ask the President of the Board of Trade what plans she has to assist manufacturers to increase the volume of British goods exported to foreign countries. [46600]

**Mrs. Roche** *[holding answer 23 June 1998]:* The full range of Overseas Trade Services is available to help UK companies sell goods and services overseas.

Following the Export Forum's report last November, these are being improved and extended. A National Exporters Database will be introduced on 1 July and a new Export Sales Leads Service on 1 September. A new simpler system of Support for Exhibitions and Seminars abroad will apply to events opening after 1 April 1999.

New programmes of activity in some of the target markets identified by the Export Forum have already been announced, including the Export Explorer for Western Europe. New programmes in the remaining target markets will be launched throughout the year.

### Manufacturing Investment

**Mr. Jim Cunningham:** To ask the President of the Board of Trade what plans she has to promote private investment in British manufacturing industry. [46599]

**Mr. Battle** *[holding answer 23 June 1998]:* The Government are striving to promote high levels of investment in British industry, including manufacturing, through achieving economic stability, and creating a tax system that rewards enterprise. The Chancellor also recently announced three new venture capital funds totalling £240 million to support small and medium businesses, and this Department is working in partnership with business to raise the competitiveness of our firms, including looking at what else can be done to promote investment.

### Dounreay

**Mr. Flynn:** To ask the President of the Board of Trade what consultations she held with *(a)* environment pressure groups, *(b)* local authority interest groups, *(c)* academic experts and *(d)* the Socialist Environment and Resources Association prior to her decision on the phased closure of Dounreay. [45774]

**Mr. Battle** *[holding answer 17 June 1998]:* My Department regularly receives and welcomes views from interested groups and individuals on a range of issues. In addition, I recently addressed the Socialist Environment and Resources Association. Nothing is more important than safety in all operations on nuclear licensed sites. Within this overriding requirement, the particular decision to accept no new commercial reprocessing at Dounreay was taken on economic grounds after considering the recommendation from the UKAEA.

### Pharmaceutical Industry

**Mr. Hoyle:** To ask the President of the Board of Trade what assessment she has made of the impact of the Irish Development Agency on the number of pharmaceutical companies leaving the United Kingdom to locate in the Republic of Ireland. [47817]

**Mr. Ian McCartney:** The factors which cause a company to leave a particular market are often complex and go beyond simply the efforts or effect of an investment body in another market.

I am unaware of any significant number of pharmaceutical companies leaving the UK to locate in the Republic of Ireland, although there have been instances of companies locating new investment projects or switching certain production there. This is a matter for their commercial judgment. However, the UK remains at the forefront of the pharmaceutical industry having the world's fifth largest industry by sales. But we are not complacent: both my Department and the Department of Health are working with the Association of the British Pharmaceutical Industry to ensure that we retain our prominent position.

### Biotechnology

**Mr. Hoyle:** To ask the President of the Board of Trade what assistance her Department has given to the expansion of biotech companies in the last year. [47816]

**Mr. Battle:** My Department is committed to getting the climate right for the development of the UK's biotechnology sector. We support technology transfer through, for example, LINK, EUREKA, and SMART, and specific Biotechnology Challenges, to encourage the start-up and growth of new companies.

This assistance is complemented by support for the sector by other Government Departments and by the Research Councils.

### Car Prices

**Mr. Hoyle:** To ask the President of the Board of Trade if she will list the latest figures for average retail prices for new cars sold in the *(a)* UK and *(b)* other European Union countries. [47411]

**Mr. Nigel Griffiths** *[holding answer 25 June 1998]:* The European Commission produces a six-monthly report on car prices across the European Union, comparing the prices in each Member State of the best-selling models. I have placed a copy of the latest report in the Library of the House. The Commission's figures can also be found on the Internet at http://europa.eu.int/en/comm/dg04/aid/en/car.htm.

### Lord Archer

**Mr. Gordon Prentice:** To ask the President of the Board of Trade how many copies were made of the DTI inspectors' report into the conduct of Lord Archer of Weston-super-Mare in respect of share dealing; and if she will list the holders and locations of these copies. [47603]

**Mr. Nigel Griffiths:** The inspectors appointed to investigate dealings in the shares of Anglia Television Group Plc delivered 20 copies of the report to the Secretary of State in July 1994. No further copies have been made in the Department. All 20 copies are still held within the Department, other than copies disclosed to the Stock Exchange and the Securities and Futures Authority.

**Mr. Gordon Prentice:** To ask the President of the Board of Trade how many persons were interviewed by her Department's inspectors in connection with the investigation into the conduct of Lord Archer of Weston-Super-Mare in respect of share dealing. [47703]

**Mr. Nigel Griffiths:** The inspectors conducted formal interviews with 22 witnesses in the course of their investigation in 1994 into dealings in the shares of Anglia Television Group Plc. Not all these interviews related to Lord Archer of Weston-Super-Mare.

**Mr. Gordon Prentice:** To ask the President of the Board of Trade if she will publish the DTI inspectors' report into the conduct of Lord Archer of Weston-super-Mare in respect of share dealing. [47602]

**Mr. Nigel Griffiths:** Reports of insider dealing inspections are not published. There are strict legal restraints on disclosure of information obtained in such inspections.

**Mr. Gordon Prentice:** To ask the President of the Board of Trade how many hours were spent by her inspectors in the investigation into the conduct of Lord Archer of Weston-Super-Mare in respect of share dealing. [47867]

**Mr. Nigel Griffiths:** The information is not held in this form. As mentioned in an earlier answer, two independent inspectors were appointed under S.177 of the Financial Services Act 1986 to investigate dealings in the securities of Anglia Television Group Plc between 10 January and 21 January 1994. Their fees and disbursements amounted to about £215,000 (including VAT).

The investigation dealt with a wider range of matters than Lord Archer's dealing and accordingly the amount related thereto is not separately calculable.

### European Working Hours Directive

**Mr. Hancock:** To ask the President of the Board of Trade what assessment she has made of the impact of the European Working Hours Directive on retirement home managers who are required to be on call for 24 hours per day. [47453]

**Mr. Ian McCartney:** The consultation document on proposals to implement the EC Working Time Directive, issued in April 1998, contained an appraisal of the costs and benefits of these measures for workers and employers. A copy of this document is available in the Library of the House. No appraisal has been undertaken by my Department of the specific impact on retirement home managers.

### Director General of Fair Trading

**Mr. Rammell:** To ask the President of the Board of Trade when she intends to publish the report by the Director General of Fair Trading for 1997. [45365]

**Mr. Nigel Griffiths:** The 24th Annual Report by the Director General of Fair Trading has been published today. It covers the period from 1 January 1997 to 31 December 1997. Copies of the Report have been laid before Parliament.

### Post Office

**Mr. Redwood:** To ask the President of the Board of Trade what action *(a)* the Government and *(b)* the Post Office will have to take to comply with the proposed EU Postal Directive. [47548]

**Mrs. Beckett** *[holding answer 25 June 1998]:* The Government must transpose the Directive into UK law by February 1999. We shall need to modify the monopoly and introduce some other amendments. We expect to do this through secondary legislation, using the European Communities Act 1972. The final proposals will be announced later this year.

The Post Office is fully committed to complying with the Directive and is discussing with officials at the Department the precise arrangements which will be necessary.

**Mr. Redwood:** To ask the President of the Board of Trade how many proposals for foreign acquisition and joint ventures by the Post Office since May 1997 *(a)* have been turned down and *(b)* are awaiting an answer from her Department. [47518]

**Mrs. Beckett** *[holding answer 25 June 1998]:* None.

### Minimum Wage

**Mr. Redwood:** To ask the President of the Board of Trade what plans she has to include accommodation and meals in calculation of employees' earnings for the purpose of the minimum wage. [47526]

**Mrs. Beckett** *[holding answer 25 June 1998]:* We have accepted the Low Pay Commission's recommendation that, with the exception of accommodation, benefits should be excluded from the calculation of employees' earnings for the purpose of the national minimum wage.

**Mr. Redwood:** To ask the President of the Board of Trade what estimate she has made of the impact on employment of the proposed minimum wage, assuming *(a)* half restoration of differentials, *(b)* three-quarters restoration of differentials and *(c)* full restoration of differentials. [47562]

**Mrs. Beckett** *[holding answer 25 June 1998]:* The Government share the Low Pay Commission's view that a national minimum wage set at the level proposed should not lead to a significant impact on employment, and any pressure to restore pay differentials will be limited and localised.

**Mr. Redwood:** To ask the President of the Board of Trade what is the definition of a trainee for the purposes of exemption from the minimum wage. [47521]

**Mrs. Beckett** *[holding answer 25 June 1998]:* All those on formal apprenticeships will be exempt from the national minimum wage. The criteria for defining who is affected will be set out in the Regulations implementing the National Minimum Wage Bill.

### Coal Mining

**Mr. Redwood:** To ask the President of the Board of Trade what estimate she has made of the change in employment in coal mining which would result from licensing an additional 1,000 MW of gas-fired electricity generating capacity. [47525]

**Mrs. Beckett** *[holding answer 25 June 1998]:* An additional 1,000 MW of gas-fired electricity generating capacity could displace approximately 2.5 million tonnes of coal a year. The precise impact would depend on the extent to which both the new gas station and existing coal stations operated which, in turn, would be affected by the relative prices of coal and gas. The impact on employment in coal mining in the UK would depend on where generators whose electricity was displaced would have bought their coal.

### Research Councils

**Mr. Sawford:** To ask the President of the Board of Trade what systems are in use to evaluate the quality of research material produced using funding from the research councils. [46838]

**Mr. Battle:** The Research Councils operate a range of systems to evaluate the quality of research that they fund, commensurate with the aims of the research and level of funding.

At the individual project grant level, the Research Councils operate a system of peer review and grading of final scientific reports. In addition, project grants which result in publication in a scientific journal are automatically peer reviewed by the wider scientific community.

At the programme level (groups of projects in a related area), projects are additionally reviewed together and the added value of the combined research assessed by peer review.

### Export Licences

**Mr. Wilkinson:** To ask the President of the Board of Trade how many export licences were granted to British exporters in the twelve month periods *(a)* before 2 May 1997 and *(b)* after 2 May 1997. [47567]

**Mrs. Roche** *[holding answer 25 June 1998]:* Statistics on decisions on export licences issued and refused for the second half of 1996 were placed in the Library of the House on 25 March 1998. Such statistics for the period 1 January to 1 May 1997 will be placed in the Library of the House soon. The Government are committed to report annually on the state of strategic export controls and their application since 2 May 1997, and I refer to the answer given by the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Manchester, Central (Mr. Lloyd) to the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) on 12 May 1998, *Official Report,* column *110.*

**Mr. Wilkinson:** To ask the President of the Board of Trade what assessment she has made of the effect of the EU Code on Arms Exports on her Department's issue of export licences to British companies. [47568]

**Mrs. Roche** *[holding answer 25 June 1998]:* Licences to export arms and other goods where export is controlled for strategic reasons are issued by the President of the Board of Trade, and the Export Control Organisation of the Department of Trade & Industry is the licensing authority. All relevant individual licence applications are circulated by the DTI to other Government Departments with an interest, as determined by them in line with their policy responsibilities. These include the Foreign & Commonwealth Office, the Ministry of Defence, and the Department for International Development. The EU Code of Conduct on Arms Exports was formally adopted by the General Affairs Council on 8 June. Its provisions will be taken into account in export licensing decisions, as well as the export licence assessment criteria announced by my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs, on 28 July 1997, *Official Report,* columns *26–29.* Under the Code, each Member State will circulate in confidence an annual report on its defence exports and on its implementation of the Code. Member States will discuss these reports and review the Code's operation.

### BNFL

**Mr. Llew Smith:** To ask the President of the Board of Trade what assessment she has made of the potential impact on United Kingdom public funds of British Nuclear Fuels' proposed joint purchase with the Morris Knudsen Engineering Company of the nuclear operations of Westinghouse Inc. [47881]

**Mr. Battle:** The Government and British Nuclear Fuels Plc. are agreed that the costs of the acquisition of Westinghouse will be met within BNFL's External Financing Limit and without affecting the Government's public expenditure targets.

### De la Rue, Gateshead

**Mr. Cousins:** To ask the President of the Board of Trade what is the value of grants of selective assistance and other regional incentives awarded to De la Rue Gateshead in the last four years; and if the terms of the grants for machinery allow for the transfer of equipment outside the United Kingdom. [47734]

**Mrs. Roche:** The company received an offer of Regional Selective Assistance (RSA) of £900,000 in May 1996 towards capital investment at its Gateshead premises. The Department has made no other offers of assistance for this site in the past four years.

The RSA offer provides for the recovery of grant should the company cease to use any of the assisted machinery at Gateshead.

### Midland Bluebird Bus Company

**Mr. Gorrie:** To ask the President of the Board of Trade when a decision will be announced on the Monopolies and Mergers Commission's ruling on First Choice having to sell Midland Bluebird bus company. [47549]

**Mr. Nigel Griffiths:** The Monopolies and Mergers Commission's report on the acquisition by FirstBus Plc. of SB Holdings Ltd. was published on 21 January 1997. In line with the MMC's recommendations and the Director General of Fair Trading's advice, the then Minister for Corporate and Consumer Affairs, the hon. Member for Solihull (Mr. Taylor), announced that FirstBus should be required to divest its subsidiary Midland Bluebird plus part of the Glasgow operations of SB Holdings.

FirstBus subsequently requested a review of the decision on the grounds that there had been important new developments in the Glasgow bus market since the MMC's report was published. I asked the DGFT for his advice, which he has given.

My right hon. Friend the President of the Board of Trade will announce her decision on FirstBus's request as quickly as is practicable.

### Volvo Bus, Irvine

**Mr. Hoyle:** To ask the President of the Board of Trade what grants were given to Volvo Bus Corporation at the time of its relocation to Irvine; what assistance was received from the New Towns Commission; and if she will make a statement on its proposed relocation to Poland. [47737]

**Mr. Wilson:** I have been asked to reply.

Volvo's operations at Irvine commenced in 1974 when the company acquired the facility from Ailsa Trucks Limited. No records are available on the financial assistance, if any, offered to Volvo at that time.

We are obviously disappointed that the company's restructuring of its European industrial operations is likely to lead to job losses at Irvine in the medium term. However, inward investors are subject to exactly the same pressures as indigenous companies in today's global economy and occasional setbacks are unfortunately inevitable as competition intensifies and markets evolve.

It is important to stress that Volvo will remain an important contributor to the Ayrshire economy and my officials are in close contact with the company to discuss how the impact of the restructuring plans on the Irvine plant can be minimised.

## PUBLIC ACCOUNTS COMMISSION

### Housing Association Audits

39. **Mr. David Heath:** To ask the Chairman of the Public Accounts Commission what discussions he has had with the Comptroller and Auditor General concerning the audit of housing associations. [46355]

**Mr. Sheldon:** I meet regularly with the Comptroller and Auditor General to discuss a wide range of issues affecting the work of the National Audit Office. The Comptroller and Auditor General does not have the power to provide systematic assurance to Parliament that some £1.2 billion of public money spent annually by the social housing sector has been spent with due regard for issues of regularity, propriety, and value for money.

The fact that the National Audit Office has no rights of access to the records of housing associations represents a serious gap in accountability for public funds. One straightforward solution would be to require the Comptroller and Auditor General's access to be a condition of all grants to voluntary housing bodies.

## CHURCH COMMISSIONERS

### Public Registers

**Mr. Cohen:** To ask the hon. Member for Middlesbrough, representing the Church Commissioners, if he will list the public registers which the Commissioners have responsibility for. [47361]

**Mr. Stuart Bell:** None.

## CULTURE, MEDIA AND SPORT

### 2006 World Cup

12. **Mr. Burgon:** To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the prospects for England hosting the 2006 world cup finals. [46324]

**Mr. Banks:** I believe that the FA's bid to stage the 2006 World Cup is an excellent one and stands a very good chance of success.

### National Lottery (Community Projects)

13. **Mr. Bill O'Brien:** To ask the Secretary of State for Culture, Media and Sport what plans he has to meet community groups to discuss national lottery funding for local community projects; and if he will make a statement. [46325]

**Mr. Chris Smith:** I and my fellow Ministers have regular contact with community groups. The National Lottery Bill, which will soon be an Act, will help to ensure that more Lottery money goes to small scale projects in local communities.

### English Tourist Board

14. **Mr. Fearn:** To ask the Secretary of State for Culture, Media and Sport if he will change the level of Government funding for the English tourist board to bring it in line with the average per capita allocations provided to *(a)* Scottish, *(b)* Welsh and *(c)* Northern Ireland tourist boards. [46326]

**Mr. Tom Clarke:** The Comprehensive Spending Review means that we are looking critically at how to make the best possible use of public money, by the Department and by its sponsored bodies. No final decisions about future funding have yet been made.

### Film Industry

16. **Mr. Ben Chapman:** To ask the Secretary of State for Culture, Media and Sport what progress has been made on promoting film production at a European level. [46328]

**Mr. Tom Clarke:** During the UK Presidency of the European Union, the Government successfully hosted a major European Audiovisual Conference whose recommendations for promoting the European film industry are now being taken forward by the Commission and the Council. My department also promotes European film production through co-production agreements and through the £2 million European Co-production Fund.

**Mr. Hanson:** To ask the Secretary of State for Culture, Media and Sport what proposals he has to promote the British film industry. [46327]

**Mr. Tom Clarke:** I refer my hon. Friend to "A Bigger Picture", the report of the Film Policy Review Committee issued on 25 March, which sets out a comprehensive action plan for an industry-Government partnership to promote the British film industry.

### Tourism

17. **Mrs. Humble:** To ask the Secretary of State for Culture, Media and Sport what representations he has received from the tourism and hospitality industry on the Government's policies towards the industry. [46329]

**Mr. Chris Smith:** I receive a wide range of representations from the tourism industry. Many of them come from members of the Tourism Forum and its working groups, with whom we are developing a strategy to maximise the benefits to the nation which tourism can bring.

### NESTA

18. **Dr. Gibson:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the ways in which National Endowment for Science, Technology and the Arts will help young inventors. [46330]

**Mr. Chris Smith:** The means by which NESTA is to achieve its objects are set out in the National Lottery Bill currently before Parliament. NESTA will help talented people in the fields of science, technology and the arts achieve their full potential; it will help people turn inventions and ideas into products or services which can be exploited in the market place, and NESTA will contribute to public knowledge of science, technology and the arts. Programmes under all these headings could help young inventors but it will be for NESTA's Chair and Trustees to decide which particular programmes to run.

### Creative Arts (Liverpool)

19. **Mrs. Ellman:** To ask the Secretary of State for Culture, Media and Sport what steps he is taking to support the creative arts in Liverpool. [46331]

**Mr. Chris Smith:** Central Government funding for the arts is channelled through the Arts Council and the Regional Arts Boards. Liverpool received 27 per cent. of North West Arts funds for 1997/98, some £2.5 million. Organisations based in Liverpool also received around £1.5 million directly from the Arts Council for this period. The city has received £16.2 million in Lottery awards to the arts to date.

### EU Audiovisual Conference

20. **Mr. Burden:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the outcome of the recent EU audiovisual conference in Birmingham. [46332]

**Mr. Chris Smith:** This conference was my Department's major EU Presidency initiative. It has been widely welcomed by the various sectors of the European audiovisual industry. A number of constructive and innovative ideas were identified in areas ranging from future employment, copyright and regulatory regimes, to European support for the audiovisual industries. These should help position the industry to take advantage of the opportunities opening up with the development of digital technology, and inform future thinking in Member States and the European Commission. Copies of the final conference report, when available, will be placed in the Libraries of both Houses.

### New Opportunities Fund

21. **Mr. Jenkins:** To ask the Secretary of State for Culture, Media and Sport when the board of the New Opportunities Fund will begin work. [46333]

**Mr. Banks:** My right hon. Friend the Secretary of State expects to announce some appointments, including Chair, to the Board of the New Opportunities Fund when the National Lottery Bill receives Royal Assent on 2 July. I expect the Board to start work soon after.

### National Lottery (Unclaimed Prizes)

22. **Sir Teddy Taylor:** To ask the Secretary of State for Culture, Media and Sport what is the total sum of unclaimed prizes in the national lottery; and what is the largest individual sum. [46334]

**Mr. Banks:** To date, just over £223 million in prize money has been unclaimed. The largest single unclaimed prize was just over £2 million. After 180 days prizes still unclaimed are paid to the good causes.

### Independent Television Franchises

23. **Mr. Flynn:** To ask the Secretary of State for Culture, Media and Sport what plans he has to change the basis for determining the amounts paid for independent television franchises. [46335]

**Mr. Chris Smith:** The Government have no plans to change the current arrangements for Exchequer payments made by Channel 3 and Channel 5 licensees under the Broadcasting Act 1990.

### Channel 4

24. **Mr. Brady:** To ask the Secretary of State for Culture, Media and Sport what representations he has received concerning Channel 4; and if he will make a statement. [46336]

**Mr. Chris Smith:** I have received no such representations. Channel Four is a central element in the Government's vision for the broadcasting industry in the digital future. We expect it to continue to play a vital role in providing distinctive and innovative public service programming of high quality.

### Museum Admission Charges

25. **Mr. Boswell:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on admission charges to national museums. [46337]

**Mr. Chris Smith:** The March Budget settlement included £2 million to maintain free admission at the currently non-charging national museums and galleries. At the same time, the Heritage Lottery Fund announced a £7 million Access Fund, available to all museums and galleries for new access initiatives. I will make a further announcement next month.

### Creative Industries

26. **Jane Griffiths:** To ask the Secretary of State for Culture, Media and Sport if he will publish the conclusions of the mapping exercise on the creative industries. [46338]

**Mr. Tom Clarke:** We are currently finalising the mapping exercise and will publish it as soon as possible.

### Digital Terrestrial Television

27. **Mrs Kirkbride:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the introduction of digital terrestrial television. [46339]

**Mr. Chris Smith:** I look forward to the successful launch of digital terrestrial services alongside digital services on cable and satellite later this year. Digital television will increase consumer choice and deliver the benefits of the information age to our living rooms.

### Football Merchandise

28. **Mr. Corbyn:** To ask the Secretary of State for Culture, Media and Sport what representations the football task force has received on the prices of football merchandise. [46340]

**Mr. Banks:** The Football Task Force has received a number of representations on the cost of football merchandise. The remit of the Task Force specifically includes the investigation of marketing policies in football. The Task Force will be taking further representations from interested parties and is due to publish its report on all the commercial aspects of the game by the end of the year.

### Concessionary Television Licences

**Mr. Hoyle:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on his proposals for the reduction of television licence fees for pensioners. [47560]

**Mr. Fisher** *[holding answer 25 June 1998]:* The Government's current Agreement with the BBC provides for a review of the arrangements for funding the Corporation after March 2002. We shall conduct that review in good time to allow decisions to be taken before then. The review will include a detailed consideration of the question of concessions, both for pensioners and others.

### Ancient Monuments Laboratory

**Mr. Bayley:** To ask the Secretary of State for Culture, Media and Sport (1) how many representations English Heritage has received *(a)* in favour of and *(b)* against its proposal to move its Ancient Monuments Laboratory to Fort Cumberland, Portsmouth; [47396]

(2) what estimate has been made by English Heritage of the cost of providing Library and other facilities in order to establish a centre of excellence if it relocates its Ancient Monuments Laboratory to Fort Cumberland, Portsmouth; [47400]

(3) how many people visited English Heritage's *(a)* Ancient Monuments Laboratory in London and *(b)* Central Archaeological Service in Portsmouth in the most recent year for which figures are available; [47398]

(4) what effect the proposed relocation of English Heritage's Ancient Monuments Laboratory will have on the amount of money in English Heritage's archaeology grants budget available for distribution in 1998–99 and 1999–2000; [47397]

(5) what information has been collected by English Heritage about the proportion of the professional staff in its Ancient Monuments Laboratory who would *(a)* be happy to relocate and *(b)* seek alternative employment in the event that the laboratory is relocated to each of the alternative locations considered in recent months; [47401]

(6) if English Heritage intends to consult the people and organisations which use the services of its Ancient Monuments Laboratory about its proposal to move the laboratory to Fort Cumberland, Portsmouth; [47395]

(7) which places were considered by English Heritage as possible future locations for its Ancient Monuments Laboratory; and in respect of each of these places what is the estimated *(a)* capital value plus conversion cost of the premises, *(b)* cost of relocating staff, *(c)* cost of capital equipment for the new laboratory, *(d)* annual running cost of the new laboratory and *(e)* annual cost of and time used for official travel by the laboratory's staff. [47399]

**Mr. Banks:** These detailed questions about the relocation of English Heritage's Ancient Monuments Laboratory relate to internal management proposals under consideration by English Heritage's Commissioners about the most efficient and effective deployment of resources to fulfil its archaeological responsibilities. These questions are therefore more appropriately answered by English Heritage itself, and I have asked its Chief Executive to write to my hon. Friend. I will ensure that copies are placed in the Libraries of the House. Should English Heritage wish to pursue relocation, my Department would of course consider its business plan.

### HMS Cavalier

**Mr. Gill:** To ask the Secretary of State for Culture, Media and Sport what discussions he has had with the Heritage Lottery Fund regarding the future of HMS Cavalier. [47112]

**Mr. Banks:** My right hon. Friend the Secretary of State, my hon. Friend the Minister for Arts and I have not had any discussions with the Heritage Lottery Fund about the future of HMS Cavalier. However, we are aware of her status as the last surviving Second World War destroyer and of the case for her preservation. These issues were considered in detail during the recent Culture, Media and Sport Committee inquiry into the future of the ship. In this regard, we were pleased to hear of the National Heritage Memorial Fund award to Medway Council, in association with Chatham Historic Dockyard Trust, of £37,575 for a feasibility study of the case for preservation and relocation.

### National Swim Week

**Mr. Maclean:** To ask the Secretary of State for Culture, Media and Sport what initiatives the Government took to promote National Swim Week on 17 to 31 May. [47218]

**Mr. Banks:** Swimming has my full support, as it is one our healthiest recreational pursuits. I was therefore pleased to see the National Swim Week introduced throughout the country, as it gave youngsters an excellent opportunity to participate in the sport and helped to raise important funds for Cancer Relief.

### Rugby League World Cup

**Mr. Hoyle:** To ask the Secretary of State for Culture, Media and Sport what steps he has taken to host the Rugby League World Cup in the United Kingdom. [47605]

**Mr. Banks:** The Government are committed to work to bring major international sporting events to Britain and, through the English and UK Sports Councils, we fully support the efforts being taken by the Rugby Football League to stage the Rugby League World Cup at the earliest possible date. I understand that the RFL is due to present a draft eight-year programme of international competition, which includes a proposed four-year World Cup cycle, to the next meeting of the Rugby Football League's International Board later this year.

### Wembley Stadium

**Mr. Hoyle:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on progress in the upgrading of Wembley Stadium; and if he will name the alternative national stadium to be used during upgrading work at Wembley. [47606]

**Mr. Banks:** It is still early days, but I am very pleased with the progress to date, and in particular the way the English Sports Council, the Football Association and the English National Stadium Trust are working productively together in developing a new stadium of which the nation can be proud. The aim is for the current stadium to be demolished after the 1999 FA Cup Final, and for the new stadium to be completed by 2002. Decisions on alternative venues for events during construction of the new stadium are entirely matters for the governing bodies concerned.

### National Lottery (Wales)

**Mr. Martyn Jones:** To ask the Secretary of State for Culture, Media and Sport what proportion of projects allocated Heritage Lottery funding within Wales to date were unable to raise matching funding; and what is the total amount of resulting unclaimed funds. [47393]

**Mr. Banks:** The Heritage Lottery Fund is not aware of any projects in Wales which have been awarded grants but for which the required partnership funding has not been raised. There are therefore no resulting unclaimed funds.

**Mr. Martyn Jones:** To ask the Secretary of State for Culture, Media and Sport what proportion of the Lottery funds allocated for Heritage projects has been spent in *(a)* Wales and *(b)* North Wales. [47392]

**Mr. Banks:** To date, the Heritage Lottery Fund has awarded £1.01 billion to 1,862 projects. Of this, Wales has received £23.27 million (2.3 per cent.) and North Wales has received £8.74 million (0.1 per cent.). Information on National Lottery awards is now available on the Departments website. www.lottery, culture.gov.uk.

## WALES

### Local Authority Funding

**Mr. Burstow:** To ask the Secretary of State for Wales if he will list the pilot schemes announced since 1 May 1997 by his Department that involve local authorities in a lead or partnership capacity; if he will list each of the local authorities involved in each case; and what revenue and capital funding each local authority will receive through the pilot in (i) 1997–98, (ii) 1998–99, (iii) 1999–2000 and (iv) 2000–01. [46053]

**Mr. Win Griffiths** *[holding answer 15 June 1998]:* The following are amongst the larger pilot schemes for which the Welsh Office is responsible.

*Best Value*

On 4 December 1997, I announced that 21 authorities, one police authority, and one combined authority had been chosen to test the best value framework in Wales in advance of the introduction of the Government's best value policy. No additional funding is being provided. These authorities were:

Blaenau Gwent County Borough Council
Bridgend County Borough Council
Caerphilly County Borough Council
City and County of Cardiff
Carmarthenshire County Council
Ceredigion County Council
Conwy County Borough Council
Denbighshire County Council
Flintshire County Council
Gwynedd Council
Isle of Anglesey County Council
Merthyr Tydfil County Borough Council
Monmouthshire County Council
Neath Port Talbot County Borough Council
Newport County Borough Council
Pembrokeshire County Council
Powys County Council
City and County of Swansea
Torfaen County Borough Council
The Vale of Glamorgan Council
Wrexham County Borough Council
Mid and West Wales Fire Authority
South Wales Police Authority

*Social Exclusion*

I announced on 1 May this year a Social Exclusion Programme for Wales which will feature up to 10 pilot projects consisting of small communities within different local authority areas. The participating authorities have not yet been chosen. £750,000 is available in 1998–99 for a mix of revenue and capital expenditure.

*PFI Pathfinders*

In June 1997, we announced support for 6 "pathfinder" PFI projects proposed by local authorities in Wales. The authorities were:

Blaenau Gwent County Borough Council
Ceredigion County Council
Denbighshire County Council
Newport County Borough Council
Pembrokeshire County Council
Wrexham County Borough Council

The project at Blaenau Gwent was subsequently withdrawn. Each authority has been offered assistance of up to £75,000 during 1997–98 and 1998–99 to help meet the costs of engaging professional advice to help bring these projects forward.

### Multiple Births

**Mr. Wigley:** To ask the Secretary of State for Wales how many sets of *(a)* twins, *(b)* triplets, *(c)* quadruplets, *(d)* quintuplets and *(e)* sextuplets were born in Wales in each year from 1990 to 1997; what was the total number of maternities in each year; and how many multiple births of each type in each year were conceived as a result of (i) in-vitro fertilisation, (ii) gamete intra-fallopian transfer and (iii) other forms of assisted conception. [46928]

**Mr. Win Griffiths:** The available information on multiple maternities to Welsh residents recorded by the Office for National Statistics is as follows:

| | *Twins* | *Triplets* | *Quadruplets* | *Quintuplets* | *Sextuplets* | *All maternities* |
|---|---|---|---|---|---|---|
| 1990 | 397 | 11 | 1 | 0 | 0 | 38,264 |
| 1991 | 416 | 6 | 0 | 1 | 0 | 37,824 |
| 1992 | 423 | 8 | 0 | 0 | 0 | 37,237 |
| 1993 | 399 | 8 | 1 | 0 | 0 | 36,375 |
| 1994 | 431 | 11 | 0 | 0 | 0 | 35,122 |
| 1995 | 417 | 14 | 1 | 0 | 0 | 34,204 |
| 1996 | 436 | 12 | 1 | 0 | 0 | 34,603 |
| 1997 | 484 | 14 | 3 | 0 | 0 | 34,159 |

The only information on assisted conceptions leading to multiple births available from the Human Fertilisation and Embryology Authority relates to those treated at licensed clinics in Wales rather than Welsh residents treated. The latest verified data, covering treatments in the period from 1 August 1991 (the start of the HFEA register) to 31 March 1996, record 42 multiple births.

### Gender Impact Assessments

**Jackie Ballard:** To ask the Secretary of State for Wales if he will place in the Library copies of gender impact assessments which have been undertaken in respect of legislation introduced in this Parliament; if he will make it his policy to do so in respect of future legislation; and if he will make a statement. [47014]

**Mr. Ron Davies:** The Welsh Office supports the mainstreaming initiative recently launched by the Ministers for Women, which will address the gender perspective in policy making. The Government of Wales Bill gives the National Assembly for Wales a duty to take the principle of equality of opportunity for all into account in exercising its functions and to report annually on how it has done so.

### Action Zones

**Mr. Llwyd:** To ask the Secretary of State for Wales if he will list the initiatives undertaken by his Department since 1 May 1997 which have involved the establishment of *(a)* action zones and *(b)* pilot schemes limited to particular geographical areas, indicating the name of the programme and the action zone or pilot scheme areas covered in each instance. [47058]

**Mr. Ron Davies:** On 1 May this year, I announced a Social Exclusion Programme for Wales which will feature at least six, and up to ten, "demonstration projects" across Wales consisting of small communities within different local authority areas. The actual communities have not yet been selected. The total funding available for 1998–99 for this Programme is £750,000, which can be used for revenue or capital expenditure.

On 7 November 1997, I announced the creation of three NHS locality commissioning pilot schemes in the Blaenau Gwent, Taff Ely and Teifi Valley areas. The purpose of the initiative is to explore and evaluate alternative models of locality commissioning of health services; to identify robust and viable mechanisms for a primary-care-focused commissioning function; and to increase the degree to which groups of GPs and other primary care professionals, working with local government and others, are involved in commissioning health services for their patients. The lessons may inform the process of implementing the NHS Wales White Paper "Putting Patients First".

In July 1997, an additional £250,000 was provided for the continuation of the Welsh Office £3 million dental initiative, first launched in 1995, which has enabled Health Authorities to offer unprecedented levels of grant (up to £50,000 in some areas) to attract new dentists into those parts of Wales where they are most needed and for the expansion of the Community Dental Service.

### Optec DD Factory

**Mr. Barry Jones:** To ask the Secretary of State for Wales if he will make a statement on the prospects for finding a new tenant for the previous Optec DD factory in Drury, near Buckley, Flintshire. [47417]

**Mr. Hain:** I refer my hon. Friend to the replies I gave to him on 25 March 1998, *Official Report*, column *172*, and 20 May 1998, *Official Report*, column *417*.

I understand that the owner of the premises has instructed agents to market the property with a view to finding a new occupier. The property has also been entered onto the Welsh Development Agency's North Wales property database and, if appropriate, is being put forward for any projects by potential inward investors or indigenous companies.

### Child Care

**Mr. Barry Jones:** To ask the Secretary of State for Wales (1) if he will list those *(a)* individuals and *(b)* organisations who have made representations to him on child care; and if he will make a statement; [47421]

(2) when he proposes to announce his new proposals for child care; and if he will make a statement. [47420]

**Mr. Win Griffiths:** I launched our Green Paper, "The National Childcare Strategy for Wales", on Monday 22 June.

Since I announced the Strategy last November, we have received representations on child care, either directly or through hon. Members from: *(a)* several individuals; *(b)* the following organisations: Chwarae Teg; Confederation of British Industry; Clybiau Plant Cymru; Kids' Clubs Network; Equal Opportunities Commission; Daycare Trust; Wales Pre-school Playgroups Association; Mudiad Ysgolion Meithrin; Professional Association of Nursery Nurses; Vale of Clwyd Labour Party; Highway Methodist Playgroup; The Nursery, Nelson; and from my hon. Friend the Member for Cardiff, North (Ms Morgan).

**Ms Julie Morgan:** To ask the Secretary of State for Wales how the funding allocated to Wales for the Welsh child care strategy will be divided up; and who will be responsible for allocating the money to the different sectors. [47844]

**Mr. Win Griffiths:** The consultation document on the National Childcare Strategy for Wales (Cmnd 3974), which I launched on 22 June, set out in full our proposals, which include funding of over £2.5 million in 1998–99. This will support a range of immediate priorities and will assist in the establishment of child care partnerships in each local authority in Wales. Work is now under way by

the Welsh Office to determine the specific allocations for local authorities and other agencies within the broad framework set out in the Strategy, and I hope to make a further announcement as soon as possible.

### National Minimum Wage

**Mr. Barry Jones:** To ask the Secretary of State for Wales what is his Department's role in *(a)* the setting of the level of the minimum wage and *(b)* its administration; and if he will make a statement. [47418]

**Mr. Hain:** The Government have accepted the Low Pay Commission's recommendations on the national minimum wage and the minimum wage will be implemented in April 1999. The Department will continue to play a full part in the decisions surrounding the national minimum wage and its administration.

Putting in place the national minimum wage is a key manifesto commitment, which, along with other measures such as the Working Families Tax Credit, and the tax benefits reform, forms part of the Government's strategy to promote work incentives and to "make work pay". It will remove the worst cases of exploitation in the workplace, which have no place in modern Britain/Wales.

### River Dee Bridge

**Mr. Barry Jones:** To ask the Secretary of State for Wales what is his assessment of the impact of the opening of the new River Dee bridge upon the Garden City, Queensferry, Shotton and Connah's Quay communities with specific reference to *(a)* the percentage decrease in traffic, *(b)* pedestrian safety and *(c)* levels of pollution; and if he will make a statement. [47423]

**Mr. Hain:** These are matters for Flintshire County Council who are responsible for this scheme.

### Development Assistance

**Mr. Barry Jones:** To ask the Secretary of State for Wales if he will make a statement on the prospects for the restoration of full development area status to North East Wales; and if he will make a statement. [47906]

**Mr. Hain:** The European Commission has recently published new guidelines affecting the designation of Assisted Areas. The Commission has asked all Member States to submit, for their approval, new maps of Assisted Areas to take effect by 1 January 2000. A Review of the current Assisted Areas map will be announced shortly. The public will be consulted.

### Higher Education

**Mr. Gorrie:** To ask the Secretary of State for Wales how many of those aged *(a)* under 21, *(b)* 21 to 24 and *(c)* over 25 years and over, registered in Wales, applied through UCAS for admission to a course of higher education for the (i) 1994, (ii) 1995, (iii) 1996, (iv) 1997 and (v) 1998 entry cycles; what were the numbers of the population in Wales aged *(a)* to (c) for (i) to (v); and what was the proportion of those applying as a percentage of the appropriate population cohort. [47265]

**Mr. Hain:** The information is given in the following tables.

*Welsh domiciled students applying through UCAS for higher education courses*

| Year | Age[1] Under 21[2] | 21 to 24 | 25 and over |
|---|---|---|---|
| 1994 | 13,458 | 1,904 | 2,413 |
| 1995 | 13,010 | 1,845 | 2,474 |
| 1996 | 13,324 | 1,664 | 2,548 |
| 1997 | 14,532 | 1,823 | 2,558 |
| 1998[3] | 13,860 | 1,157 | 1,574 |

[1] At 30 September in year of entry
[2] Records relate to only those aged 17 to 20 (inclusive)
[3] Data incomplete. Only forms processed by UCAS up until 16 May 1998 are included

*Population in Wales, by age group*[1]

| Year | Age[2] Under 21[3] | 21 to 24 | 25 and over |
|---|---|---|---|
| 1994 | 105,700 | 158,800 | 1,976,500 |
| 1995 | 101,300 | 153,400 | 1,987,600 |
| 1996 | 98,300 | 145,700 | 2,000,200 |
| 1997 | 102,800 | 138,400 | 2,009,800 |
| 1998 | 110,700 | 132,600 | 2,016,100 |

[1] Figures for 1994 to 1996 are the Office for National Statistics' mid year estimates
[2] At 30 June each year
[3] Population ages 18 to 20 (inclusive)

*Estimated proportions of population applying through UCAS for higher education courses*

| Year | Age[1] Under 21[2] | 21 to 24 | 25 and over |
|---|---|---|---|
| 1994 | 12.7 | 1.2 | 0.1 |
| 1995 | 12.8 | 1.2 | 0.1 |
| 1996 | 13.6 | 1.1 | 0.1 |
| 1997 | 14.1 | 1.3 | 0.1 |
| 1998 | 12.5 | 0.9 | 0.1 |

[1] Estimates do not account for the fact that the age of UCAS applicants relates to 30 September and the ages for the population relate to 30 June
[2] Calculated using population aged 18 to 20

## MINISTER WITHOUT PORTFOLIO

### Millennium Exhibitions

30. **Mr. Clifton-Brown:** To ask the Minister without Portfolio what plans he has to transport the millennium exhibitions throughout the United Kingdom. [46343]

**Mr. Mandelson:** It is too early for final decisions to be made about the future of individual exhibits beyond the year 2000, but there will be a substantial and diverse legacy from the Millennium Experience, and we hope that it might be possible for elements of the exhibits to be displayed elsewhere after 2000.

### Millennium Dome

32. **Mr. Corbyn:** To ask the Minister without Portfolio what assessment he has made of the environmental impact of the millennium dome. [46347]

**Mr. Mandelson:** The New Millennium Experience Company (NMEC) has worked to ensure that environmental concerns properly inform the decision making process for both the construction and the operation of the Millennium Experience at Greenwich, while recognising the time and financial constraints under which the project operates. Amongst other things, the Company's environmental plan, which is being developed in consultation with the London Borough of Greenwich, is issued to all tenderers and trade contractors.

**Mr. Bercow:** To ask the Minister without Portfolio how many jobs he estimates will be created in the course of constructing the Dome at Greenwich. [46341]

**Mr. Mandelson:** The Dome is expected to create over 2,000 jobs during construction, on and off the site. A further 5,000 people will be employed in running the Millennium Experience during the Year 2000.

### Millennium Experience

33. **Mr. Randall:** To ask the Minister without Portfolio how much public money he estimates will be spent on the millennium experience between now and the staging of the event. [46349]

**Mr. Mandelson:** The Millennium Experience is not being funded through taxation. The cost is being met roughly half by a National Lottery grant of £399m from the Millennium Commission, and the other half by private sector sponsorship and other commercial income including visitor revenue. To date, £104.5m of the £399m grant has been spent.

34. **Mr. Brady:** To ask the Minister without Portfolio what assessment he has made of the economic impact of the millennium experience on the local economy. [46350]

**Mr. Mandelson:** An economic impact assessment was carried out as part of the planning application process for the Dome in October 1996. This study estimated that 10,000 jobs would be created as a result of the Millennium Experience, 2,000 on construction, 5,000 during the operation and a further 3,000 as a result of the effects on supplier companies and the effects of spending by an increased level of visitors in the area.

## FOREIGN AND COMMONWEALTH AFFAIRS

### EU Funds

**Dr. Julian Lewis:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the *(a)* organisations and *(b)* projects which received funding under budget lines A-3024 and A-3104 for 1997. [46071]

**Mr. Doug Henderson:** EU budget lines A-3024 and A-3104 did not exist in 1997—the activities funded under these lines in 1998 came under budget line A-3030 last year. Details of individual grants made under A-3030 are contained in the Commission's "Report on Beneficiaries of Community Grants 1997", a copy of which I will place in the Libraries of the House.

### Turkey

**Mr. Cox:** To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with the Turkish Government on the imprisonment of members of the Turkish National Assembly. [46516]

**Mr. Doug Henderson:** Our Embassy in Ankara has on several occasions raised the issue of the imprisonment of former Democracy Party members of the Grant National Assembly in its contacts with the Turkish government, and will continue to do so.

### Sierra Leone

**Mr. Maclean:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will state the *(a)* number, *(b)* grades, *(c)* originating department and *(d)* current roles of all civil servants assisting the Legg Inquiry. [47229]

**Mr. Robin Cook:** The Secretariat comprises six staff: a grade 6 officer from the Home Office (the Secretary); a grade 7 officer from the Lord Chancellor's Department (the Deputy Secretary); an executive officer; an administrative officer; and two personal secretaries, all from the Home Office.

### Lockerbie

**Mr. Dalyell:** To ask the Secretary of State for Foreign and Commonwealth Affairs what is the policy of Her Majesty's Government towards the recent resolution from the Organisation of African Unity relating to Lockerbie; and if he will make a statement. [47574]

**Mr. Tony Lloyd:** The authority of United Nations Security Council resolutions must be upheld. With the Governments of France and the United States, we have expressed concern to member states of the OAU at the recent resolution, and have called on them to fulfil their obligations under the United Nations Charter.

### European Policy

**Mr. Trend:** To ask the Secretary of State for Foreign and Commonwealth Affairs (1) if he will list the strategy meetings which have taken place at Downing Street since 11 May to discuss policy towards the European Union to which he or Ministers in his Department were invited; [47555]

(2) if it is the practice for him to attend discussions of European policy at Downing Street. [47554]

**Mr. Doug Henderson:** I refer the hon. Member to the answer given to him today by my right hon. Friend the Prime Minister.

### Export Licences

**Mr. Wilkinson:** To ask the Secretary of State for Foreign and Commonwealth Affairs what Ministerial directions he has issued relating to the issue of export licences for the sale of British manufactured goods to Argentina since 2 May 1997. [47569]

**Mr. Tony Lloyd** *[holding answer 25 June 1998]:* There have been no such ministerial directions since 2 May 1997. We continue to consider export licence applications for Argentina in line with the criteria

announced by my right hon. Friend the Foreign Secretary on 28 July 1997, *Official Report*, columns *26–29*, and the Government's announcement of 3 April 1982, *Official Report*, column 638, which was reported by Mr. John Biffen, the then Secretary of State for Trade, on 5 April 1982, *Official Report*, columns 688–90.

**Mr. Wilkinson:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the *(a)* additions and *(b)* withdrawals since 2 May 1997 to the list of countries to which his Department will not grant an export licence for the sale of British defence equipment. [47828]

**Mr. Tony Lloyd:** A summary of Government commitments regarding the application of strategic export controls, which includes all arms embargoes observed by the UK, has been laid in the Library. As noted in my answer to my hon. Friend the Member for Rugby and Kenilworth (Mr. King) on 28 January 1998, *Official Report*, columns *273–74*, an updated version of the summary will be laid in the Library annually (or more frequently if policy changes require a revision).

Licence applications for the export of conventional arms to all countries are considered on a case by case basis against the arms export criteria announced by right hon. Friend the Foreign Secretary on 28 July 1997, *Official Report*, columns *26–29*, and the European Code of Conduct on Arms Exports adopted by the General Affairs Council on 8 June 1998.

### Ramsgate-Ostend Ferries

**Mr. Gale:** To ask the Secretary of State for Foreign and Commonwealth Affairs what steps his Department is taking to seek to enforce EU Treaty obligations under Articles 90 and 86 and to secure the right for ferry passengers from Ramsgate to land freely in Ostend; and if he will make a statement. [47717]

**Mr. Doug Henderson:** The British Embassy in Belgium are pressing the Belgian authorities to take action to enable the Sally Direct passenger ferry service from Ramsgate to Ostend to commence as soon as possible. Whether the company has any remedies under the competition or other provisions of Community law is a matter for it and its advisers.

### Drugs Trade

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs what steps his Department is taking to combat the drugs trade in Central Asia. [47326]

**Mr. Tony Lloyd:** The UK EU Presidency has co-ordinated Commission and Member State activity under the EU Central Asia Drugs Initiative, established in response to an Anglo-French proposal. We have participated in, and given practical support to, EU project design missions.

Since 1995, the UK has provided £1.14 million for the UNDCP Central Asia programme. There will also be over £150,000 of drugs-related bilateral assistance to the region in 1998.

### Democratic Republic of the Congo

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the human rights situation in the Democratic Republic of the Congo. [47330]

**Mr. Tony Lloyd:** We continue to have concerns over the human rights situation in the Democratic Republic of the Congo. As head of an EU Ministerial Troika, I met President Kabila on 4 June. I welcomed President Kabila's assurances that his Government wish to promote and protect human rights, but made clear the extent of concern within the EU over a number of specific human rights issues.

### South China Sea

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the conflicting territorial claims in the South China Sea. [47383]

**Mr. Fatchett:** The Philippines, Malaysia and Brunei claim specific parts of the South China Sea, while China, Taiwan and Vietnam claim all of its islands, islets and reefs.

The South China Sea is regularly discussed at meetings under the auspices of the ASEAN Regional Forum and in a series of Indonesian-initiated regional workshops.

The UK takes no position on respective claims, but hopes disputes can be resolved peacefully.

### Cuba

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Government of Cuba to respect human rights and the conduct of elections. [47386]

**Mr. Tony Lloyd:** When my noble Friend the Under-Secretary of State meets visiting Cuban Government Ministers and the Cuban Ambassador, she raises political reform and human rights among other issues, in line with the EU Common Position on Cuba. She will do so again when she meets the Cuban Vice Foreign Minister, Isabel Allende, in London on 29 June. Our Embassy in Havana regularly raise these issues with the Cuban Government.

### Pakistan

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the impact of disclosure by Loral Space and Communications of information relating to the performance of Long March Rocheli on Pakistan's capability to deliver nuclear warheads. [47790]

**Mr. Tony Lloyd:** The issues surrounding the disclosure by Loral Space, and others, of a report on Space Launch Vehicles to the Chinese is currently the subject of an investigation by the US Justice Department. It would not, therefore, be proper for us to comment on this investigation. We consider, however, that any information on Space Launch Vehicles which may have been passed to the Chinese would not immediately enhance Pakistan's current capability to deliver nuclear weapons.

### Togo

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the conduct of the election in Togo. [47328]

**Mr. Tony Lloyd:** We are deeply concerned about the conduct of the Presidential elections in Togo. In particular, we deplore the many irregularities with the electoral process: unequal access to the media, problems with the voter list and polling cards, the suspension of the count, the confiscation of ballot boxes by the military, the resignation of the head of the national electoral commission, and the harassment of election monitors.

The UK as Presidency of the European Union issued a declaration on 26 June expressing these concerns and urging all parties involved to refrain from violence.

### Africa (Embassy Services)

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assistance is provided by British embassies to businesses wishing to work in Francophone Africa. [47332]

**Mr. Fatchett:** British Embassies assist businesses wishing to work in Francophone Africa by providing information on overseas markets and finding local business contacts. They also help to promote products and services, give political and economic briefings, and assist British companies that wish to participate in trade fairs and missions. For instance, the British Embassy in Cote d'Ivoire and the DTI organised a trade fair and financial conference on 2–7 March this year. This was the largest UK trade promotion event in tropical Francophone Africa in the last ten years.

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assistance is provided by British high commissions to businesses wishing to work in Anglophone Africa. [47331]

**Mr. Fatchett:** British High Commissions assist businesses wishing to work in Anglophone Africa by providing information on overseas markets and finding local business contacts. They also help to promote products and services, give political and economic briefings, and assist British companies who wish to participate in trade fairs and missions.

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assistance is provided by the High Commission in South Africa to British exporters and investors. [47334]

**Mr. Fatchett:** The British High Commission in South Africa provides a full range of overseas trade services to British exporters and investors. In addition, my right hon. Friend the President of the Board of Trade, together with the South African Minister for Trade and Industry, launched on 27 May, a new three-year campaign—"Britain and South Africa—partners in opportunity". This will include developing a gateway website about South Africa for potential exporters, and a new search and matching process "Active Partners", to match small and medium-sized firms in the UK and South Africa. My hon. Friend the Minister for Small Firms, Trade and Industry will also lead a trade and investment mission to South Africa from 27 to 29 July, and my right hon. Friend the President of the Board of Trade will co-host with the South African Minister for Trade and Industry a "Partnership Week" in Johannesburg from 14 to 17 September 1998.

### Guinea Bissau

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the safety of British citizens in Guinea Bissau. [47325]

**Mr. Fatchett:** We broadcast several emergency messages via the BBC World Service urging Britons to leave Guinea Bissau and giving them advice about how best to do this. We believe that all British nationals who wished to leave Guinea Bissau have now done so.

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the treatment of opposition parties by the Government in Guinea Bissau. [47327]

**Mr. Tony Lloyd:** Guinea Bissau is a functioning multiparty democracy.

Multiparty legislative elections were held for the first time in 1994. They were judged to be free and fair by international observers. There are 11 political parties registered in Guinea Bissau, including the ruling African Party for the Independence of Guinea Bissau and Cape Verde (PAIGC), of which 6 have seats in parliament. An Electoral Commission in which all parties are represented was set up in march this year, in preparation for the next legislative elections due in November 1998.

### North Korea

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Government of North Korea to respect human rights and the conduct of elections. [47385]

**Mr. Fatchett:** The UK does not have diplomatic relations with North Korea and no ministerial talks have been held. The question of human rights violations in North Korea was raised at official-level talks held in November 1997. Earlier rounds had covered our concerns at the consequences of personality cults and a description of the British electoral system.

The UK, as Presidency, also co-ordinated the EU's response to the DPRK's purported denunciation, which we cannot accept, of the International Covenant on Civil and Political Rights.

The DPRK has recently expressed an interest in political dialogue with the EU. We have replied that any talks would need to include the subject of human rights.

### Eritrea (British Embassy)

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will remove responsibility for Eritrean affairs from the British Embassy in Addis Ababa. [47382]

**Mr. Tony Lloyd:** The responsibility for Britain's foreign policy towards Eritrea remains with the Foreign and Commonwealth Office. There are no plans to replace the British Embassy in Addis Ababa as the superintending mission for the British Consulate in Asmara.

### Iraq

**Dr. Lynne Jones:** To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has received relating to adverse health effects suffered by Iraqi people as a result of the use of depleted uranium shells to attack Iraq. [45759]

**Dr. Reid:** I have been asked to reply.

The Government are aware of a number of recent media reports which have suggested that there has been an increase in the incidence of ill-health, particularly cancers and birth defects, amongst the population in southern Iraq which some have attributed to the use of depleted uranium (DU) based ammunition by Coalition forces during the Gulf conflict. These suggestions were also raised by my hon. Friend the Member for Glasgow, Kelvin (Mr. Galloway) during an adjournment debate on the Middle East on 27 March 1998, *Official Report*, columns 872–76. A copy of the Government's response to my hon. Friend, setting out the Government's position on this matter, has already been placed in the Library of the House.

More recently, on 24 May, the Iraqi Foreign Minister, Mohammed Said Al-Sahaf, wrote to the United Nations Secretary General, Kofi Annan, claiming the right to compensation from the UK for damage allegedly caused by the use of DU-based ammunition by UK forces during the Gulf War. In this letter, Mr. Al-Sahaf attributed a reported increase in ill-health in Iraq to the use of DU-based ammunition.

However, the letter contained no statistical information of any kind to substantiate these assertions. Since the Government have seen no epidemiological research data on the Iraqi population we therefore cannot comment on whether there may be an unusually high incidence of ill-health in southern Iraq. Furthermore, there is no evidence that the illnesses of the types listed in Mr. Al-Sahaf's letter—foetal malformations, bone deformities, hair loss, skin disease and child leukaemia—are uniquely associated with exposure to DU. We would of course consider carefully any medical or scientific data which was presented on this subject.

The UK Government responded to Mr. Al-Sahaf's letter on 16 June, rebutting Iraq's claims, in a letter from the UK's Permanent Representative at the UN, Sir John Weston, to Mr. Annan. I am placing copies of the Iraqi letter and Sir John Weston's response in the Library of the House.

## DUCHY OF LANCASTER

### Departmental Reviews

**Mr. Allan:** To ask the Chancellor of the Duchy of Lancaster if he will list, for each of the last four years, all departmental inquiries and reviews instigated by ministers which have been chaired by individuals outside his Department; and in each case if he will give the date of establishment and the name of the chairman. [46828]

**Dr. David Clark:** The only committee of inquiry or review established within the last four years in the Office of Public Service and chaired by an individual outside my Department was (in the then Office of Public Service and Science) the Committee to Review the Contribution of Scientists and Engineers to the Public Understanding of Science, Engineering and Technology, established in January 1995 and chaired by Sir Arnold Wolfendale FRS.

### Gender Impact Assessments

**Jackie Ballard:** To ask the Chancellor of the Duchy of Lancaster if he will place in the Library copies of gender impact assessments which have been undertaken in respect of legislation introduced in this Parliament; if he will make it his policy to do so in respect of future legislation; and if he will make a statement. [47012]

**Dr. David Clark:** I refer the hon. Member to the answer given by my hon. Friend the Under-Secretary of State for Women on 24 June 1998, *Official Report*, column *557–58*.

### "Opening Up Quangos"

**Mr. Pickthall:** To ask the Chancellor of the Duchy of Lancaster what response he has received to the consultation paper "Opening Up Quangos"; and if he will make a statement. [48002]

**Dr. David Clark:** I am pleased to report that the Government's consultation paper "Opening up Quangos" received a good response. Over 400 replies were received from a wide range of individuals and organisations and the great majority of respondents broadly supported the thrust of our proposals for keeping the number of quangos to a minimum and for making those which remain more open, accountable and effective. I believe this shows the wide support that exists for opening up this area of government hitherto perceived as undemocratic and unaccountable. Copies of all the responses received (apart from those where confidentiality has been requested) have been placed in the Library of the House.

The results of the consultation exercise—together with further proposals for improving the accountability and transparency of quangos—are published today in my paper "Quangos: Opening the Doors". The proposals in this paper take account of all the comments received during the consultation exercise.

The action proposed in "Quangos: Opening the Doors" will make the business of quangos more open and the appointments system more transparent and accessible. It will enhance the accountability of quangos to their stake-holders through increased consultation, open meetings and better links with local government. Taken as a whole, I believe that the reforms in "Quangos: Opening the Doors" will require all quangos to carry out their important work in line with the basic democratic principles by which we conduct public business in this country. The proposals provide a basis for quangos to command public confidence and attract new people into this important area of public life.

I am also pleased to announce the publication today of "Opening up Public Appointments" which provides details of the work in hand to support the Government's commitment to increasing the participation of under-represented groups in public life.

The Government have agreed, in principle, the proposal for a 50:50 ratio of women and men for public appointments and a pro rata representation of members of the ethnic minorities. A central feature of this work is a plan of action requiring all Government departments to set robust targets with the aim of reaching this overall goal. As part of this process, departments have drawn up individual plans which contain specific goals and objectives for increasing the representation of women and members of the ethnic minorities on the boards of public bodies. These cover the period 1998–2001 and will be updated annually. Future plans will specifically address the Government's overall commitments to increase representation.

Copies of "Quangos: Opening the Doors" and "Opening up Public Appointments" will be sent to all right hon. and hon. Members as well as being placed in the Library of the House. The papers will also be made available electronically over the Internet.

## ENVIRONMENT, TRANSPORT AND THE REGIONS

### Epping-Ongar Rail Line

**Mr. Pickles:** To ask the Secretary of State for the Environment, Transport and the Regions when he expects to make his decision on the sale of the Epping to Ongar rail line. [44889]

**Ms Glenda Jackson:** The Secretary of State has given his consent to the sale and letters informing interested parties, including the hon. Member, have been issued. I hope that all parties will now support Pilot in their efforts to provide the passenger rail service that we all want to see operating on the line.

### Weald and Downland DBFO Project

**Mr. Norman:** To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 30 January 1998, *Official Report*, column *442*, what compensation has been paid to the four consortiums which tendered for the Weald and Downland DBFO project. [46697]

**Ms Glenda Jackson:** The claims from the Tenderers for the cancelled Weald and Downland DBFO project raised a number of detailed issues which will take some time finally to resolve. In the meantime, interim payments of £1.3 million (excluding VAT) have been made.

### Newsprint Recycling

**Mr. Chaytor:** To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has had with representatives of the paper industry concerning the recycled contents of newsprint; and if he will make a statement. [46823]

**Angela Eagle:** I met the Chief Executive and Company Secretary of Aylesford Newsprint on 12 January this year. My right hon. Friend the Minister for the Environment met representatives of the Newspaper Publishers Association on 9 February.

We are committed to substantial increases in recycling, and are determined to see an increase in the amount of recycled newsprint used in newspapers.

We shall shortly be receiving the interim report of the Newspaper Publishers Association's working group examining the factors governing the optimum recycled content of newspaper. We expect to see the industry setting themselves stringent targets, and we will work with them to achieve them. We have not however ruled out the possibility of introducing legislation ourselves, perhaps under existing powers.

### Local Government Reorganisation

**Sir Geoffrey Johnson Smith:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the bids for re-organisation costs for *(a)* 1994–95, *(b)* 1995–96, *(c)* 1996–97, *(d)* 1997–98 and *(e)* 1998–99, that have been made by local authorities subject to reorganisation on 1 April 1995, 1996, 1997 and 1998, and the proportion of the bids which were allocated supplementary credit approval cover for *(a)* to *(e)*; and if he will list the capitalisation directions granted to those authorities in those same years. [47210]

**Mr. Raynsford:** I refer the right hon. Member to the replies given on 27 October 1997, *Official Report*, columns *808–14*, 3 November 1997, *Official Report*, columns *72–73* and 17 December 1997, *Official Report*, columns *199–200*. These replies gave bids and allocations for 1994–95, 1995–96, 1996–97 and 1997–98, revised allocations for 1997–98 made after the mid-year review and initial allocations for 1998–99. Supplementary credit approvals (SCA) and capitalisation directions have not yet been issued for 1997–98 or 1998–99. The capitalisation directions for earlier years have generally equalled the SCA issued unless the authority has sought a lower amount, or a higher amount which has not exceeded the net revenue element of the final audited application for SCA.

The table lists the bids for 1997–98 and 1998–99, and the SCAs for 1994–95 to 1996–97 and allocations for 1997–98 and 1998–99 expressed as a percentage of bid.

| | *1994–95* | *1995–96* | *1996–97* | *1997–98 mid year review* | | *1998–99 initial* | |
|---|---|---|---|---|---|---|---|
| *Local authority* | *SCA as % of bid* | *SCA as % of bid* | *SCA as % of bid* | *bid* | *allocation as % of bid* | *bid* | *allocation as % of bid* |
| Isle of Wight | 100 | 100 | — | — | — | — | — |
| Cleveland | — | 55 | — | — | — | — | — |
| Hartlepool | 100 | 86 | 93 | 1,910 | 73 | 720 | 100 |
| Redcar and Cleveland | 100 | 86 | 100 | 2,875 | 45 | 400 | 100 |
| Middlesbrough | 100 | 91 | 66 | 2,806 | 53 | 2,284 | 100 |
| Stockton | 100 | 100 | 87 | 1,952 | 66 | 1,661 | 99 |
| Avon | — | 94 | — | — | — | — | — |
| Bristol | — | 87 | 82 | 2,590 | 42 | 1,268 | 100 |
| North Somerset | — | 100 | 99 | 1,388 | 72 | 652 | 100 |
| Banes[1] | — | 100 | 100 | 2,444 | 69 | 1,280 | 100 |
| South Gloucestershire[1] | — | 100 | 100 | 2,255 | 53 | 1,000 | 100 |

| Local authority | 1994–95 SCA as % of bid | 1995–96 SCA as % of bid | 1996–97 SCA as % of bid | 1997–98 mid year review bid | 1997–98 mid year review allocation as % of bid | 1998–99 initial bid | 1998–99 initial allocation as % of bid |
|---|---|---|---|---|---|---|---|
| Humberside | — | 63 | — | — | — | — | — |
| Kingston upon Hull | — | 80 | 95 | 4,205 | 28 | 3,073 | 59 |
| East Riding Yorkshire[1] | — | 73 | 96 | 2,576 | 97 | 4,259 | 100 |
| North Lincolnshire[1] | — | 93 | 100 | 2,709 | 44 | 3,289 | 100 |
| North East Lincolnshire[1] | — | 89 | 100 | 2,256 | 84 | 1,853 | 100 |
| North Yorkshire | — | 68 | 100 | — | — | — | — |
| Ryedale | — | [2]— | [2]— | — | — | — | — |
| Selby | — | 100 | 100 | — | — | — | — |
| York[1] | — | 91 | 100 | 800 | 100 | 0 | — |
| Bedfordshire | — | 0 | 88 | 1,046 | 95 | — | — |
| Luton | — | 0 | 73 | 3,874 | 90 | 1,973 | 100 |
| Buckinghamshire | — | 0 | [2]— | [2]— | — | — | — |
| Milton Keynes | — | 0 | 100 | 3,614 | 83 | 2,250 | 100 |
| Derbyshire | — | 0 | 99 | 650 | 100 | — | — |
| Derby City | — | 0 | 78 | 3,025 | 97 | 1,602 | 100 |
| Dorset | — | — | [2]— | [2]— | — | — | — |
| Bournemouth | — | 0 | 100 | 2,900 | 100 | 500 | 100 |
| Poole | — | 0 | 91 | 3,300 | 91 | 1,100 | 100 |
| Durham | — | — | [2]— | 350 | 100 | — | — |
| Darlington | — | 0 | 100 | 2,794 | 71 | 993 | 100 |
| East Sussex | — | — | 73 | 2,641 | 76 | — | — |
| Brighton and Hove[1] | — | 0 | 52 | 4,721 | 85 | 1,207 | 100 |
| Hampshire | — | — | 72 | 2,884 | 55 | — | — |
| Portsmouth | — | 0 | 84 | 2,600 | 100 | 1,695 | 100 |
| Southampton | — | 0 | 76 | 4,586 | 70 | 2,185 | 100 |
| Leicestershire | — | — | 100 | 1,444 | 76 | — | — |
| Leicester City | — | 0 | 82 | 3,490 | 89 | — | — |
| Rutland | — | — | 100 | 1,160 | 100 | 1,065 | 100 |
| Staffordshire | — | — | 38 | 729 | 99 | — | — |
| Stoke on Trent | — | 0 | 72 | 2,725 | 95 | 1,348 | 100 |
| Wiltshire | — | — | 83 | 506 | 79 | — | — |
| Swindon | — | 0 | 47 | 2,720 | 73 | 902 | 100 |
| Berkshire | — | — | 0 | 9,801 | 42 | — | — |
| Bracknell Forest | — | — | 0 | 4,202 | 50 | 13 | 0 |
| Newbury | — | — | 0 | 2,843 | 84 | [2]— | — |
| Reading | — | — | 0 | 6,901 | 43 | 2,081 | 100 |
| Slough | — | — | 0 | 5,658 | 46 | 1,781 | 100 |
| Windsor and Maidenhead | — | — | 0 | 4,000 | 55 | [2]— | — |
| Wokingham | — | — | — | 7,431 | 47 | 2,262 | 100 |
| Hereford and Worcester | — | — | — | 2,735 | 84 | — | — |
| Hereford City | — | — | — | 375 | 67 | — | — |
| Leominster | — | — | — | 679 | 51 | — | — |
| Malvern Hills | — | — | — | 900 | 67 | — | — |
| South Herefordshire | — | — | — | 275 | 73 | — | — |
| Herefordshire | — | — | — | 4,888 | 61 | 5,155 | 100 |
| Worcestershire | — | — | — | 2,527 | 91 | 1,150 | 100 |
| Malvern Hills (new) | — | — | — | 385 | 100 | 360 | 100 |
| Devon | — | — | — | 4,404 | 68 | 715 | 100 |
| Plymouth | — | — | — | 6,286 | 46 | 10,109 | 100 |
| Torbay | — | — | — | 8,186 | 41 | 6,396 | 100 |
| Essex | — | — | — | 6,727 | 42 | 2,683 | 100 |
| Southend on Sea | — | — | — | 5,155 | 57 | 1,690 | 100 |
| Thurrock | — | — | 0 | 4,737 | 60 | 3,067 | 100 |
| Nottinghamshire | — | — | — | 3,617 | 66 | 3,334 | 100 |
| Nottingham | — | — | 0 | 5,694 | 54 | 3,920 | 100 |

| Local authority | 1994–95 SCA as % of bid | 1995–96 SCA as % of bid | 1996–97 SCA as % of bid | 1997–98 mid year review bid | 1997–98 mid year review allocation as % of bid | 1998–99 initial bid | 1998–99 initial allocation as % of bid |
|---|---|---|---|---|---|---|---|
| Cheshire | — | — | — | 5,605 | 45 | 3,345 | 68 |
| Halton | — | — | — | 3,547 | 70 | 2,832 | 100 |
| Warrington | — | — | — | 6,205 | 53 | 3,013 | 100 |
| Shropshire | — | — | — | 3,156 | 66 | 1,400 | 71 |
| The Wrekin | — | — | — | 6,803 | 44 | 4,301 | 100 |
| Kent | — | — | — | 4,697 | 68 | 986 | 76 |
| Medway Towns | — | — | — | 8,939 | 45 | 5,674 | 100 |
| Cambridgeshire | — | — | — | 1,863 | 75 | 320 | 100 |
| Peterborough | — | — | — | 5,429 | 63 | 2,204 | 100 |
| Lancashire | — | — | — | 5,290 | 53 | 1,465 | 100 |
| Blackburn with Darwen | — | — | 0 | 5,468 | 58 | 3,349 | 100 |
| Blackpool | — | — | — | 6,202 | 48 | 3,188 | 100 |

[1] Includes allocations to predecessor authorities
[2] No bid

### Action Zones

**Mr. Llwyd:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the initiatives undertaken by his Department since 1 May 1997 which have involved the establishment of *(a)* action zones and *(b)* pilot schemes limited to particular geographical areas, indicating the name of the programme and the action zone or pilot scheme areas covered in each instance. [47052]

**Angela Eagle:** There have been no initiatives announced by my Department since 1 May 1997 to establish new area based regeneration "action zones". However, in the recent Budget statement, my right hon. Friend the Chancellor of the Exchequer announced £15 million funding for New Deal for Communities pathfinder projects for 1998–99. My Department is taking forward the development of the New Deal for Communities initiative in England with the Treasury, the Social Exclusion Unit and other Government Departments. The exact location of these projects is yet to be decided.

I refer the hon. Member to the answer I gave in reply to the hon. Member for Sutton and Cheam (Mr. Burstow) about Best Value pilots and the Joint Commissioning of new social housing schemes on 11 June 1998, *Official Report*, columns *632–34*.

### UN World Environment Day

**Mr. Maclean:** To ask the Secretary of State for the Environment, Transport and the Regions what initiatives the Government took to promote the UN World Environment Day on 5 June. [47221]

**Angela Eagle:** Advertising specifically promoting World Environment Day ran in the national press and on radio on 4 and 5 June as an extension to the *Are you doing your bit?* advertising campaign which took place during March and April this year. My Department also launched its Climate Change Impacts programme. To draw further attention to World Environment Day, the Deputy Prime Minister, as President of the EU's Environment Council, visited both the Donana National Park in Spain and the site nearby caused by a serious spillage of chemical waste.

### Cleaner Motor Vehicles

**Mr. Cox:** To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has had, and with whom, on the production of less-polluting motor vehicles. [47336]

**Ms Glenda Jackson:** Ministers from my Department have held discussions with vehicle manufacturers, component suppliers, environmental groups and trade associations on the production of less polluting vehicles. These discussions are being undertaken both within the context of the EU's strategy on $CO_2$ emissions and the Cleaner Vehicles Task Force which the Government have established, in conjunction with industry and other bodies, and which is looking in particular at what action can be taken to improve fuel efficiency and reduce vehicle pollution. These organisations have also been involved in discussions on the EU's Auto-Oil directives, which set more stringent emissions standards for new vehicles.

### Shipping Industry

**Mr. Gill:** To ask the Secretary of State for the Environment, Transport and the Regions when he will publish the results of the working group investigating the shipping industry. [47320]

**Ms Glenda Jackson:** A shipping paper based on the work of the shipping working group will be published shortly after the Integrated Transport White Paper.

### Government Vehicles

**Mr. Hoyle:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to encourage the use of compressed natural gas in Government fleet vehicles. [47414]

**Ms Glenda Jackson:** The Government Car Service announced last year that they would be converting all the cars in their fleet to run on compressed natural gas or liquefied petroleum gas as the cars were replaced. The Government have also taken a number of other steps to encourage the use of road fuel gases more generally, including freezing the duty on these fuels in two

successive budgets and providing funding for the Energy Saving's Trust's Powershift programme which aims to create a sustainable market for alternative fuels.

### North West Water

**Mr. Jack:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list for the period from 1989 to date those works carried out by North West Water to achieve environmental improvements which were *(a)* required by statute and *(b)* undertaken without statutory requirement by the company; and if he will publish the cost benefit information on the works listed in each category. [47540]

**Angela Eagle:** Government set the statutory framework for water quality standards. The Environment Agency, through its monitoring and enforcement functions, has responsibility for ensuring that the water quality standards set by statute are met. It is for the privatised water companies to determine how those standards are met. In some cases, water companies may elect to exceed statutory requirements. The Director General of Water Services, as financial regulator of the privatised water companies, has responsibility for ensuring that water companies meet both statutory requirements and discretionary improvements in a cost-effective manner.

Information on the works undertaken to meet statutory requirements and discretionary improvements is not held centrally.

### Advanced Driving Instructors

**Mr. Stephen Twigg:** To ask the Secretary of State for the Environment, Transport and the Regions what was the cost to the Driving Standards Agency of tests for advanced driving instructors in each of the last two financial years. [47509]

**Ms Glenda Jackson:** To qualify as an Approved Driving Instructor (ADI) it is necessary to pass a driving theory test, a practical test of driving ability and a practical test of instructional ability. Qualified ADIs are then subject to regular check testing of their continued ability to give instruction. The costs for the separate tests for the past two years were as follows:

£

| | *1996/97* | *1997/98* |
|---|---|---|
| Theory test | 232,700 | 158,640 |
| Practical driving and instructional ability tests | 681,678 | 963,041 |
| Check tests | 786,939 | 1,332,614 |

### Executive Agencies

**Dr. Whitehead:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the payments per annum since 1992 to *(a)* those executive agencies with which his Department has framework contracts and *(b)* those non-departmental public bodies which are sponsored by his Department. [47455]

**Angela Eagle:** Net Voted expenditure (in £000s) for the years 1992–93 to 1997–98 by those executive agencies which are currently part of the Department, Transport and the Regions was as follows:

| *Name of agency* | *1992–93* | *1993–94* | *1994–95* | *1995–96* | *1996–97* | *1997–98* |
|---|---|---|---|---|---|---|
| Highways Agency | — | — | 2,115,465 | 1,854,510 | 1,651,520 | 1,555,145 |
| Vehicle Certification Agency[1] | –93 | –96 | –250 | –22 | –44 | –120 |
| Maritime & Coastguard Agency[2] | — | — | 79,238 | 83,393 | 88,747 | 83,247 |
| Vehicle Inspectorate[3] | 1 | 1 | 1 | 0 | 0 | 1 |
| Driving Standards Agency[4] | 1,629 | 1,540 | 1,567 | 1,050 | 921 | 1 |
| Planning Inspectorate | 21,296 | 25,661 | 23,065 | 24,579 | 21,238 | 22,951 |
| Queen Elizabeth II Conference Centre | 685 | 6,951 | 6,561 | 6,171 | 4,792 | 7,484 |
| Driver and Vehicle Licensing Agency | 162,617 | 165,226 | 172,095 | 173,345 | 178,342 | 155,041 |

[1] This Agency was subject to a net running cost control regime and receipts more than offset voted expenditure
[2] Launched on 1 April 1994 as two agencies (Coastguard Agency and Marine Safety Agency). The two agencies were merged on 1 April 1998
[3] The Inspectorate operates as a trading fund and has only a token Vote
[4] The Agency commenced operation as a trading fund with effect from 1 April 1997

Grant-in-aid (in £000s) paid to non-departmental public bodies sponsored by the Department in 1992–93 to 1996–97, and provision for grant-in-aid for 1997–98, was as follows:

| *Name of body* | *1992–93* | *1993–94* | *1994–95* | *1995–96* | *1996–97* | *1997–98* |
|---|---|---|---|---|---|---|
| Housing Corporation | 2,303,900 | 2,539,987 | 2,098,693 | 1,732,140 | 1,655,398 | 1,476,477 |
| Castle Vale HAT | — | 2,000 | 6,400 | 11,787 | 11,464 | 18,800 |
| Liverpool HAT | — | 16,000 | 13,715 | 17,340 | 20,750 | 18,800 |
| North Hull HAT | — | 26,500 | 27,450 | 17,000 | 17,000 | 2,381 |
| Stonebridge HAT | — | — | 850 | 2,750 | 5,320 | 9,000 |
| Tower Hamlets HAT | — | 8,600 | 6,900 | 10,043 | 9,800 | 10,000 |
| Waltham Forest HAT | — | 22,000 | 36,650 | 23,168 | 22,530 | 30,100 |
| Black Country UDC | 59,650 | 52,150 | 40,000 | 23,500 | 20,800 | 20,000 |
| Birmingham Heartlands UDC | 5,490 | 10,200 | 7,500 | 8,500 | 8,000 | — |
| Bristol UDC | 22,900 | 12,800 | 8,000 | — | — | — |
| Central Manchester UDC | 17,225 | 6,500 | 8,800 | 6,125 | — | — |
| Leeds UDC | 7,790 | 4,700 | 3,591 | — | — | — |
| London Docklands UDC | 156,455 | 105,364 | 70,700 | 64,500 | 54,680 | 39,600 |
| Merseyside UDC | 32,000 | 22,447 | 17,000 | 20,600 | 15,950 | 18,300 |

| Name of body | 1992–93 | 1993–94 | 1994–95 | 1995–96 | 1996–97 | 1997–98 |
|---|---|---|---|---|---|---|
| Plymouth UDC | — | 7,858 | 8,139 | 9,450 | 7,264 | 11,836 |
| Sheffield UDC | 13,185 | 12,000 | 9,700 | 8,600 | 7,800 | — |
| Teesside UDC | 40,255 | 37,000 | 30,000 | 28,600 | 28,617 | 28,884 |
| Trafford Park UDC | 31,600 | 30,600 | 22,700 | 25,139 | 22,100 | — |
| Tyne & Wear UDC | 44,055 | 41,500 | 31,302 | 27,900 | 24,700 | 27,600 |
| Docklands Light Railway | 84,383 | 28,091 | 29,110 | 37,100 | 20,670 | 32,500 |
| English Partnerships | — | 21,728 | 118,306 | 155,721 | 210,965 | 250,779 |
| Countryside Commission | 42,600 | 44,354 | 47,192 | 42,212 | 25,439 | 24,093 |
| Rural Development Commission | 16,800 | 19,965 | 41,208 | 38,791 | 40,805 | 41,464 |
| English Nature | 38,100 | 38,819 | 40,177 | 40,419 | 39,186 | 38,853 |
| National Forest Company | — | — | — | 1,882 | 2,000 | 2,500 |
| UK Eco-labelling Board | — | 676 | 775 | 842 | 986 | 863 |
| National Rivers Authority | 74,700 | 61,248 | 60,264 | 58,200 | — | — |
| Environment Agency | — | — | — | 5,500 | 111,917 | 112,573 |
| Health & Safety Executive/Commission | — | — | 176,359 | 180,700 | 177,635 | 180,957 |
| Traffic Director for London | 1,758 | 8,529 | 10,676 | 13,456 | 17,456 | 21,890 |
| London Regional Passenger Committee | — | — | 459 | 471 | 553 | 523 |

HAT—Housing Action Trust
UDC—Urban Development Corporation

## Nuclear Material (Trains)

**Mr. Boswell:** To ask the Secretary of State for the Environment, Transport and the Regions what appraisal he has made of safety factors in relation to the carriage of nuclear waste by train in the United Kingdom. [47467]

**Ms Glenda Jackson** *[holding answer 25 June 1998]:* The safety standards for the transport of nuclear waste and spent nuclear fuel are already extremely high. They are based upon the recommendations of the International Atomic Energy Agency and are reviewed on a regular basis to ensure that the excellent safety record is maintained. The Government are active in, and will continue to support, the work of the International Atomic Energy Agency and the other international bodies that regulate the carriage of radioactive material, including the Intergovernmental Organisation for International Carriage by Rail.

**Helen Jones:** To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the level of radiation emitted from trains carrying nuclear material. [47432]

**Ms Glenda Jackson** *[holding answer 25 June 1998]:* The radiation level from trains carrying nuclear material during normal operations is limited by Regulation to a maximum of 2 milliSievert/h at any point on the wagon outer surfaces, or the vertical planes projected from the outer edges of open wagons and to 0.1 milliSievert/h at a distance of 2 metres from those surfaces.

In a major study of road and rail transport (Radiation Exposure from the Normal Transport of Radioactive Materials within the United Kingdom, 1991 Review, by R. Gelder, National Radiological Protection Board Report NRPB-R255, ISBN 0 85951 351 3) the scenario of a householder living 100 metres from a marshalling yard where fuel flasks may be held for several hours, was assessed to give rise to a maximum annual dose of 6 microSievert. The maximum dose to persons living closer (50 metres) to a railway line with passing traffic (where exposure times would be very much shorter) was assessed to be very much lower. For comparison, the average annual dose in the UK due to natural background radiation is about 2000 microSievert.

**Helen Jones:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list, for each of the last five years, the number of accidents involving trains carrying nuclear material, within a five mile radius of Warrington. [47430]

**Ms Glenda Jackson** *[holding answer 25 June 1998]:* During the last five years there have been no accidents involving trains whilst carrying nuclear material in the Warrington area. There have, however, been three incidents involving trains transporting empty irradiated nuclear fuel flasks from Sellafield to UK nuclear power stations:

*1. December 1994*

A flatrol carrying an empty flask was derailed at Walton Old Junction.

*2. December 1995*

Electrical arcing was observed from a wagon attached to a nuclear flask train (but not itself carrying a flask) whilst in Arpley sidings.

*3. March 1998*

A buffer wagon (not a flatrol carrying a flask) was derailed following a low speed collision at Arpley sidings.

In no case was there any release of radioactive materials.

**Helen Jones:** To ask the Secretary of State for the Environment, Transport and the Regions what is the average number of trains per week carrying nuclear waste which pass through Warrington. [47431]

**Ms Glenda Jackson** *[holding answer 25 June 1998]:* Nuclear waste as such is not generally transported by train through Warrington. However, flasks carrying irradiated nuclear fuel regularly pass along the west coast main line through Warrington. There has never been a radiological incident involving the release of radioactivity from these trains.

An average of 2 trains per week, carrying between them an average of 9 flasks per week, pass through Warrington carrying irradiated nuclear fuel from UK nuclear power stations to Sellafield. A similar number of empty flasks is also transported through Warrington in the return direction.

**Mr. Baker:** To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate how many rail journeys are undertaken each year in the United Kingdom in which radioactive material is carried from *(a)* Sellafield, *(b)* Dounreay, *(c)* Hartlepool, *(d)* Dungeness and *(e)* Hinkley Point. [47745]

**Ms Glenda Jackson:** For the calendar year 1997, the number of such journeys are estimated as follows:

*(a)* Sellafield: 133

*(b)* Dounreay: Nil

*(c)* Hartlepool: 25

*(d)* Dungeness: 85

*(e)* Hinkley Point: 72.

**Mr. Baker:** To ask the Secretary of State for the Environment, Transport and the Regions what recent measurements he has evaluated in respect of the level of radioactivity found on the outside of rail wagons used for the transport of radioactive material. [47715]

**Ms Glenda Jackson:** Measurements of non-fixed contamination on the outside of rail wagons used to transport irradiated fuel flasks by UK operators have shown no instances of contamination exceeding the regulatory limit of 4 Becquerels/cm$^2$ $\beta\gamma$ during the period January 1997 to the end of the first quarter of 1998.

## Energy Efficiency

**Mr. Brake:** To ask the Secretary of State for the Environment, Transport and the Regions when the Government's consultation document on energy efficiency will be issued. [47800]

**Angela Eagle:** The Government plan to issue a consultation paper later this summer on policy options for meeting the UK's climate change targets. This will focus on the Government's legally binding target to reduce greenhouse gas emissions by 12.5 per cent. below 1990 levels over the period 2008–2012, and also look at measures which could deliver the Government's aim of reducing carbon dioxide emissions by 20 per cent. on 1990 levels by 2010. The scope for greater energy efficiency in business, the public sector and households will be an important feature of this paper.

## Air Traffic

**Mr. Hancock:** To ask the Secretary of State for the Environment, Transport and the Regions what is the estimated change in air traffic into and out of the United Kingdom over each of the next five years. [47586]

**Ms Glenda Jackson:** The Civil Aviation Authority's latest base case air traffic forecasts for commercial flights within UK airspace for the next five years are shown in the following table:

| *Year* | *Number of Commercial Flights (000s)* |
|---|---|
| 1998–99 | 1,734.0 |
| 1999–2000 | 1,758.8 |
| 2000–2001 | 1,813.3 |
| 2001–2002 | 1,891.8 |
| 2002–2003 | 1,973.0 |

## Council Ward Boundaries

**Mr. Rammell:** To ask the Secretary of State for the Environment, Transport and the Regions on how many occasions each year since 1983 the Local Government Commission for England has conducted an interim (non-periodic) review of council ward boundaries; for which councils; and for what reasons. [47682]

**Mr. Raynsford:** Since 1992, when the Local Government Commission was established, it has undertaken no non-periodic reviews of council ward boundaries, other than those associated with local government structure reviews.

## Greenwich Peninsula (Cable Car)

**Mr. Peter Ainsworth:** To ask the Secretary of State for the Environment, Transport and the Regions what contracts have been signed in relation to the proposed cable car across the Thames at Greenwich peninsula. [47784]

**Ms Glenda Jackson:** The proposed cable car across the Thames at the Greenwich peninsula is a private-sector project. The company promoting it, Meridian Cable Cars Limited, has already obtained planning consent and is in discussions with the New Millennium Experience Company in regard to a lease for the area where it would 'land' close to the Dome. Whether the project goes ahead depends very much on the promoter's ability to raise the necessary funds.

## Jubilee Line Extension

**Mr. Peter Ainsworth:** To ask the Secretary of State for the Environment, Transport and the Regions what the operating capacity of the Jubilee Line extension will be on 1 January 2000 in *(a)* trains and *(b)* passengers per hour. [47788]

**Ms Glenda Jackson:** By 1 January 2000, LT plan to be able to run 24 6-car trains per hour in each direction on the Jubilee Line Extension. This will provide a capacity of well over 24,000 passengers per hour in each direction.

**Mr. Peter Ainsworth:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the progress of the Jubilee Line extension. [47789]

**Ms Glenda Jackson:** Tunnelling and tracklaying for the Jubilee Line Extension are complete. The new trains are in service on the existing Jubilee Line. Work on station fit-out and electrical and mechanical equipment is well under way. On-site testing of the signalling and communications software has begun. LT have undertaken a thorough review of the programme and plan to open the entire line in spring 1999.

## Greenwich Peninsula (Bathing Facilities)

**Mr. Peter Ainsworth:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to provide bathing facilities on the Greenwich peninsula. [47785]

**Angela Eagle:** None.

### Globe Conference

**Mr. Baker:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the outcome of the Globe Conference held in Aarhus, Denmark. [47782]

**Mr. Meacher:** I attended the Aarhus Conference for Parliamentarians, "Our Common European Garden in 1998", for the Ministerial Panel, organised by Globe Europe on 22 June. The conference reaffirmed the central role played by Parliamentarians in progressing sustainable development, and was a useful contribution to the Aarhus Environment for Europe Conference which began the following day. Parliamentarians from 37 countries agreed a set of conclusions from the Globe Conference, covering the Environment for Europe conference, sustainable development in Europe, endocrine disrupters, climate change and energy efficiency, and the Aarhus Convention on Access to Information, Public Participation in Decision Making and Access to Justice in Environmental Matters.

### Endocrine Disrupting Chemicals

**Mr. Baker:** To ask the Secretary of State for the Environment, Transport and the Regions what checks are presently carried out on *(a)* approved chemicals and *(b)* chemicals for which approval is sought to assess their potential for endocrine disruption. [47779]

**Angela Eagle:** Pesticides represent the major class of chemicals for which formal approval is required before they can be used and which may be present in the environment. The UK Control of Pesticides Regulations (COPR) (1986) (amended) is currently operated alongside the EC Plant Protection Products Directive (91/414/EEC), which is implemented in the UK by the Plant Protection Products Regulations (1995) (amended). Annex II to the Directive states that possible effects on all aspects of reproductive physiology in both males and females, as well as possible effects on pre-natal and post-natal development, must be investigated and reported.

Approved chemicals are subject to a review procedure, which may include assessment of their endocrine disrupting potential.

For veterinary medicines, all applications for marketing authorisations must meet statutory criteria of safety, quality and efficacy. In this context, safety includes to the operator as well as the health and welfare of the treated animal, to the consumer of any food products from treated animals and to the environment.

**Mr. Baker:** To ask the Secretary of State for the Environment, Transport and the Regions what recent research the Government have initiated into endocrine disrupting chemicals. [47777]

**Angela Eagle:** New research programmes, totalling over £3 million, to study (a) trends in male reproductive health and the possible influence of chemicals and (b) endocrine disruption in the marine environment have been initiated jointly by the Department of the Environment, Transport and the Regions, other Government Departments and Agencies and the European Chemical Industry Council.

In addition, DETR has initiated research into non-reproductive effects of endocrine disruption in wildlife and recently contributed to an Environment Agency led study of the effects of endocrine disrupters on reproduction in wild fish.

Government Departments and Agencies also support a range of projects on chemicals with known or suspected endocrine disrupting properties including tributyltin (TBT), dioxins, furans and polychlorinated biphenyls (PCBs).

**Mr. Baker:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the chemicals *(a)* known to cause endocrine disruption and *(b)* suspected of causing endocrine disruption. [47778]

**Angela Eagle:** The Institute for Environment and Health and the Environment Agency have listed some individual substances within the following chemical categories as having endocrine disrupting activity; naturally produced female sex steroid hormones, synthetic steroid hormones, phytoestrogens (naturally occurring chemicals found in plans), polychlorinated organic compounds, organochlorine pesticides, organotins, alkylphenols, alkylphenol ethoxylates (short chain), phthalates and biphenolic compounds. Within each category there are also related substances suspected of having endocrine activity, but for which the data are not yet adequate to allow a definitive conclusion.

Other categories of substances, including some pesticides, are also suspected of having endocrine disrupting activity.

### Green Ministers

**Mr. Baker:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the content of, and decisions reached at, the third meeting of green ministers. [47780]

**Mr. Meacher:** On 8 June, Green Ministers met for the third time, to consider the next stage of the Greening Government Initiative.

We agreed that we should continue to meet three times a year. Starting in the next Parliamentary Session in the Autumn, we will announce our main programme of work for the coming year to progress policy integration, environmental appraisal and greening operations.

Ministers are keen to find the best way of publicly reporting progress. We discussed a number of options and will reach a final view in the light of the forthcoming report on Greening Government by the Commons Environmental Audit Committee.

Green Ministers considered the role of sustainable development indicators. We welcomed the work that had already been done involving a large number of stakeholders both within and outside Government and emphasised the need to ensure that the links between economic, social and environmental areas are easily understood.

We also noted progress in implementing the green operations model policy and improvement programme and green transport plans. Now that these plans were in place Government Departments needed to play a leading role across the UK in helping green business operations.

**Mr. Baker:** To ask the Secretary of State for the Environment, Transport and the Regions which Ministers attended the Third Meeting of Green Ministers; and which Ministers were represented by officials. [47781]

**Mr. Meacher:** I chaired the third meeting of the group on 8 June 1998 and the following Green Ministers attended:

| *Department* | *Green Minister* |
|---|---|
| Agriculture, Fisheries and Food | Jeff Rooker MP |
| Culture, Media and Sport | Mark Fisher MP |
| Defence | John Spellar MP |
| Environment, Transport and the Regions | Glenda Jackson MP |
| Foreign and Commonwealth Office | Derek Fatchett MP |
| Health | Tessa Jowell MP |
| Home Office | Mike O'Brien MP |
| Law Officers | The Lord Falconer QC |
| Lord Chancellor's | Geoff Hoon MP |
| Office of Public Service | Peter Kilfoyle MP |
| Social Security | John Denham MP |
| Trade and Industry | John Battle MP |

*Note:*
The Scottish and Welsh Offices were represented by Henry MacLeish MP and Peter Hain MP respectively

The Chancellor's Departments, the Department for Education and Employment, the Department for International Development and the Northern Ireland Office were represented by officials.

### Public Participation Convention

**Mr. Baker:** To ask the Secretary of State for the Environment, Transport and the Regions what action he plans to take to implement the Convention on Public Participation, Access to Information and Access to Justice. [47774]

**Mr. Meacher:** On behalf of the UK, I signed the UNECE Convention on Public Participation, Access to Information and Access to Justice on 25 June 1998. The Convention will become legally binding when we ratify it. We are developing our strategy on how best to implement the Convention and we will have the necessary measures in place before ratification.

Our consultation paper on a revised sustainable development strategy highlighted access to information and public participation as important for the achievement of sustainable development and we will be considering these issues further in light of the consultation responses.

The Government's proposals for a new Freedom of Information Act will also be an important measure for the implementation of the Convention.

### Sellafield

**Mr. Baker:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the representations from other countries his Department has received since 1 May 1997 in respect of the Sellafield reprocessing facility. [47746]

**Angela Eagle:** Since 1 May 1997, the Department has received the following representations in respect of the Sellafield reprocessing facility, the Thermal Oxide Reprocessing Plant (THORP): one letter from Germany, one from France, one from Ireland and two from Denmark.

### Millennium Experience Site

**Mr. Boswell:** To ask the Secretary of State for the Environment, Transport and the Regions what has been the cost of decontaminating the Millennium Experience site at Greenwich to date. [46345]

**Angela Eagle:** I refer the hon. Member to the answer I gave to the hon. Member for Richmond Park (Dr. Tonge) on 30 July 1997, *Official Report*, column *412*.

**Miss Kirkbride:** To ask the Secretary of State for the Environment, Transport and the Regions what impact he expects the Millennium Experience at Greenwich to have on the local transport system. [46344]

**Ms Glenda Jackson:** I refer the hon. Member to the answer I gave to the hon. Member for Ruislip-Northwood (Mr. Wilkinson) on 1 June 1998, *Official Report*, columns *33–34*.

### Green-Field Land

**Mr. Brake:** To ask the Secretary of State for the Environment, Transport and the Regions how much green-field land he estimates has been sold, and for how much, in England in each of the last five years. [47735]

**Mr. Raynsford:** Information is not held centrally on the amounts and value of green field land sold.

### Non-fuel-powered Cars

**Mr. Brake:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on public funding to manufacturers to establish or expand *(a)* fuel cell, *(b)* electric and *(c)* solar car or component factories in the United Kingdom in each of the last five years. [47725]

**Ms Glenda Jackson:** Funding to develop new technologies for the automotive industry is available under the DTI Foresight vehicle LINK programme and fuel cells are also supported under the Advanced Fuels Cells Programme.

The DETR is providing £6.5 million to the Energy Savings Trust's Powershift programme to help stimulate the market for alternative fuels by providing grants towards the purchase of alternatively fuelled vehicles produced with proven technology which is already in the market place.

The DTI provides Regional Selective assistance for the safeguard and creation of jobs in Assisted Areas. All manufacturing industries could be eligible for support except those which are subject to special EU restrictions.

### Housing (Planning Permission)

**Mr. Brake:** To ask the Secretary of State for the Environment, Transport and the Regions how many planning permissions have been granted in each of the last five years in England for developments of *(a)* up to 100, *(b)* up to 500 and *(c)* up to 1,000 homes. [47724]

**Mr. Raynsford:** I regret that the information requested is not available. Information on the number of applications granted for planning permission for minor

and major dwellings developments is available from my department's quarterly statistics of planning applications. Figures for 1993 to 1997 are shown in the table.

*Applications granted for planning permission*

*Thousands*

| *Year* | *Minor dwellings developments*[1] | *Major dwellings developments*[1] | *All dwellings developments* |
|---|---|---|---|
| 1993 | 38.4 | 7.1 | 45.4 |
| 1994 | 40.6 | 7.1 | 47.7 |
| 1995 | 37.6 | 6.3 | 43.9 |
| 1996 | 34.6 | 5.8 | 40.4 |
| 1997 | 35.5 | 6.0 | 41.4 |

[1] A major dwellings development involves the construction of 10 or more dwellings or, where the number is not given in the application, the area of the site is more than 0.5 hectares. A minor dwellings development is one which does not meet the criteria for major development

### Coal-fired Power Stations

**Mrs. Brinton:** To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate the amount of *(a)* $CO_2$, *(b)* $SO_2$, *(c)* $NO_x$, *(d)* fine particulates, *(e)* black smoke and *(f)* radiation emitted as a result of the burning of 25 mt. coal per annum in power stations. [47608]

**Angela Eagle:** The Environment Agency has advised that the quantity of pollutants emitted from burning 25 million tonnes of coal are estimated to be as follows:

*(a)* Carbon dioxide: the quantity of $CO_2$ released will be dependent on the ash content of the coal but is likely to be approximately 55 million tonnes per annum.

*(b)* Sulphur dioxide: the quantity of $SO_2$ released will depend on the sulphur content of the coal utilised, the relative proportions of coal burnt at power stations fitted with Flue-Gas Desulphurisation units compared with unabated stations and the extent to which other abatement techniques are introduced. Depending on these factors the quantity of $SO_2$ released is likely to be between 340 kilotonnes and 510 kilotonnes per annum.

*(c)* Oxides of nitrogen: following completion of the current improvement programme to reduce emissions, releases of nitrogen oxides from coal fired power stations are likely to be approximately 160 kilotonnes per annum.

*(d)* Fine Particulates: the quantity of particulates released will depend to some extent on the quality of coal burnt, the relative proportions of coal burnt at power stations fitted with Flue-Gas Desulphurisation units compared with unabated stations and the extent to which plants are able to reduce emissions as a result of the ongoing improvement programme. Based on current performance, the quantity released is likely to be approximately 14 kilotonnes per annum.

*(e)* Black smoke: the term black smoke refers to the extent to which a sample of air is able to blacken a filter. The quantity released will depend on similar factors to those affecting the release of particulates and is estimated very approximately to be 6.25 kilotonnes per annum.

*(f)* Radiation: the amount of radiation released, depending on the ash content of the coal and flue gas clean-up measures, is estimated very approximately to be 0.5 Tera-becquerels (TBq) per annum.

### Benefit Fraud (Data Matching)

**Mr. Cohen:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to encourage local authorities to use data matching techniques with respect to benefit fraud which also require access to medical records, as provided for by the Audit Commission Bill 1998. [47380]

**Mr. Raynsford:** Whilst we welcome any progress in counteracting all types of fraud, it is for the Audit Commission and local authorities to decide the best approach to adopt in any particular case, having regard to their statutory powers and to the measures available to them, including data matching techniques.

### Public Registers

**Mr. Cohen:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the public registers which his Department has responsibility for. [47355]

**Angela Eagle:** This information is not held centrally.

### Leasehold Reform

**Mr. Fabricant:** To ask the Secretary of State for the Environment, Transport and the Regions when he expects to publish the consultation paper on leasehold reform. [47721]

**Mr. Raynsford:** Later this year.

### Ramsgate-Ostend Ferries

**Mr. Gale:** To ask the Secretary of State for the Environment, Transport and the Regions what steps he is taking to facilitate the landing of Sally Line passengers from Ramsgate in Ostend; and if he will make a statement. [47716]

**Ms Glenda Jackson:** My Department is liaising with the Foreign and Commonwealth Office in pressing the Belgian authorities to take action to enable the Sally Direct passenger ferry service from Ramsgate to Ostend to begin as soon as possible.

### Wembley Park Underground Station

**Mr. Gardiner:** To ask the Secretary of State for the Environment, Transport and the Regions what progress is being made in upgrading Wembley Park Underground Station as part of the preparations associated with the bid to host the World Cup in 2006. [47719]

**Ms Glenda Jackson:** Following the Deputy Prime Minister's announcement of a Public/Private Partnership for London Underground and an additional £365 million of funding for London Transport over the next two years. LT and the Government have been considering together what additional investment projects should go ahead in the next two years. London Underground has proposals for a comprehensive redevelopment of Wembley Park Station, including improved platforms, canopies, ticket hall, staircase and walkway. Subject to that review, and securing substantial contributions from outside parties, London Underground has indicated that construction of the Wembley Park Station redevelopment could start in 1999–2000.

### Cycling

**Mr. MacShane:** To ask the Secretary of State for the Environment, Transport and the Regions what recent steps

he has taken to encourage *(a)* (i) Ministers, (ii) officials and (iii) employees of his Department and *(b)* other Ministers to use bicycles. [47834]

**Ms Glenda Jackson:** The upper limit on salary advances to staff for purchase of bicycles and associated equipment was increased in April 1998. Staff cycling to work on National Bike to Work day were welcomed at DETR headquarters buildings with a bike breakfast. Further encouragement to use bicycles for business travel should stem from Green Transport Plans being developed for DETR premises.

**Mr. MacShane:** To ask the Secretary of State for the Environment, Transport and the Regions what percentage of journeys to work in London are made by bicycle. [47831]

**Ms Glenda Jackson:** According to the Department's most recent National Travel Survey 1994–96: for that period, an average of 2.7 per cent. of people living and working in London, travelled to work by bicycle.

**Mr. MacShane:** To ask the Secretary of State for the Environment, Transport and the Regions how many miles of dedicated cycle lanes separated from other traffic there are in London. [47830]

**Ms Glenda Jackson:** Taking together the London Cycle Network, the Thames Cycle Route, the priority (Red Routes) programme and other measures on London's trunk roads, approximately 225 miles of cycle lanes were in place by March 1998. Specific information on dedicated routes separated from other traffic is not held centrally, nor are details of cycle lanes provided by highway authorities on local roads outside of the LCN and red route Network.

**Mr. MacShane:** To ask the Secretary of State for the Environment, Transport and the Regions if he will ensure that trains arriving in London terminals are able to carry bicycles. [47836]

**Ms Glenda Jackson:** In general, services arriving in London are able to carry bicycles except during the morning commuter peak. It would be impracticable to require franchisees to make facilities available on all services because, on busy local and commuter networks, passenger capacity is of prime importance to both operators and passengers. The provisions in the franchise agreements therefore strike a balance between the desire for operators to accommodate cyclists whilst acknowledging that it may not always be possible for them to do so. The Franchising Director, as part of his remit under the Objectives, Instructions and Guidance issued last year, discusses with franchisees the provision of space for bicycles on new trains.

**Mr. MacShane:** To ask the Secretary of State for the Environment, Transport and the Regions which of his Department's buildings in London have parking racks for bicycles available for use by visitors. [47833]

**Ms Glenda Jackson:** Bicycle parking facilities are available at Eland House, Ashdown House (V), Great Minister House, Riverwalk House and St. Christopher House. The facilities are available to all Departmental employees, pass holders and visitors on a first come first served basis. There are no reserved spaces.

**Mr. MacShane:** To ask the Secretary of State for the Environment, Transport and the Regions what recent discussions he has had with Westminster Council about bicycle traffic in the vicinity of the Palace of Westminster; and if he will make a statement. [47835]

**Ms Glenda Jackson:** The Deputy Prime Minister met representatives of Westminster City Council in March 1998 to review progress on the "World Squares for All" Masterplan. The Masterplan covers the main routes in the vicinity of the palace of Westminster, and makes a number of proposals to assist cyclists.

**Mr. MacShane:** To ask the Secretary of State for the Environment, Transport and the Regions what percentage of journeys to school in London are made on bicycles. [47832]

**Ms Glenda Jackson:** According to the Department's most recent National Travel Survey 1994–96: for that period, an average of 1.3 per cent. of children aged 4–16 living in London, travelled by bicycle for the purpose of education.

## Irish Sea (Pollution)

**Mr. Ruane:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the cost of monitoring pollution levels in the Irish Sea in each of the past 10 years. [47739]

**Angela Eagle:** A number of agencies collaborate under the National Marine Monitoring Plan in monitoring pollution in the seas around the United Kingdom. It is not possible to disaggregate the activities in respect of any particular area of the sea.

**Mr. Ruane:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the total tonnage of sewage sludge dumping in Liverpool Bay in each of the past 10 years; and if he will make a statement. [47740]

**Angela Eagle:** These figures are set out in the Reports of the Group Coordinating Sea Disposal Monitoring, published by the Centre for Environment, Fisheries and Aquaculture Science (CEFAS) in their Aquatic Environment Monitoring Report series, copies of which are in the Library.

**Mr. Ruane:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the level of algal blooms in Liverpool Bay. [47743]

**Angela Eagle:** There is a high level of nutrient input into Liverpool Bay. This supports the growth of algal and the development of intense and regular algal blooms. The occurrence of these blooms in Liverpool Bay has been known for sometime and is reported in a variety of Environment Agency publications. Some of these bloom can cause a nuisance through foam formation on beaches but blooms of harmful algal which produce toxins do not occur.

**Mr. Ruane:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the *(a)* statutory and *(b)* non-statutory bodies that have monitored pollution levels in the Irish Sea in each of the past 10 years. [47744]

**Angela Eagle:** A number of monitoring reports covering the Irish Sea have been produced over the past 10 years. The information contained in these are drawn from different Government Departments, Agencies and other organisations who carry out monitoring under the UK National Monitoring Plan. The main reports are as follows:

1) Irish Sea status report produced by the Marine Pollution Monitoring Management Group (MPMMG) in 1987 (R. R. Dixon Lowestoft);

2) A review of radioactivity in the Irish Sea (Kershaw et al Lowestoft 1992);

3) Centre for Environment, Fisheries and Aquaculture Science (CEFAS) Aquatic Environment Monitoring Report No. 32.

In addition, a new Irish Sea Quality Status report is being developed by both the UK and Irish Governments for incorporation within the Oslo and Paris Commission's (OSPAR) Quality Status Report 2000. This will be the first overall assessment of the marine environment in the North East Atlantic area since the 1992 OSPAR Convention came into force.

**Mr. Ruane:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on co-operation between the United Kingdom Government and the Irish Government on monitoring pollution in the Irish Sea. [47742]

**Angela Eagle:** My Department has been working with the Department of the Environment and the Department of the Marine of the Republic of Ireland for a number of years. These Departments, together with the Department of the Environment for Northern Ireland and the Department of Agriculture for Northern Ireland, funded a three-year project to review research and monitoring in the Irish Sea, under an Irish Sea Science Co-ordinator. His third report was published in 1995 and identified gaps in research on the Irish Sea. These conclusions have informed my Department's decisions on funding research in this area.

In addition, the relevant Government Departments in the United Kingdom, including Northern Ireland, and in the Republic of Ireland are jointly taking the lead in the production of a Regional Quality Status Report on the Celtic Seas, including the Irish Sea. This report is one of the five regional reports on which the Quality Status Report of the North East Atlantic, which is being prepared by the OSPAR Commission, will be based.

### Marine Pollution

**Mr. Ruane:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the Jonus programme; and what are the future funding levels for the programme over the next five years. [47791]

**Angela Eagle:** The Jonus I research programme, which ended in December 1995, has led to a better understanding of the flux of nutrients (particularly nitrogen) from the land, through the Humber and Wash, to the North Sea, especially in relation to the nitrification/denitrification processes in estuaries. The work has indicated that algal blooms of phytoplankton only occur when tidal energy is below a certain level and light levels are sufficiently high. The data collected from Jonus I, together with data collected from similar work conducted under the Southern Nutrient Study (Sonus), has also been analysed under a modelling contract which ended on 31 October 1997. A follow-on Jonus/Sonus modelling contract was let in early 1998 and is scheduled to end on 31 March 1999. In addition, the Jonus II programme, which ends on 28 February 1999, aims to quantify the impact of nutrients discharged from land-based sources on the Irish Sea and from the Thames.

The estimated funding, supported by a number of agencies, is £148,000 for the follow-on Jonus/Sonus modelling contract and £487,955 for Jonus II.

Decisions remain to be taken on what further work would be justified in this field.

**Mr. Ruane:** To ask the Secretary of State for the Environment, Transport and the Regions if information on marine pollution collected by *(a)* the Environment Agency, *(b)* the MAFF and *(c)* local authorities is collected on a central database. [47741]

**Angela Eagle:** Under the UK National Marine Monitoring Plan, a central data base is being set up by the Environment Agency, with the support of My Department. This holds all the relevant data collected under the plan from 1993.

### Plankton Recording

**Mr. Ruane:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the international 60-year programme of continuous plankton recording around the British Isles. [47736]

**Angela Eagle:** The continuous Plankton Recorder Survey was started by Sir Alister Hardy in the North Sea in 1931. It is now operated by the Sir Alister Hardy Foundation for Ocean Science in Plymouth. The survey is funded by an international consortium. My Department and the Ministry of Agriculture, Fisheries and Food are long-term supporters of this work. They met approximately 40 per cent. of the costs of the core survey in 1997. The survey is one of the most important sources of information about long-term trends in the marine environment. Recent work suggests that changes in plankton frequency over recent decades may be linked to changes in the temperature of the North Atlantic.

### Algal Blooms

**Mr. Ruane:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the locations of algal blooms in United Kingdom waters ranked in order of severity. [47792]

**Angela Eagle:** Regular monitoring of coastal waters for the presence of potentially harmful algae is carried out under the EU Shellfish Hygiene Directive by the three UK Fisheries Laboratories. Reports of the results from each monitoring site, including the absence or concentration of toxic algae when present, are published annually and are available from the Centre for Environment, Fisheries and Aquaculture Science (CEFAS).

### Rural Transport Grant

**Mrs. Shephard:** To ask the Secretary of State for the Environment, Transport and the Regions if he plans to apply the rural sparsity criteria used to allocate the £50 million rural transport grant to the calculation of standard spending assessments. [47571]

**Ms Armstrong:** Standard spending assessments (SSAs) take account of the population living in wards and enumeration districts in which the density is between 0.5 and 4 persons per hectare, and those in which the density is less than 0.5 per hectare, with the latter being given a double weight. The support for rural public transport takes account of the population living outside built-up areas of 3,000 or more people.

We have no plans to change the measure used in the calculation of SSAs.

**Mrs. Shephard:** To ask the Secretary of State for the Environment, Transport and the Regions what criteria were used to define rural sparsity in the allocation of the £50 million rural transport grant. [47572]

**Ms Glenda Jackson:** In this year's Budget, my right hon. Friend the Chancellor of the Exchequer announced additional spending of £50 million a year for rural public transport in the UK. England's share (under the well-established Barnett formula) is £41.7 million. Of that amount, £4.2 million will be devoted to rural community-based transport schemes, £5 million to a rural bus challenge competition for local authorities later this year, and £32.5 million to local authorities for the subsidy of rural bus services.

Under Special Grant proposals now laid before the House, the £32.5 million will be distributed in proportion to the rural population in each eligible local authority area. 'Rural population' is defined as those living outside built-up areas of 3,000 people or more as shown by the 1991 census.

### Local Government Finance

**Mrs. Shephard:** To ask the Secretary of State for the Environment, Transport and the Regions what criteria determined the shift of resources in standard spending assessments from shire areas to metropolitan areas in the current financial year. [47573]

**Ms Armstrong:** The standard spending assessments of the shire areas increased by £662.7m in 1998–99 (on a like for like basis); those of the metropolitan areas increased by £386.9m. The criteria used in the calculation of standard spending assessments are based on objective indicators and the most up-to-date information available is used for all authorities. The same formulae apply to all authorities with the same responsibilities for services. We treat authorities all on a fair and consistent basis.

### Ministerial Helicopter Travel

**Mr. Jenkin:** To ask the Secretary of State for the Environment, Transport and the Regions how many times, and on which occasions, he and his Ministers have travelled by helicopter during the current month; and at what cost to public funds. [48034]

**Angela Eagle:** My right hon. Friend the Deputy Prime Minister travelled by helicopter during part of his visit to the Donana National Park when, at the invitation of the Spanish Government, he viewed the environmental damage caused by a leak of toxic waste. My right hon. Friend the Minister for the Environment travelled by helicopter to address the Institute of Wastes Management Centenary Conference. On neither occasion was there any cost to public funds.

## EDUCATION AND EMPLOYMENT

### Unemployment

**Mr. Hoyle:** To ask the Secretary of State for Education and Employment what proportion of the total unemployed workforce are aged over 25 years; and what targets he has set under the New Deal to reduce unemployment for those aged over 25 years. [47723]

**Mr. Andrew Smith:** The proportion of all claimant unemployed who are aged over 25 is currently 74 per cent. One of this Government's objectives is to increase the proportion of adults unemployed for more than two years who find jobs and leave unemployment through the New Deal for people aged 25 and over.

### Teachers Pension Scheme

**Mr. Cousins:** To ask the Secretary of State for Education and Employment what charges are made by the Prudential Insurance Company for the management of the Teachers Pension Scheme; and if he will place the management agreement for that scheme in the Library. [47596]

**Dr. Howells:** The Teachers' Pension Scheme is a statutory scheme for which the Secretary of State retains responsibility. The administration of the scheme is carried out under contract by Capita Business Services Ltd. The Prudential Insurance Company is the appointed provider of the scheme's Additional Voluntary Contribution (AVC) arrangements. Those arrangements are governed by the Teachers' Superannuation (Additional Voluntary Contributions) Regulations 1994 (SI 1994/2924). No charge is levied by Prudential under these arrangements, although their administration costs are met by a 1 per cent. deduction from the AVC contributions paid by individual teachers.

### University Students (Residence)

**Mr. Evans:** To ask the Secretary of State for Education and Employment how many students who went to university resided at home with their parents, as a percentage of the total, in each year since 1990 including 1998 to date. [47720]

**Dr. Howells:** Comprehensive data on the number of university students who resided at home with their parents are not available in a consistent form for the period requested. Available information is that from local education authorities in England and Wales which provide data on the number of mandatory award holders studying in the United Kingdom who are eligible for the parental home rate of grant. Numbers of award holders eligible for the parental home rate of grant and the percentage of mandatory award holders this represents are given in

the table for academic years 1990–91 to 1996–97 (provisional), the latest year for which information is available.

*Mandatory awards in England and Wales[1,2]: academic years 1990–91 to 1996–97[3]*
*Students eligible for the parental home rate of grant[4,5]*

| Academic year | Award holders eligible for the parental home rate of grant[6] (thousands) | Percentage of award holders eligible for the parental home rate of grant[6] |
|---|---|---|
| 1990–91 | 38.9 | 8.1 |
| 1991–92[7] | 49.8 | 9.1 |
| 1992–93 | 65.9 | 10.2 |
| 1993–94 | 78.7 | 10.9 |
| 1994–95 | 88.3 | 11.6 |
| 1995–96 | 95.9 | 12.4 |
| 1996–97[3] | 101.9 | 13.3 |

[1] Awards made by local education authorities to students normally domiciled in their area
[2] Table includes students who receive partial or nil maintenance grants because of high parental or other income but whose fees are still paid by the authority
[3] 1996–97 data are provisional
[4] Excludes placement year sandwich students
[5] LEAs can exceptionally give the parental rate to students who live away from the parental home but who could, in their opinion, conveniently attend their course from the parental home
[6] Data for 1991–92 do not include information on approximately 8,600 awards made by the London Residuary Body for which information on rates of grant is not available

## Education Action Zones

**Mrs. May:** To ask the Secretary of State for Education and Employment if he will list those schools included in the education action zones announced on 23 June which currently have grant-maintained status. [47823]

**Mr. Byers:** There are six schools in the first tranche of Education Action Zones which currently have grant-maintained status. One of the Zones, East Basildon, has a grant-maintained school as its leading partner. The Schools are:

All Saints CofE Primary School, Calderdale
Barstable School, East Basildon
Chalvedon School, East Basildon[1]
Friars Primary School, Southwark
Northlands Junior School, East Basildon
Reay Primary GM School, Lambeth

[1] Leading partner in Zone.

**Mrs. May:** To ask the Secretary of State for Education and Employment (1) what index of social deprivation his Department used in determining the winning bids for education action zones announced on 23 June: [47824]

(2) if he will list the criteria used in assessing the winning bids for education action zones announced on 23 June. [47825]

**Mr. Byers:** My right hon. Friend the Secretary of State selected the 25 education action zones on the basis of recommendations from his advisory panel. The criteria used by the panel were three: social deprivation, as indicated by free school meals data; the innovative quality of the strategies proposed by the partnership; and on an assessment of the ability of the proposers to deliver school standards.

## Higher Education

**Mr. Gorrie:** To ask the Secretary of State for Education and Employment how many of those aged *(a)* under 21, *(b)* 21 to 24 and *(c)* 25 years and over, registered in England, applied through UCAS for admission to a course of higher education for the (i) 1994, (ii) 1995, (iii) 1996, (iv) 1997 and (v) 1998 entry cycles; what were the numbers of the population in England aged *(a)* to (c) for (i) to (v); and what was the proportion of those applying as a percentage of the appropriate population cohort. [47272]

**Dr. Howells:** Figures on English domiciled UCAS applicants to full time first degree, HND and DipHE courses in the UK by age and relevant English population from 1994 to 1998 are given in the table. Final applicant figures are shown for 1994 to 1997 together with the latest available, as at 16 May, in the current application cycle for 1998 entry, compared with corresponding figures as at 17 May 1997. The latest figures show that applications from young people so far this year are 1.6 per cent. higher than at the same stage last year. Even when population movements are taken into account the rate of applications is similar to last year. Furthermore, while mature applicant members are down, demographic factors have affected these. Another factor may be the strong labour market.

*English domiciled UCAS applicants to full time first degree, HND and DipHE courses in UK by age and relevant English population 1994–1998*

| Age group/year | Applicants | Population | Proportion (%) |
|---|---|---|---|
| *Age under 21* | | | |
| 1994 | 222,739 | 1,751,839 | 12.7 |
| 1995 | 222,764 | 1,689,185 | 13.2 |
| 1996 | 223,989 | 1,654,311 | 13.5 |
| 1997 | 246,716 | 1,693,590 | 14.6 |
| 1997[1] | 232,681 | 1,693,590 | 13.7 |
| 1998 | 236,302 | 1,776,522 | 13.3 |
| *Age 21 to 24* | | | |
| 1994 | 35,005 | 2,822,061 | 1.2 |
| 1995 | 35,121 | 2,717,868 | 1.3 |
| 1996 | 31,617 | 2,583,813 | 1.2 |
| 1997 | 34,615 | 2,460,902 | 1.4 |
| 1997[1] | 26,104 | 2,460,902 | 1.1 |
| 1998 | 23,096 | 2,354,387 | 1.0 |
| *Age 25 and over* | | | |
| 1994 | 46,892 | 11,231,696 | 0.4 |
| 1995 | 48,098 | 11,369,756 | 0.4 |
| 1996 | 44,858 | 11,506,630 | 0.4 |
| 1997 | 48,082 | 11,568,986 | 0.4 |
| 1997[1] | 35,830 | 11,568,986 | 0.3 |
| 1998[1] | 30,241 | 11,562,875 | 0.3 |

The English population cohorts used are aged 18 to 20, 21 to 24, 25 to 39 and are mid-year estimates. The ages of UCAS applicants are as at 30 September in year of entry.

These give the proportion of the age group shown who applied in the given year. Because some of the age group may apply in later years, the proportions do not indicate the full take up of higher education over time by these age groups.

The latest available figures for 1998 entry are as at 16 May and comparable figures for 1997 are given as well as final totals of applicants for that year. Final applicant figures are given for earlier years.

### Class Sizes

**Mr. Maclean:** To ask the Secretary of State for Education and Employment what was the average class size of schools in Cumbria on 30 April in *(a)* 1997 and *(b)* 1998. [44898]

**Mr. Byers:** The information in the form requested is not available centrally.

### School Classes (Age Mix)

**Mr. Willetts:** To ask the Secretary of State for Education and Employment what estimate he has made of the number of five, six and seven-year-old school children currently being educated in classes containing a mixture of pupils from more than one age group. [44305]

**Mr. Byers** *[holding answer 15 June 1998]:* Provisional figures for numbers of children in key stage one classes taught by one teacher in maintained primary schools in England in January 1998 show that 345,000 or 21 per cent. of these children were in mixed age classes.

## AGRICULTURE, FISHERIES AND FOOD

### Cull Ewes

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food for what reasons the cull ewe trade with France is not able to use the abattoirs *(a)* MUS in Douai, *(b)* CVD in Rungis, *(c)* Ovimpex in Rungis, *(d)* SNVC in Cedex, *(e)* Macquet in Fruges and *(f)* Moreville in Fruges. [47270]

**Dr. John Cunningham:** It is the responsibility of the French authorities to designate the premises in France which can handle ewe carcases.

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food what is the earliest date the cull ewe trade can recommence. [47268]

**Dr. John Cunningham:** Under the Specified Risk Material Regulations 1997, the spinal cord of older sheep must be removed in authorised abattoirs or cutting plants. This requires the carcase to be split. Exports of carcases of cull ewes can take place once all such materials (and other specified risk material) has been removed.

We have recently issued proposals for statutory consultation to amend the Regulations to allow export of ewe carcases with spinal cord intact to premises designated by the French authorities to remove the spinal cord under French domestic controls on specified risk materials. The earliest date when exports of carcases with spinal cord intact can commence is dependent on the laying before Parliament of the amending Regulations following completion of the statutory consultation period. We would expect this to be during July, subject to the consultations being concluded without issues being raised which would require further work and to Parliamentary approval.

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food if he will list the meetings, together with the dates and the subjects discussed, which were held with the French Government to discuss the cull ewe trade in the context of the SRM ban. [47269]

**Dr. John Cunningham:** This has largely been pursued through correspondence, although the Agricultural Attaché at the British Embassy, Paris, and the Chief Veterinary Officer have been in contact with French veterinary authorities to pursue this point.

### Policy Reviews

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food if he will list the policy reviews his Ministry is currently carrying out; and when he expects the results of each will be made public. [47264]

**Dr. John Cunningham:** The information requested is as follows:

| *Review* | *Results to be made public* |
|---|---|
| Review of food from Britain | summer 1998 |
| Review of the UK legislation on the disposal of animal waste | summer 1998 |
| Review of the current rules on quarantine of imported pet animals | summer or early autumn 1998 |
| Review of the hill livestock compensatory allowance scheme | autumn 1998 |
| Review of fishing vessel licensing | December 1998 |
| Review of the future funding of regulatory arrangements for pesticides | December 1998 |
| Review of the public analyst arrangements in England and Wales | by end of 1998 |
| Review of the nitrate sensitive area schemes | by 1 April 1999 |
| Review of environmentally sensitive areas, stage IV schemes | June 1999 |
| Review of access provisions of agri-environment schemes | during 1999 |
| Review of the meat and livestock commission | 1999 |
| Review of salmon and freshwater fisheries | by end of 1999 |
| Review of tuberculosis in cattle and badgers | [1] — |
| Review of raw cows' drinking milk policy | [2] — |

[1] Krebs Committee reported December 1997; decision on action to be taken will follow

[2] Consultation announced November 1997; Ministerial announcement in due course

In addition, operational matters are regularly reviewed and there is a rolling programme of policy evaluations.

### Quarantine

**Mr. Key:** To ask the Minister of Agriculture, Fisheries and Food when public consultation on the proposals of the Advisory Committee on Quarantine will *(a)* begin and *(b)* end. [47866]

**Mr. Rooker:** The public consultation will commence after the report of the Advisory Group on Quarantine has been published in the summer or early autumn, and is expected to last for two or three months.

### Pig Farming

**Mr. Cran:** To ask the Minister of Agriculture, Fisheries and Food how many pig farmers he has met in the last four months to discuss the present state of the sector and its future prospects. [42999]

**Dr. John Cunningham** *[holding answer 21 May 1998]:* My colleagues and I have met several pig farmers and their representatives in the last four months.

### Growth Promoters

**Mr. Gordon Prentice:** To ask the Minister of Agriculture, Fisheries and Food what is the increase in body weight over any given period of time of *(a)* pigs and *(b)* poultry fed a diet which includes antibiotics as growth promoters when compared with the same types of animals fed a diet which excludes such growth promoters. [46981]

**Mr. Rooker:** The Department does not hold this information. Figures from the National Office of Animal Health Ltd. which represents manufacturers of feed additives authorised as growth promoters indicate that dietary enhancers improve feed conversion efficiency of farm livestock by between 3 and 6 per cent. and increase daily liveweight gains by 5 per cent. to 8 per cent., according to species.

### Cheese

**Sir Alastair Goodlad:** To ask the Minister of Agriculture, Fisheries and Food what representations he has made to the Department of Health about the use by his officials of powers granted under the Food Safety Act 1990 to ban the sale of cheese without court proceedings; and if he will make a statement. [47069]

**Mr. Rooker:** I fully support the recent exercise of powers under s.13 of the Food Safety Act by the Minister for Public Health in respect of cheese from a Somerset producer, for the reasons set out by her in the recent Adjournment Debate on 17 June 1998, *Official Report*, columns 342–46. It was for this reason that I attended the debate.

### BSE

**Mr. Maclean:** To ask the Minister of Agriculture, Fisheries and Food if he will state the *(a)* number, *(b)* grades, *(c)* original department and *(d)* current roles of all civil servants assisting the BSE inquiry. [47230]

**Mr. Rooker:** Total staff at the Inquiry is currently 83. This includes a number of casual staff engaged on specific short term tasks.

Ten civil servants have been seconded to assist with the BSE Inquiry.

| *Grade* | *Department* | |
|---|---|---|
| G5 | Treasury Solicitor's Department | Solicitor to the Inquiry |
| G5 | D.E.T.R | Secretary to the Inquiry |
| G6 | D.T.I | Head of Analysis Branch |
| G7 | D.E.T.R | Deputy to the Secretary |
| SEO | D.E.T.R | Head of a Witness Team |
| SEO | D.E.T.R | Office Services Manager |
| SEO | Cabinet Office | Website and IT Manager |
| SIO | Cabinet Office | Press Officer |
| HEO(D) | Cabinet Office | Analysis branch member |
| EO | Cabinet Office | Deputy Office Manager |

### Food Standards Agency

**Mr. Corbett:** To ask the Minister of Agriculture, Fisheries and Food if he will estimate the likely savings to his Department arising from the transfer of current responsibilities for food safety to the proposed Food Standards Agency. [47591]

**Mr. Rooker:** Resources currently devoted to food safety and standards work will be transferred to the Food Standards Agency when it is established. There will therefore be no savings to the Ministry of Agriculture, Fisheries and Food.

### Poultry

**Mr. Edwards:** To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the advantages and disadvantages of permitting the use of vaccines for poultry which are permitted for use in other EU member states. [47446]

**Mr. Rooker:** Vaccines for poultry which are licensed in another member state may be the subject of applications for marketing authorisations in the United Kingdom. In cases where vaccines have already been authorised in accordance with Directive 81/851/EEC in another member state, marketing authorisations may be granted in the United Kingdom by a process of mutual recognition.

**Mr. Edwards:** To ask the Minister of Agriculture, Fisheries and Food if he will require imported turkey meat to be labelled with details of *(a)* vaccines which have been administered to such poultry and *(b)* vaccines which have been administered which are not approved for use in the United Kingdom. [47447]

**Mr. Rooker:** I have no powers to do so. The vaccines in question will have been authorised in the member state in which they were administered.

**Mr. Edwards:** To ask the Minister of Agriculture, Fisheries and Food if he will require imported poultry meat to be labelled with information about whether the meat has been subject to residue testing. [47451]

**Mr. Rooker:** No. Residue testing is a legal requirement for all EU member states and for third countries wishing to export here.

**Mr. Edwards:** To ask the Minister of Agriculture, Fisheries and Food if he will require imported poultry meat to be clearly labelled to show if *(a)* meat and bone meal and *(b)* animal proteins have been used in the feeding of such poultry. [47445]

**Mr. Rooker:** I have no such intention. However, when appropriate, UK producers and retailers are free to provide additional indications voluntarily on domestic production where they consider this will improve marketability of their products.

**Mr. Edwards:** To ask the Minister of Agriculture, Fisheries and Food if he will require imported poultry meat which is packed or processed in the United Kingdom to carry on-pack information about *(a)* its source and *(b)* its compliance or otherwise with United Kingdom health and welfare standards. [47443]

**Mr. Rooker:** Food labelling regulations require an indication of the place of origin of a food if failure to give such particulars might mislead a purchaser to a material degree about its true origin or provenance. In the case of processed foods, the place of origin is generally taken as the place it last underwent a substantial change.

There are no proposals to extend labelling requirements to cover compliance with national animal health and welfare standards.

**Mr. Edwards:** To ask the Minister of Agriculture, Fisheries and Food if he will require imported poultry meat to be labelled with its country of origin. [47442]

**Mr. Rooker:** The labels on pre-packaged poultrymeat must give an indication of its country of origin when imported from outside the Community. The UK is in the process of taking steps to require this information to appear on labels, tickets or notices near where unpackaged poultry is offered for sale.

There are no plans to require poultrymeat of Community origin to indicate its country of origin on labelling, although all poultrymeat produced in the Community must include the registered number of the slaughterhouse or cutting plant which supplied the product (except where cutting and boning is carried out at the place of sale). These registered numbers are pre-fixed with the initials of the member state concerned.

**Mr. Edwards:** To ask the Minister of Agriculture, Fisheries and Food if he will ensure that the charge for residue testing under European Union Directive 96/43/EC does not exceed the costs of testing. [47452]

**Mr. Rooker:** I refer my hon. Friend to my answer to the hon. Member for South-East Cambridgeshire (Mr. Paice) on 24 February 1998, *Official Report*, column *186*, for background to this issue. He will wish to note, however, that the charge per tonne of poultrymeat is incorrectly stated as £1,0461; it should have read £1.0461.

The non-implementation of the requirement of Council Directive 96/43/EC to impose the minimum charge on the poultry industry is not an option. We have assured the industry that we will seek to re-negotiate this charge should the opportunity arise.

**Mr. Edwards:** To ask the Minister of Agriculture, Fisheries and Food if he will ban the import into the United Kingdom of meat from poultry which has been fed on meat and bone meal. [47444]

**Mr. Rooker:** No. The ban on meat and bone meal in poultry rations in the United Kingdom is to prevent cross contamination of ruminant feed with meat and bone meal incorporated into feed for other farm animals. It does not have any bearing on the poultry meat itself and there is therefore no basis on which it would be reasonable to extend these controls to imports.

**Mr. Edwards:** To ask the Minister of Agriculture, Fisheries and Food if he will restrict the import of poultry meat which has been subject to antibiotic growth enhancers. [47449]

**Mr. Rooker:** Additives, including antibiotic growth promoters, incorporated in animal feedingstuffs are controlled throughout the European Union under Council Directive 70/524/EEC. This provides that no additive may be used in animal feed unless it meets a requirement that, at the level permitted in feedingstuffs, it does not adversely affect human or animal health or the environment. Approved additives may be freely marketed in the European Union and there would be no justification for restricting the import of poultrymeat which had been subject to approved antibiotic growth promoters.

**Mr. Edwards:** To ask the Minister of Agriculture, Fisheries and Food what proposals he has to restrict antibiotic growth enhancers in poultry production. [47448]

**Mr. Rooker:** The Government are giving careful consideration to recommendations made by the Agriculture Committee and the House of Lords Select Committee on Science and Technology which concern the use of antibiotic growth promoters. Neither Committee made a specific recommendation relating to the use of antibiotic growth promoters by the poultry industry. The Government are advised on this issue by the independent scientific Veterinary Products Committee (VPC). In addition, the Advisory Committee on the Microbiological Safety of Food is reviewing the food safety implications of antimicrobial resistance.

## SOCIAL SECURITY

### Disability Living Allowance

**Dr. Cable:** To ask the Secretary of State for Social Security what procedures she has introduced to conduct audits of the disability living allowance reviews and appeals in respect of particular medical examiners. [46292]

**Mr. Denham:** All the doctors who complete medical examinations for the Benefits Agency Medical Services in connection with Disability Living Allowance reviews have their work subjected to regular audit. Random samples of statistically significant numbers of cases from the work of all doctors are examined for the quality of the history, examination findings and the opinions given, according to nationally determined standards. When the quality of the work of an individual doctor is questioned this will be subject to targeted audit and remedial action taken to remedy any deficiencies identified. Similarly, the work of newly appointed doctors is subject to targeted audit until the auditors are satisfied with the quality of work being produced.

### Pensions

**Mr. Cousins:** To ask the Secretary of State for Social Security if she will estimate the likely yield less charges of an approved personal pension plan based solely on rebated national insurance contributions; and on what assumptions of future growth that estimate is based. [47595]

**Mr. Denham:** Over time, an appropriate personal pension plan based solely on rebated national insurance contributions should yield after charges an amount broadly equivalent to the additional pension derived from SERPS. The reduction in yield allowed for in the rebate structure as a result of charges, based on the assumptions used by the Government Actuary's Department (GAD) in calculating the age-related rebates, is estimated at 1.4 per cent.

**Mr. Cousins:** To ask the Secretary of State for Social Security if he will estimate the percentage of employees in each decile of employees' incomes who do not contribute to personal or occupational pensions. [46491]

**Mr. Denham:** The information requested is not available in the format requested. Such information as is available is in the table.

The table contains information based on the 1996 General Household Survey (GHS), using deciles of the earnings distribution derived from the GHS sample.

*Percentage of employees who are not current members of an occupational or personal pension scheme, by earnings decile*

| *Earnings decile* | *Percentage* |
|---|---|
| 1 | 87 |
| 2 | 72 |
| 3 | 63 |
| 4 | 52 |
| 5 | 41 |
| 6 | 29 |
| 7 | 24 |
| 8 | 15 |
| 9 | 10 |
| 10 | 9 |

*Notes:*

1. Percentages rounded to the nearest 1 per cent.
2. Excludes some individuals who did not know if they were members, but thought it possible.
3. Includes people who are not current members, but have been members in the past and therefore have some deferred pension rights.
4. Information relates to earnings not income.

The pensions review is considering ways of encouraging people to contribute to second pensions.

**Mr. Flynn:** To ask the Secretary of State for Social Security what is the estimated cost of the basic retirement pension in 1999–2000 if uprated in April 1999 in line with *(a)* prices and *(b)* average earnings. [45825]

**Mr. Denham:** *[holding answer 15 June 1998]:* The information is not available in the format requested. Such information as is available is set out in the table.

Forecast expenditure on basic Retirement Pension (RP) is £32 billion in 1998/99. The additional cost of uprating by earnings in April 1998 is provided in the table.

*The additional cost of uprating retirement pension and linked benefits by earnings in 1998/99*

*£ million*

| | *Contributory RP only* | *Contributory RP and linked benefits* |
|---|---|---|
| Gross cost | 170 | 200 |
| Means-tested benefit offset | –40 | –50 |
| Net cost | 120 | 150 |

*Notes:*

1. Forecast expenditure on RP has been taken from the 1998 Social Security Departmental Report rounded to the nearest £ billion. Government expenditure plans for future years (1999/2000–2001/2002) will be published after the completion of the Comprehensive Spending Review.
2. Estimates in the table are rounded to the nearest £10 million. Totals may not agree due to rounding.
3. National Insurance Fund benefit costs were estimated by the Government Actuary's Department.
4. Means-tested benefit offsets were calculated using the 1995/96 Family Resources Survey and the May 1996 Income Support Quarterly Statistical Enquiry, both uprated to 1998/99 prices, benefits and earnings levels, and calibrated to the forecasts underlying the 1998 Departmental Report.

**Mr. Cousins:** To ask the Secretary of State for Social Security what assessment she has made of the potential impact of rebate-only approved personal pension plans on future means-tested social security entitlements and expenditure. [47730]

**Mr. Denham:** Based on the assumption used by the Government Actuary in "Occupational and Personal Pension Schemes *Review of Certain Contracting-out Terms*" (Cm3888) an individual investing only the National Insurance Contribution rebate in an appropriate personal pension (APP), would receive a pension broadly equivalent to that which they would otherwise get from the State Earnings Related Pension Scheme (SERPS). The actual amount of pension payable would depend on the costs and performance of each individual pension scheme.

Both the annuity derived from a rebate-only APP and the additional pension derived from SERPS are taken fully into account in claims for means tested benefits. So the numbers of future rebate-only APPs taken out in place of SERPS should have little or no impact on future means tested Social Security entitlements and expenditure.

**Mr. Cousins:** To ask the Secretary of State for Social Security what information she has collated on lapse rates from approved personal plans by *(a)* provider, *(b)* region and *(c)* socio-economic group; and what extra information on lapse rates she has sought in the course of the Pensions Review. [47727]

**Mr. Denham:** The information is not available in the format requested. As part of the Pensions Review, we have sought information from the Personal Investment Authority (PIA). PIA figures state that for all personal pensions sold through company representatives, approximately one third had lapsed within three years. Approximately one quarter of those sold through independent financial advisers had lapsed within three years.

We are seeking further information on lapse rates for the Pensions Review.

**Mr. Cousins:** To ask the Secretary of State for Social Security how many approved personal pension plans were active in each of the last four years; how many were terminated before retirement; and how many new plans were taken out. [47598]

**Mr. Denham:** The information is set out in the table.

*Thousands*

| | *1992–93* | *1993–94* | *1994–95* | *1995–96* |
|---|---|---|---|---|
| *Appropriate personal pensions* | | | | |
| Active Plans[1] | 5,396 | 5,380 | 5,376 | 5,441 |
| New Plans[2] | 383 | 217 | 143 | 145 |
| Terminations before retirement[2] | 162 | 231 | 143 | — |

[1] 1995–96 is the latest year for which the information is available.
[2] 1994–95 is the latest year for which the information is available.

*Notes:*

1. The number of terminations before retirement include early retirements and deaths.
2. Figures are rounded to the nearest thousand.

*Source:*

The Lifetime Labour Market database (LLMDB): a 1 per cent. sample of the National Insurance Recording System taken at February 1997.

**Mr. Cousins:** To ask the Secretary of State for Social Security if she will estimate the number of occupational pensions subject to transfer to personal pension plans in the last five years; how many of these transfers were caused by early leavers transfers; and whether the past practices of early leaver benefits will be covered in the Pensions Review. [47593]

**Mr. Denham:** The information is not available in the format requested. Such information as is available relates to contracted-out schemes and is set out in the table.

The Report of the Pension Provision Group covered some aspects of early leaver benefits and we are considering this Report as part of our Pensions Review. We will publish a Green Paper later this year.

*Transfers of pension rights from contracted-out occupational pension schemes to appropriate personal pension schemes*[1]

| *Year*[2] | *Number of Transfers*[3] |
|---|---|
| 1993–1994 | 37,000 |
| 1994–1995 | 22,000 |
| 1995–1996 | 12,000 |
| 1996–1997 | 9,000 |
| 1997–1998 | 6,000 |
| Total number of transfers in 5 years | 85,000 |

[1] A personal pension scheme is appropriate if it has been given an appropriate scheme certificate by the Secretary of State allowing its members to contract-out of the State Earnings Related Pension Scheme (SERPS)

[2] Each period of a year is the financial year 6 April to 5 April

[3] Figures are rounded to the nearest 1,000, therefore, the total is not their sum

*Source:*
Contracted Out Employment Group

**Mr. Cousins:** To ask the Secretary of State for Social Security to what extent present rules for means-tested benefits include paid-up or lapsed personal plans in the calculation of savings; and what plans she has to review these rules. [47731]

**Mr. Keith Bradley:** The value of funds held in a personal pension scheme are fully disregarded, as is the value of the right to receive a personal pension at a future date. There are no plans to review the disregard.

**Mr. Cousins:** To ask the Secretary of State for Social Security if she will estimate the total number of active approved personal plans which are financed solely by rebated national insurance contributions in each of the last four years. [47594]

**Mr. Denham:** The information is set out in the table.

*Number of personal pension arrangements financed by national insurance rebates only*

| *Year* | *Number* |
|---|---|
| 1993–94 | 2,900,000 |
| 1994–95 | 3,070,000 |
| 1995–96 | 3,020,000 |
| 1996–97 | 3,160,000 |

*Note:*
1996–97 is the latest year for which the information is available

*Source:*
Inland Revenue Statistics 1997

## Contributions Agency

**Mr. Cohen:** To ask the Secretary of State for Social Security how many subject access requests were received by the Contributions Agency in *(a)* 1995–96, *(b)* 1996–97, *(c)* 1997–98 and *(d)* 1998 to date; and if she will make a statement. [47367]

**Mr. Denham:** The number of subject access requests received by the Contributions Agency is:

| *Year* | *Requests* |
|---|---|
| 1995–96 | 13,229 |
| 1996–97 | 22,586 |
| 1997–98 | 27,242 |
| 1998 to date | 5,993 |

**Mr. Pike:** To ask the Secretary of State for Social Security what assessment she has made of delay caused by the introduction of the new computer at the Contributions Agency; and if she will make a statement. [46752]

**Mr. Denham:** The introduction of the new computer system at the Contributions Agency is a matter for George Bertram, the Chief Executive of the Contributions Agency. He will write to my hon. Friend with further details.

*Letter from Alan Fisher to Mr. Peter L. Pike, dated 25 June 1998:*

George Bertram is the Chief Executive of the Contributions Agency and is responsible for answering questions about all operational matters relating to the Agency and their new National Insurance Recording System 2 (NIRS2) computer system. In the absence of Mr. Bertram, I have been asked to reply to your question about our assessment of the delay caused by the introduction of the new NIRS2 system and to make a statement.

Contributions Agency and Andersen Consulting are committed to ensuring, that by working together, every effort is made to introduce the new system at the earliest possible occasion whilst minimising any disruptive impact on our customers.

Our plans assess possible impact on our customers in the event of delay and outline the steps that will mitigate such impacts. We regularly review these plans to make sure that they reflect the current status of system implementation and have a strategy to inform both customers and the pensions industry as to how delays in the introduction of the system will affect them.

In a very small number of cases complex Retirement Pension and Widows Benefit claims will be finalised when supplementary information is available from the new system. Payment will be made meanwhile on the basis of available information.

Our service to pension providers and scheme administrators has also been affected, but we are in close touch with the Industry and have set up direct contact facilities for the personal pension providers in order to identify and resolve issues relating to policy holders.

## Benefit Fraud

**Mr. Cohen:** To ask the Secretary of State for Social Security if she will place a copy of the code of practice, which relates to data matching by her Department with respect to benefit fraud, in the Library. [47368]

**Mr. Field:** The use of data matching is an important weapon in the fight against benefit fraud. We are now looking to extend this technique across Government through the use of powers contained in the Social Security

Administration (Fraud) Act 1997. We want to extend data matching in a way which places significant additional obstacles in the path of fraudsters whilst at the same time ensuring that citizens' rights are properly protected. Consequently, these powers will not be used until the DSS Code of Practice for Data Matching has been published.

We will be seeking the views of Liberty and the National Association of Citizens' Advice Bureaux on the draft Code of Practice. We shall also be placing a copy of the consultation document in the Library of the House, and the views of hon Members will be most welcome.

We anticipate that the Code will be published by early October.

**Mr. Cohen:** To ask the Secretary of State for Social Security what plans she has to use data matching techniques with respect to benefit fraud which require access to medical records, as provided for by the Audit Commission Bill 1998. [47369]

**Mr. Keith Bradley:** The Audit Commission Act 1998 does not confer powers on my right hon. Friend, the Secretary of State to gain access to medical records, whether in support of a data matching exercise or otherwise.

## Action Zones

**Mr. Llwyd:** To ask the Secretary of State for Social Security if she will list the initiatives undertaken by her Department since 1 May 1997 which have involved the establishment of *(a)* action zones and *(b)* pilot schemes limited to particular geographical areas, indicating the name of the programme and the action zone or pilot scheme areas covered in each instance. [47059]

**Mr. Keith Bradley:** Area based initiatives, including Action Zones and pilot schemes, which place a premium on local partnership and co-ordination are a key feature of many of our plans for the future. They also form the basis of much of the progress we have made in improving services and targeting facilities, resources and opportunities.

We are involved in a number of centrally sponsored pilot schemes throughout the country and these are listed. In addition, local managers are encouraged to develop initiatives in partnership with local authorities that promote improved services for the customer.

*Centrally sponsored pilot schemes*

| *Pilots/prototypes* | *Aim* | *Areas* |
|---|---|---|
| Pensioner pilots | To test the best ways of getting Income Support to those who are currently entitled but do not claim their entitlement; and to experiment with administrative improvements in the delivery mechanism to prevent future Entitled Non Recipients (ENRs) | York, East Renfrewshire, Lambeth, South Staffordshire, Stroud, Preston, Glasgow, Torbay and Tortaen |
| Teleclaims service | To enable claims for Retirement Pension to be made over the telephone using an IT based claim form | Greater London |
| New Deal for Lone Parents | Lone parents on Income Support are offered advice and support on job search, childcare, benefits and training to help them make the move into work. The service is provided on a one-to-one basis by Personal Advisers | Started July/August 1997 in Cambridge, Cardiff and Vale, Clyde Valley, North Cheshire, North Surrey, North Worcestershire, Sheffield East and Warwickshire<br>Extended nationwide on 6 April 1998 to lone parents making a new claim for Income Support |
| Integrated Services Prototype (DSS/LA) | To offer a one stop service combining DSS and local government services. April to October 1998 | Lewisham Council, the local Benefits Agency in Lewisham, South London and Belfast Benefits Centre (to which work from Lewisham BA is re-located) |
| Integrated Service Prototype (Lone Parent) | To handle lone parents income support, child support and housing needs together by offering a teleclaims service; April to October 1998 | Benefits Agency Chilterns South Directorate using a remote processing centre (Glasgow Benefits Centre) linked to four London offices; Ealing, Acton, Euston and Highgate in partnership with the London Borough of Camden |
| ADAPT Project | ADAPT project was established to deliver phased approach to involvement of the private sector. The first phase entails a period of partnership between 3 private sector consortia and 3 BA Area Directorates | Yorkshire, East London and Anglia and West Country |
| Payment Card | Development of a new method of paying benefits by automating post offices | Newcastle and Gloucester |
| Personal Account Security | To reduce the incidence of identity fraud and reduce the opportunity for the NINO to be abused | Edinburgh City BA District office and Highriggs ESJ, Newcastle (Saxon House), Rotherham South, Liverpool (Crosby), Worksop/Worksop ESJ, Chilterns South |

*Centrally sponsored pilot schemes*

| *Pilots/prototypes* | *Aim* | *Areas* |
|---|---|---|
| Electronic Government Initiatives | Series of initiatives testing the delivery of departmental business using electronic means | London, Norwich, Cumbria, Bristol, York, West Country |
| Remote Access Terminals | To provide advice and benefit information to the public from local authority outlets | Over 20 locations throughout the country |
| Better Government for Older People | Local pilot projects to improve public services for older people | Stirling, Newcastle, Wolverhampton, Harrow and Exeter |
| Edinburgh LA and BA Project | Joint Benefits Agency/Local Authority project looking to improve liaison and communication through modernising Housing Benefit/Council Tax Benefit procedures | Edinburgh |
| Earnings Top-up | To explore the effects of an in work benefit aimed at encouraging people without dependent children to take up and stay in work | Eight pilot areas including Newcastle, part of Yorkshire, North Wales, Southend, Sunderland, Doncaster, Bournemouth and part of Scotland |

[1] Indicates initiatives that have commenced since 1 May 1997

## Housing Benefit

**Mr. Pike:** To ask the Secretary of State for Social Security if she will make a statement on her policy in relation to benefit payments in respect of housing being purchased under rental purchase schemes; and if she will make a statement. [47194]

**Mr. Keith Bradley:** Provisions already exist, within the Housing Benefit scheme, to cover payments under rental purchase agreements.

**Mr. Pike:** To ask the Secretary of State for Social Security what is the average housing benefit paid per dwelling by region for *(a)* council housing, *(b)* housing associations and *(c)* private rented properties. [47204]

**Mr. Keith Bradley:** The latest information available is set out in the table.

£

| *Region* | *Rent rebate* | *Rent allowance* | |
|---|---|---|---|
| | *Local Authority Tenants* | *Housing Association Tenants* | *Private Tenants (excluding Housing Association)* |
| North East | 30.70 | 43.60 | 48.10 |
| North West | 34.50 | 45.80 | 53.90 |
| Merseyside | 37.50 | 42.80 | 50.10 |
| Yorkshire and Humberside | 29.10 | 50.20 | 46.80 |
| East Midlands | 32.20 | 48.50 | 44.90 |
| West Midlands | 34.70 | 46.10 | 51.40 |
| Eastern | 37.00 | 48.50 | 57.40 |
| London | 50.30 | 63.70 | 81.10 |
| South East | 41.10 | 51.40 | 63.70 |
| South West | 36.80 | 48.20 | 53.50 |
| Great Britain | 36.20 | 49.30 | 58.40 |
| England | 37.20 | 51.10 | 59.50 |
| Wales | 34.20 | 42.20 | 47.80 |
| Scotland | 31.50 | 34.60 | 51.00 |

*Note:*

Average weekly amounts have been rounded to the nearest 10 pence

*Source:*

Housing Benefit Management Information System 100 per cent. caseload counts taken November 1997

## Child Support Agency

**Mr. Rendel:** To ask the Secretary of State for Social Security when he expects to publish the conclusions of the review of the Child Support Agency. [47901]

**Mr. Keith Bradley:** We have been looking closely at all aspects of the Child Support scheme to see where improvements can be made and we will shortly bring forward a consultation paper on our proposals.

## Pensioners

**Mr. Peter Bradley:** To ask the Secretary of State for Social Security what percentage and number of *(a)* pensioners and *(b)* pensioners on income support are (i) in receipt of disability living allowance, (ii) in receipt of attendance allowance, (iii) registered blind and (iv) registered deaf. [47917]

**Mr. Denham:** The information is not available in the format requested. Such information as is available is set out in the tables.

*People of pensionable age*

| | *Number (thousands)* | *Percentage* |
|---|---|---|
| Total number[1] | 10,420 | 100 |
| In receipt of disability living allowance[2] | 564 | 5 |
| In receipt of attendance allowance[2] | 1,224 | 12 |
| Blind people in receipt of disability living allowance or attendance allowance[2,3] | 66 | — |
| Deaf people in receipt of disability living allowance or attendance allowance[2,4] | 4 | — |

*Sources:*

[1] Office of National Statistics and Scottish Registrar: mid 1996 estimates

[2] Analytical Services Division: 5 per cent. data. Figures to 31 May 1998 and are provisional

*Notes:*

[3] Figures relate to those whose main disabling condition is blindness

[4] Figures relate to those whose main disabling condition is deafness

*People of pensionable age in receipt of income support*

| | Number (thousands) | Percentage |
|---|---|---|
| Total number | 1,514 | 100 |
| In receipt of disability living allowance[1] | 143 | 9 |
| In receipt of attendance allowance[1] | 472 | 31 |
| Blind people in receipt of disability living allowance or attendance allowance[1,2] | 23 | — |
| Deaf people in receipt of disability living allowance or attendance allowance[1,3] | 2 | — |

*Source:*

[1] Analytical Services Division: 5 per cent. data. Figures relate to 30 November 1997

*Notes:*

Figures relate to those whose main disabling condition is blindness

Figures relate to those whose main disabling condition is deafness

## Minimum Wage

**Mr. Cousins:** To ask the Secretary of State for Social Security if the earnings disregards limits for means-tested benefits will be revised to take account of the announcement of minimum wage rates. [47732]

**Mr. Keith Bradley:** I refer the hon. Friend to my written answer to the right hon. Member for Wokingham (Mr. Redwood) on 25 June 1998, *Official Report*, column *620*.

**Mr. Cousins:** To ask the Secretary of State for Social Security if she will express the present earnings disregards limits for each means-tested benefit in terms of permitted hours of work under the proposed minimum wage rates. [47733]

**Mr. Keith Bradley:** Earnings disregards rules achieve a balance: encouraging those people who wish to work to do some part-time work without creating a disincentive to take up full-time work, or increasing their dependency on benefit. The information requested is set out in the tables.

*National minimum wage—basic rate*

| | Income Support and Jobseeker's Allowance (Income-based) | | Housing Benefit and Council Tax Benefit | |
|---|---|---|---|---|
| | Amount of disregard (£) | Equivalent number of hours work | Amount of disregard (£) | Equivalent number of hours work |
| Single—all ages[1] | 5 | 1.38 | 5 | 1.38 |
| Couple[1] | 10 | 2.77 | 10 | 2.77 |
| Lone parent | 15 | 4.16 | 25 | 6.94 |
| With Disability or carer premium | 15 | 4.16 | 15 | 4.16 |
| Special Occupations[2] | 15 | 4.16 | n/a | n/a |

*Note*

Earnings disregards expressed in terms of hours of work at £3.60 per hour

*National minimum wage—youth rate*

| | Income Support and Jobseeker's Allowance (Income-based) | | Housing Benefit and Council Tax Benefit | |
|---|---|---|---|---|
| | Amount of disregard (£) | Equivalent number of hours work | Amount of disregard (£) | Equivalent number of hours work |
| Single—all ages[1] | 5 | 1.66 | 5 | 1.66 |
| Couple[1] | 10 | 3.33 | 10 | 3.33 |
| Lone parent | 15 | 5 | 25 | 8.33 |
| With Disability or carer premium | 15 | 5 | 15 | 5 |
| Special Occupations[2] | 15 | 5 | n/a | n/a |

*Note:*

Earnings disregards expressed in terms of hours of work at £3 per hour

*National minimum wage—development rate*

| | Income Support and Jobseeker's Allowance (Income-based) | | Housing Benefit and Council Tax Benefit | |
|---|---|---|---|---|
| | Amount of disregard (£) | Equivalent number of hours work | Amount of disregard (£) | Equivalent number of hours work |
| Single—all ages[1] | 5 | 1.56 | 5 | 1.56 |
| Couple[1] | 10 | 3.12 | 10 | 3.12 |
| Lone parent | 15 | 4.68 | 25 | 7.81 |
| With Disability or carer premium | 15 | 4.68 | 15 | 4.68 |
| Special Occupations[2] | 15 | 4.68 | n/a | n/a |

[1] Earnings disregard for a single person on Income Support/Jobseeker's Allowance (Income-Based) is as stated unless they are engaged in a special occupation

[2] Special occupations are Auxiliary Coastguards, part-time members of the fire brigade maintained under current legislation, part-time manning or launching a lifeboat, members of the territorial or reserve forces

[3] For Income Support and Jobseeker's Allowance (Income-Based) a £15 disregard will be applied to couples if any of the other conditions apply regarding qualification for a £15 disregard i.e. if the claimant/partner is disabled or a carer

*Note:*

Earnings disregards expressed in terms of hours of work at £3.20 per hour

## Benefit Integrity Project

**Mr. Burstow:** To ask the Secretary of State for Social Security when her Department will start to review the cases of people subject to the Benefit Integrity Project prior to 9 February. [47566]

**Mr. Denham:** The administration of this programme is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon. Member.

*Letter from Peter Mathison to Mr. Paul Burstow, dated 25 June 1998:*

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking when her Department will start to review the cases of people subject to the Benefit Integrity Project (BIP) prior to 9 February

Ministers announced on 17 June that certain cases decided under the BIP before 9 February would be re-examined. The cases affected are those where the decision to reduce or remove benefit was made

on the basis of the customer's statement alone, and where the customer has not exercised their right to ask for a review of the decision. The Benefits Agency is aware of the commitment to bring this in as quickly as possible. Work is already underway to identify how we might best proceed, recognising the particular sensitivities surrounding this work.

The intention is to write to customers giving them the opportunity to apply for their case to be re-examined. At the same time, we need to notify them that there is no guarantee of a positive outcome to a review of the BIP decision, but we need to do that in a way that does not deter them from applying for a re-examination if that is their choice. We want to consult disability organisations about the wording of the letter and the proposed procedures, all of which will have to be cleared by legal advisors within the Department. It is vital that we get this right and that, of course, will take time.

The Agency is currently recruiting additional staff from mainstream Disability Living Allowance to deal with this work, and again we are looking at this to ensure that these moves have the minimum impact on our other customers.

I hope you find this information helpful and that it explains why we are not yet in a position to set a firm start date for the exercise. I will, of course, write to you again as soon as the matter has been decided.

## Benefits Agency Medical Services

**Mr. Etherington:** To ask the Secretary of State for Social Security what specialist training and guidance on *(a)* fibromyalgia, *(b)* cystic fibrosis, *(c)* ME/CFS and *(d)* MS is offered to examining medical practitioners employed by the Benefits Agency Medical Services. [46520]

**Mr. Denham:** The administration of the Benefits Agency Medical Services is a matter for Peter Mathison, the Chief Executive of the Benefits Agency. He will write to my hon. Friend.

*Letter from Peter Mathison to Mr. Bill Etherington, dated 25 June 1998:*

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question about what specialist training and guidance on (a) fibromyalgia, (b) cystic fibrosis, (c) ME/CFS and (d) MS is offered to examining medical practitioners employed by Benefits Agency Medical Services (BAMS).

It may be helpful if I explain that all BAMS' medical examiners are required to hold a full medical degree and must be fully registered medical practitioners. BAMS also require their employed doctors to have at least three years post registration experience, including one year in general practice and at least six months experience of psychiatry or rehabilitation/occupational medicine. Alternatively BAMS require five years post registration experience as a principal (or equivalent) in general practice.

The role of the BAMS doctor is to assess the effects of a customer's disability and to provide advice to the Adjudication Officer, who will consider all the evidence available and determine entitlement to benefit.

All BAMS doctors are given additional training in carrying out this specialised type of assessment. As fibromyalgia, cystic fibrosis, ME/CFS and MS are commonly encountered conditions they are covered in the training. Guidance is given to examining doctors relevant to the analysis of the needs of people with disabilities and this is published in the Disability Handbook. This guidance is based on the consensus view of the medical profession at the present time and is periodically updated. BAMS doctors are also expected to keep abreast of developments in the medical field. Where deficiencies of knowledge or understanding are identified, via our routine monitoring of casework, relevant guidance or training is provided on an individual basis.

I hope you find this reply is helpful.

# Written Answers to Questions

*Tuesday 30 June 1998*

## ENVIRONMENT, TRANSPORT AND THE REGIONS

### Heavy Goods Vehicles

**Mr. Crausby:** To ask the Secretary of State for the Environment, Transport and the Regions what evaluation his Department has made of the spray suppression procedures for heavy goods vehicles in *(a)* Portugal, *(b)* France, *(c)* Belgium, *(d)* Germany and *(e)* Holland. [47768]

**Ms Glenda Jackson:** None; however, spray from goods vehicles is a problem recognised by several EU member states. Discussions are planned by the European Commission to look at the whole problem.

**Mr. Crausby:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to deal with problems arising from spray emanating from heavy goods vehicles; what assessment he has made of the adequacy of current procedures; and if he will make a statement. [47766]

**Ms Glenda Jackson:** The UK has led the way in the development of spray suppression equipment. Indeed, the standards for EC Directive 91/226EC, on spray suppression, were largely based on the UK requirements. Further development of spray suppression devices has proved difficult because of the problems in accurately measuring spray which makes the assessment of the efficiency of the equipment difficult to gauge. However, spray from goods vehicles is a problem recognised by several EU Member States. Discussions are planned by the European Commission to look at the whole problem.

**Mr. Crausby:** To ask the Secretary of State for the Environment, Transport and the Regions when he expects to announce the findings of the research undertaken by the Transport Research Laboratory on the measurement of spray from vehicles and its effect on vision. [47767]

**Ms Glenda Jackson:** A published version of the Report on the research carried out by the Transport Research Laboratory into spray suppression will be available within the next six months. A copy will be placed in the House of Commons Library.

### Nuclear Discharges

**Mr. Fearn:** To ask the Secretary of State for the Environment, Transport and the Regions what new measures he proposes to improve the monitoring of discharges into the Irish Sea from the United Kingdom's nuclear facilities. [47695]

**Angela Eagle:** Radioactive discharges from UK nuclear sites are subject to rigorous and stringent monitoring requirements under the Radioactive Substances Act 1993. Nuclear site operators must take and analyse samples of effluent for radioactivity.

The Environment Agency and the Scottish Environment Protection Action (SEPA) take independent samples for analysis as a check. The operators' results and those of the environment agencies are made available to the public.

In addition, the Ministry of Agriculture, Fisheries and Food (MAFF) has carried out extensive monitoring of the marine environment since the early 1960s and each year the monitoring programme is scrutinised to ensure that it is effectively targeted. Monitoring methodology is constantly reviewed, so that the most appropriate techniques are used. Research work is also carried out into the various chemical and physical processes that affect the pathways of radioactivity back to man.

A summary of the main findings of the Environment Agency's monitoring programmes is published annually in a report called *Radioactivity in the Environment*. The last report published covered the year 1996. The results of the radioactivity monitoring programmes undertaken by MAFF and SEPA are published jointly in a report called *Radioactivity in Food and the Environment*. The last report published covered the year 1996. Copies of both reports can be found in the Library of the House.

### Concessionary Fares

**Mr. Kidney:** To ask the Secretary of State for the Environment, Transport and the Regions what initiatives his Department is supporting for pensioners' concessionary fares for travel by bus and rail. [47677]

**Ms Glenda Jackson:** Concessionary fares are a matter for individual local authorities. All but a few have a scheme for pensioners which covers travel by bus; a number of schemes provide for travel on local trains. The franchise agreements which govern the provision of rail services protect the price and the benefits of the Senior Railcard, which offers a one-third discount on a wide range of rail fares nation-wide. The question of concessionary fares is being considered as part of the review of integrated transport policy.

### Carbon Dioxide Emissions

**Mr. Stunell:** To ask the Secretary of State for the Environment, Transport and the Regions (1) what measures are planned by his Department to achieve *(a)* the EU 12.5 per cent. target and *(b)* the national 20 per cent. target to reduce carbon dioxide emissions in each of the sectors identified in the European Commission's First Analysis report; [47575]

(2) to what extent his target of a 20 per cent. reduction in carbon dioxide emissions by 2010 will be realised by combined heat and power generation. [47576]

**Angela Eagle:** We intend to issue a consultation paper in the summer on policy options for delivering our climate change targets. This will focus on our 12.5 per cent. legally binding commitment from Kyoto as well as considering how we might move beyond that towards our domestic aim of a 20 per cent. reduction in $CO_2$ emissions

by 2010. We will be looking at the scope for savings from improved energy efficiency by business and in the home; lower transport emissions; and an increase in the electricity generated from renewables. Combined heat and power (CHP) will also play an important part in helping us meet our targets. We have published a report which shows the economic potential for CHP is between 10,000 and 17,000 Megawatts (MW), depending on the assumptions made on future energy prices, users' required rate of return on investment, and other factors. Every 1,000 MW of CHP can reduce carbon emissions by up to 1 million tonnes per year. We will set a firm target as part of the new UK Climate Change Programme.

### Combined Heat and Power

**Mr. Stunell:** To ask the Secretary of State for the Environment, Transport and the Regions what measures he proposes to promote investment in combined heat and power generation; and if he will make a statement. [47577]

**Angela Eagle:** The government strongly promote the widest use of combined heat and power (CHP), for its environmental, business and other benefits to the country. CHP is encouraged through my Department's Energy Efficiency Best Practice Programme, the Energy Saving Trust, the Private Public Partnership, the Capital Receipts Initiative, and other programmes.

The Government's provisional proposals for electricity generation consent, following the Review of Energy Sources, reflect the importance they attach to the environmental and other benefits of CHP.

### Local Authority Bus Companies

**Jane Griffiths:** To ask the Secretary of State for the Environment, Transport and the Regions if he will give those local authority bus companies whose finances are sufficiently sound freedom from controls in respect of borrowing for capital investment. [48012]

**Ms Glenda Jackson:** The only such controls concern the terms on which Public Transport Companies may borrow from the owning local authority; there are no plans for change. Otherwise there are no controls on borrowing by a PTC on the strength of the business.

### Government Policies

**Mr. Fabricant:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the projects undertaken by his Department since 1 May 1997 to research public reaction to *(a)* Government policies and *(b)* potential new policies; and if he will place the results of the research in the Library. [46683]

**Angela Eagle:** Each of the queries has been divided into regular surveys (carried out annually unless otherwise stated) and ad-hoc or one-off surveys. They are listed by alphabetic order of the division involved in the survey. 'Potential New Policies' is a wide brief—all reviews/ research into guidance have been included. Surveys begun prior to 1 May 1997 but not completed until after that date are included with a note; some of the later research is not yet completed.

The majority of these surveys are not to the general public, but to the Local Authorities and Businesses concerned in the use and implementation of policies; they do all, however, relate to the perceived reaction from the public. Some of the listed surveys relate to just one survey carried out, others to two or more surveys carried out under the same project.

*(a) Government policies*

(i) regular surveys

Making a Corporate Commitment—measures top management attitudes to energy efficiency policies

Survey of Municipal Waste Management—monitors progress towards targets set for recovery and recycling of municipal waste

Sales of Non-Toxic Shot—monitoring the results of an initiative for the voluntary phasing out of lead shot

(ii) ad-hoc surveys

Take up & Workings of Night Noise Offence—investigating the use of powers to deal with noise offences

Use of s137 Powers by Principal Local Authorities—investigating use of, and perceived inadequacies in, powers under s137 of the Local Government Act 1972

Effectiveness of PPG 13—evaluation of Planning Policy Guidance note 13 Transport, implemented 1994–96

Operation and Effectiveness of the Structure Planning Process—evaluation in the context of changes introduced by the Planning Compensation Act 1991

Surveys of Users/Sellers of Peat & Peat Substitutes—DETR has a requirement to monitor the use of Peat & Peat Alternatives in order to frame advice issued under MPG13

Cycle Policy Initiative—Various surveys have been carried out with children and adults, on facilities, health and distance travelled, to support government 'cycling to school/work' initiatives

Attitudes to Traffic Calming—Various studies in different locations as to need for and effectiveness of traffic calming initiatives

*(b) Potential new policies*

(i) regular surveys

Deflators for Construction Output (quarterly)—this survey monitors current policy and will advise future policy in the construction industry both environmentally and economically Impact Assessment of the Best Practice Programme on Buildings—monitoring trends & attitudes to maximise the effectiveness of energy efficiency initiatives

(ii) ad-hoc surveys

Audible Intruder Alarms—London LAs have extra powers to deal with alarms; an order to give other authorities similar powers is being researched before introduction

Cost Recovery Charging Effectiveness for Water Abstraction & Effluent Discharge—to inform the 1999 review into the water charging system

Citizens Charter Survey, CITES Licensing Section—review of service before applying for a Chartermark (begun prior to May 97)

Best Value Pilot Evaluation—monitoring the pilot areas where Compulsory Competitive Tendering has been replaced by the Best Value requirement before confirming the change in policy countrywide

Enhancing Public Participation in Local Government—to establish extent & help develop guidance on new initiatives to increase public participation in local democracy Mixed Use Development Survey—to inform on the extent of the effect of Authority's powers on Local plans

Evaluation of National Tenant Training Programmes—identifying options and thus contributing to development of strategy for future training

Safer Cities—Evaluation of 'Safer City' areas to advise future policy

Customer Preferences to Environmental Improvement—to inform the 1999 review into the water charging system.

### Channel Tunnel Rail Link

**Mr. Howard:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the adequacy of the rail links between Ebbsfleet and Charing Cross to carry both Channel Tunnel and other services between the completion of stages 1 and 2 of the Channel Tunnel Rail Link; and if he will make a statement. [48200]

**Ms Glenda Jackson:** After completion of the first section of the Channel Tunnel Rail Link to Fawkham Junction, scheduled for 2003, Eurostar services will run not between Ebbsfleet and Charing Cross but via the Section 1 infrastructure and then existing domestic lines between Fawkham Junction and Waterloo. These domestic lines will have been subjected to upgrading works to increase capacity to 4 trains per hour in each direction and, as a result, there will be no adverse impact on existing domestic passenger services.

### Gloucestershire Structure Plan

**Mr. Laurence Robertson:** To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has had with the South West Regional Planning Conference regarding Gloucestershire's Structure Plan; if he plans to accept Gloucestershire's revised allocation of 50,000 houses between 1991 and 2011; and if he will make a statement. [47748]

**Mr. Caborn:** The then Secretary of State issued Regional Planning Guidance for the South West (RPG 10) in 1994 which included a provision for Gloucestershire of 53,000 houses on the advice of the South West Regional Planning Conference. The Conference is currently preparing a draft strategy for the period to 2016 and officials of the Government Office for the South West attend as observers on behalf of the Secretary of State.

The requirement for housing will be tested at the forthcoming Structure Plan inquiry which is due to begin on 8 September.

### Thameslink 2000

**Mr. Gapes:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on Railtrack's application for an order under the Transport and Works Act 1992 in respect of the Thameslink 2000 Project. [48434]

**Ms Glenda Jackson:** My right hon. Friend the Secretary of State for the Environment, Transport and the Regions announced on 3 June 1998, *Official Report*, columns 367–84, that agreement had been reached on a statement of principles that will ensure the completion of the Channel Tunnel Rail Link. The new Thameslink 2000 station is an integral part of work on the CTRL at St. Pancras and in order to take full account of the continuing detailed contractual and financial arrangements the Secretary of State has decided to defer until 29 January 1999 the date by which he must give notice of an intention to hold a public inquiry into the proposed Railtrack (Thameslink 2000) Order. I hope that it will be possible to take a decision before that date and it will not be delayed unnecessarily. London and Continental Railways and Railtrack remain contracted to complete the Thameslink 2000 Project, subject to obtaining the necessary consents.

## CULTURE, MEDIA AND SPORT

### Lyric Theatre

**Ms Hodge:** To ask the Secretary of State for Culture, Media and Sport when he will publish Sir Richard Eyre's report on the future of lyric theatre in London. [48433]

**Mr. Chris Smith:** Sir Richard Eyre's report on the future of lyric theatre in London is published today and copies have been laid before both Houses.

### Seaside Tourism

**Mr. Sanders:** To ask the Secretary of State for Culture, Media and Sport, pursuant to his answer of 1 June 1998, *Official Report*, column *45*, which aspects of British seaside tourism the forum working groups are examining. [46094]

**Mr. Tom Clarke:** The Domestic Working Group is looking particularly at resort regeneration, but as with all the other Working Groups, much of the work is as relevant to seaside tourism as to other parts of the industry. For example, the Domestic Tourism Working Group is also looking at ways of improving standards of accommodation and hospitality; meeting consumer needs; how the domestic market is packaged and promoted; the image of England as a holiday destination; the dissemination of information; barriers to taking domestic holidays; and visitor management.

The Working Groups, their Chairmen and summaries of their areas of interest are as follows:

*List of tourism forum working groups*

Business Tourism Working Group

Chair: Michael Hirst, Chairman, Joint Hospitality Industry Congress. Looking at what action might be taken to enhance the contribution of business tourism to the UK tourism industry and the wider economy.

Communications Strategy Working Group

Chair: Charles Allen, Chief Executive, Granada Group. Undertaking a review of the image of the industry with key audiences including young people, the media and potential investors.

Domestic Tourism Working Group

Chair: Councillor John Price, Local Government; Vice-Chair: Mrs. Dorothy Naylor, Chief Executive, North West Tourist Board. Looking at issues affecting domestic tourism, focusing on encouraging more Britons to take holidays in England. Three sub-groups: Distribution; Quality; Sustainability.

People Working Group

Chair: Peter Moore, ETB Board member and Managing Director of Center Parcs. Considering how to improve the way the industry recruits, manages, motivates, and equips its people with the skills they need to provide excellent customer service.

Presentation of Heritage and Culture Group

Chairman: David Quarmby, BTA/ETB Chairman. Not a Forum Working Group as such; pre-dates creation of Forum. Looking at presentation of our heritage and culture, especially to attract overseas visitors.

Visitor Attractions Working Group

Chairman: John Lee, ETB Board member and Chairman of the Association of Leading Visitor Attractions. Set up to identify ways to maximise the value to tourism of the visitor attractions sector.

Whitehall Issues Working Group

Chairman: Ken Robinson, Director of the Tourism Society and Operations Director of the New Millennium Experience Company. Established to consider how policy issues affecting the industry in various Government Departments might be influenced, but has not met.

Widening Access Working Group

Chairman: Jeremy Logie, Chief Executive, British Hospitality Association. Considering what action the industry might take to improve accessibility to all people with a desire to experience UK tourism.

Strategic Planning Working Group

Chaired by the Secretary of State. Looking at the development of tourism in the longer term.

**Miss Geraldine Smith:** To ask the Secretary of State for Culture, Media and Sport what overseas marketing the British Tourist Authority has carried out of British seaside resorts as tourism destinations in the past three years. [46720]

**Mr. Tom Clarke:** In the last three years, the BTA has conducted hundreds of different campaigns and marketing activities, many of which have a seaside element. Seaside resorts feature in BTA's own print and in the print of others, distributed to overseas customers through BTA's network of 43 overseas offices.

### Action Zones

**Mr. Llwyd:** To ask the Secretary of State for Culture, Media and Sport if he will list the initiatives undertaken by his Department since 1 May 1997 which have involved the establishment of *(a)* action zones and *(b)* pilot schemes limited to particular geographical areas, indicating the name of the programme and the action zone or pilot scheme areas covered in each instance. [47053]

**Mr. Tom Clarke:** This Department has not undertaken any such initiatives since 1 May 1997.

### Single Occupancy Supplement

**Mr. Hoyle:** To ask the Secretary of State for Culture, Media and Sport if he will introduce legislation to limit or abolish the single occupancy supplement in hotels in the United Kingdom. [48006]

**Mr. Tom Clarke** *[holding answer 29 June 1998]:* The Government have no plans to introduce such legislation.

**Mr. Hoyle:** To ask the Secretary of State for Culture, Media and Sport what representations he has received about the single occupancy supplement; and if he will list them. [48005]

**Mr. Tom Clarke** *[holding answer 29 June 1998]:* My right hon. Friend the Secretary of State and I have received a number of representations from hon. Members, members of the public and organisations, including the Single Travellers Action Group. Ministerial colleagues at the Department of Trade and Industry have received similar representations.

### Sustainable Tourism Initiatives

**Mr. Fearn:** To ask the Secretary of State for Culture, Media and Sport what proposals he has to promote sustainable tourism initiatives. [47699]

**Mr. Tom Clarke:** The Government have recently undertaken a nationwide consultation exercise on sustainable tourism. We have received over 300 responses and these are currently being analysed. They will feed into the development of the new strategy for tourism which my Department will launch later this year and will help update the UK Sustainable Development Strategy which will be published by the Department of the Environment, Transport and the Regions, also later this year.

### Television Licence Fees

**Mr. Kidney:** To ask the Secretary of State for Culture, Media and Sport if his review of the future funding of the BBC will include consideration of a scheme for a universal pensioners' concessionary television licence fee. [47679]

**Mr. Fisher:** The forthcoming review of the arrangements for funding the Corporation after March 2002 will include a detailed consideration of all the options for concessions, both for pensioners and others.

### Government Policies

**Mr. Fabricant:** To ask the Secretary of State for Culture, Media and Sport if he will list the projects undertaken by his Department since 1 May 1997 to research public reaction to *(a)* Government policies and *(b)* potential new policies; and if he will place the results of the research in the Library. [46690]

**Mr. Chris Smith:** We have undertaken consultation exercises on the following subjects. It is our policy to place the results of the consultations in the Library where appropriate.

Broadcasting Events of National Significance (on criteria to guide the listing of events under the Broadcasting Act 1990)

"The People's Lottery" for comments on the Bill and later for general comments

Access to Museums and Galleries—Consultation Paper on Draft Code of Practice

Television: the Digital Future (jointly issued by DCMS and the DTI's Radiocommunications Agency)

Provision of an additional bank holiday to mark the Millennium

Definition of a British Film (included in the Film Policy Review Group Report)

Tourism—Towards Sustainability.

### New Opportunities Fund

**Mr. Caplin:** To ask the Secretary of State for Culture, Media and Sport what arrangements have been made to allow the New Opportunities Fund and the National Endowment for Science, Technology and the Arts to undertake preparatory work before the passage of the National Lottery Bill [*Lords*]. [48315]

**Mr. Chris Smith:** The National Lottery Bill, currently awaiting Royal Assent, will establish the New Opportunities Fund (NOF) and the National Endowment for Science, Technology and the Arts (NESTA).

NOF will be the distribution body for the new good cause for health, education and the environment. In its first three initiatives, it will support healthy living centres, out of school hours learning and childcare, and training in

information and communications for teachers and public library staff, along with the creation of digital learning materials.

The aim of NESTA will be to promote talent, creativity and innovation by helping talented people reach their full potential, helping turn good ideas into marketable products and services, and raising public appreciation of the value of science, technology and the arts.

Parliamentary approval for the preparatory costs of these new services will be sought in the main Estimate for the Department for Culture, Media and Sport (Class X, Vote 1, Section 1). Pending that approval, urgent expenditure estimated at £525,000 will be met by repayable advances from the Contingencies Fund.

### Public Registers

**Mr. Cohen:** To ask the Secretary of State for Culture, Media and Sport if he will list the public registers which his Department has responsibility for. [47362]

**Mr. Chris Smith** *[holding answer 29 June 1998]:* The Department has responsibility for the following, which could be described as public registers:

Statutory List of Buildings of Architectural or Historic Interest

Schedule of Ancient Monuments.

## DEFENCE

### Data Protection

**Mr. Cohen:** To ask the Secretary of State for Defence if he will list the areas for which the Government intend to apply an exemption to the right of access to personal data, as defined in the Data Protection Bill 1998; and if he will make a statement. [47381]

**Mr. Spellar:** Since the Ministry of Defence is a large organisation which holds many different types of records on individuals, a number of the exemptions contained in the Bill will apply from time to time. One of the exemptions, the Combat Effectiveness exemption contained in Schedule 7 part 2, applies exclusively to the Armed Forces. This exemption is unlikely to be widely employed. The MOD also intend to apply the exemption in Section 27 of the Bill, which has as its purpose the safeguarding of national security. We anticipate that most Service personnel will have access to much of the information we hold about them, providing it is held on a relevant filing system as defined in the Bill, and provided that granting access does not compromise the rights of third parties.

### Horizon 2000 Frigates

**Mr. Wilkinson:** To ask the Secretary of State for Defence what is his estimate of the total cost of the project definition, development and production of the full complement of Horizon 2000 common new generation frigates to the Royal Navy; what were the original estimates; when the acceptance of the first of class by the Fleet is due to take place; and what was the date originally planned. [47807]

**Mr. Spellar:** It is currently expected that 12 Horizon class frigates will be ordered for the Royal Navy, although this is, of course, subject to the outcome of the Strategic Defence Review. The Horizon programme MOU signed by the three nations (UK, France and Italy) in 1994 originally envisaged an in service date of 2002. The current tri-national in service date is 2004, although this is kept under review. The estimated programme cost to the UK is commercially confidential, but we expect the entire programme, including full production of 22 ships for the three nations, to remain within the original cost estimate of some £6 billion to £8 billion. The contract for completion of the design and build of the three first of class Horizon frigates, i.e. one for each nation, is expected to be placed next year.

### Exercise Proper Watch

**Mr. Matthew Taylor:** To ask the Secretary of State for Defence what was the scenario of the exercise, Proper Watch, in 1989; on what dates and where it took place; if the United States Department of Defense took part; and if he will place a copy of the results of the exercise in the Library. [46819]

**Dr. Reid:** Exercise Proper Watch took place at RAF Bentwaters in May 1989. The exercise tested the procedures in place for responding to the crash of a US transport aircraft carrying nuclear weapons. The United States response forces participated in this exercise. A classified report on the exercise does exist, but for the reasons my hon. Friend the Under-Secretary of State for Defence gave to the hon. Member on 31 July 1997, *Official Report*, column *470*, and under Exemption 2 of the Code of Practice of Access to Government Information, I am not prepared to release the report.

### Strategic Defence Review

**Mr. Matthew Taylor:** To ask the Secretary of State for Defence, pursuant to his answer of 7 May 1998, *Official Report*, column *437*, if he will assess the advantages of publishing the digest of the submissions by *(a)* Service and *(b)* Ministry of Defence civilian personnel earlier than the publication of the White Paper on the Strategic Defence Review. [46816]

**Mr. George Robertson:** A digest of submissions from Service personnel and MOD civilian staff to the Strategic Defence Review is being prepared. It will provide a context for some of the decisions in the Review. I therefore see no advantage in publishing the digest earlier than the White Paper.

**Mr. Blunt:** To ask the Secretary of State for Defence, pursuant to his answer of 25 June 1998, *Official Report*, column *569*, for what reasons it was not possible to publish the Strategic Defence Review in the first half of the year. [48167]

**Mr. George Robertson:** It was not possible to publish the Strategic Defence Review in the first half of the year because final decisions had not been taken.

### Permanent Joint Headquarters

**Mr. Bruce George:** To ask the Secretary of State for Defence how many *(a)* operations and *(b)* exercises Permanent Joint HQ has (i) planned and (ii) taken an active role in executing since it was established. [47300]

**Mr. George Robertson:** Since its establishment in April 1996 the Permanent Joint Headquarters has planned 31 operations and overseen the execution of 23. It has also participated in 15 major exercises, of which it had the lead in planning 6.

### Bosnia

**Mr. Bruce George:** To ask the Secretary of State for Defence on what date British ground forces were first deployed in Bosnia as part of UNPROFOR. [47299]

**Mr. George Robertson:** The main body of the United Kingdom ground forces were first deployed in Bosnia on 18 November 1992. However, reconnaissance, activation and advance parties had arrived several weeks earlier.

### Police Training

**Mr. Bruce George:** To ask the Secretary of State for Defence what is his Department's involvement in international police training, with particular reference to that in countries seeking to re-establish democratic systems; and what is his Department's budget for this work. [47301]

**Mr. George Robertson:** The Ministry of Defence gives assistance to the police forces of other countries from time to time, mainly through the provision of places on training courses in the United Kingdom or through training by members of the UK Armed Forces.

Requests for assistance are considered in the light of the Government's wider foreign policy, and we take account of the human rights and ethical records of the requesting nation's police and armed forces. All training provided by the MOD reflects the principles of the rule of law, good government, civilian control of military forces and support to democracy.

My Department has no budget dedicated specifically to international police training, although on occasion overseas police assistance has been funded from the Defence Military Assistance Fund.

### RAF Chicksands

**Mr. Sayeed:** To ask the Secretary of State for Defence what plans his Department has to allow empty houses at the RAF base at Chicksands in Bedfordshire to be used for local authority housing. [47702]

**Mr. Spellar:** The potential Service requirement for vacant Service Families Accommodation at RAF Chicksands is currently under review. A decision on this will be made once the outcome of the Strategic Defence Review is known. Based on this decision Annington Homes, which own the properties, will be in a position to decide their future use.

### Defence Committee Report

**Mr. Bruce George:** To ask the Secretary of State for Defence when he expects to make his response to the Second report from the Defence Committee on the draft Visiting Forces and International Headquarters (Application of Law) (Amendment) Order 1998 (HC 521). [47611]

**Mr. George Robertson:** The response was sent to the Committee yesterday.

### Defence Estate (London)

**Mr. Gardiner:** To ask the Secretary of State for Defence what plans he has to reduce the defence estate in London. [48484]

**Mr. Spellar:** We have been considering the scope for further rationalisation of our property holdings, in London and elsewhere, in the context of the Strategic Defence Review. In continuation of that work, my Department will be drawing up a Strategic Development Plan for the defence estate in the Greater London area. Work on the plan will involve a thorough examination of site values and costs, linked to their condition and utilisation, with a view to identifying opportunities to meet defence requirements more cost-effectively. Any specific proposals for unit moves that may arise from this work will be subject to further study and consultation in the normal way. Existing studies, such as those relating to RAF Northolt and RAF Uxbridge, will be fully taken into account.

### Challenger 2

**Mr. MacShane:** To ask the Secretary of State for Defence, pursuant to his answer to the hon. Member for Rotherham of 17 November 1997, *Official Report*, column 72, if he will make a statement on the current status of the Challenger 2 programme. [48596]

**Mr. Spellar:** I am pleased to announce that The Royal Scots Dragoon Guards have become the first regiment to be fully equipped with the Challenger 2 main battle tank. This is a significant milestone in the Challenger 2 programme.

## NORTHERN IRELAND

### Emergency Provisions Act

**Mr. Wicks:** To ask the Secretary of State for Northern Ireland when she intends to publish the report by Mr. J. J. Rowe QC on the operation during 1997 of the Northern Ireland (Emergency Provisions) Act 1996; and what conclusions she has reached concerning the future of the Act in the light of Mr. Rowe's report. [48481]

**Marjorie Mowlam:** I have received Mr. Rowe's report. It is being published today and copies are being placed in the Library of both Houses. I note that Mr. Rowe is of the firm view that the provisions of the Act are still needed, and am reassured that he concludes that the security forces have operated the powers properly and carefully.

Mr. Rowe fulfils a very important role and I am most grateful to him for his work. The Government agree that the powers are still necessary; Parliament too has endorsed this view by the enactment in April of the Northern Ireland (Emergency Provisions) Act 1998, which extends the life of the 1996 Act and obviates the need this year for Continuance debates.

However, under powers vested in me by section 62 of the 1996 Act I may, by order approved by resolution of each House, lapse any of the temporary provisions of the Act at any time. Therefore I will, as always, keep the continuance of the provisions under review.

Mr. Rowe's Report on the operation of the Act during 1997 will inform Parliament's considerations when the Act, or any of its provisions, is next debated.

### Training and Employment Agency

**Mr. Darvill:** To ask the Secretary of State for Northern Ireland what targets have been set for the Training and Employment Agency for Northern Ireland for the period 1998 to 2001. [48482]

**Mr. Worthington:** The following targets have been set for the Agency:

1. All 16 and 17-year-olds leaving school will be offered the opportunity of a training place; 65 per cent. of those leaving the Jobskills programme will transfer to employment or to other education or training opportunities; and 65 per cent. of entrants to the programme will achieve a qualification at NVQ level 2 or equivalent.
2. 25 per cent. of 16 to 24-year-olds involved in an Agency training programme will initially enter a Modern Apprenticeship or transfer to a Modern Apprenticeship on completion of level 2 training.
3. To publish a skills survey each year of the Corporate Plan.
4. To ensure that CDP projects increase the achievement rate of their agreed productivity targets from 65 per cent. in 1998–99 to 85 per cent. in 2000–2001.
5. To increase the number of local organisations achieving Investors in People (IiP) status from 120 to 300.
6. To ensure that overall Agency spend in Training and Social Needs areas is no less than 60 per cent. of Agency programme budget.
7. To achieve a score of 500 against the Business Excellence Model by the year 2001.
8. To maintain the Agency's IiP standard and accreditation following reassessment in August 1998.
9. The Agency will contribute to the achievement of the national targets set for New Deal in terms of employment outcomes and employability. We will publish details as soon as they become clear.
10. The Agency will set targets for lifelong learning on an annual basis as the initiatives under lifelong learning emerge and develop.

Copies of the Targets have been placed in the Library of the House.

## LORD CHANCELLOR'S DEPARTMENT

### Legal Services Ombudsman

**Dr. Iddon:** To ask the Parliamentary Secretary, Lord Chancellor's Department when the Legal Services Ombudsman intends to publish her seventh Annual report. [48314]

**Mr. Hoon:** The Legal Services Ombudsman has today published her seventh Annual Report, and copies have been placed in the Libraries of both Houses.

## DUCHY OF LANCASTER

### Committee on Standards in Public Life

**Mr. Dismore:** To ask the Chancellor of the Duchy of Lancaster if he will list the names, qualifications and experience of the Chairman and members of the Committee on Standards in Public Life; and if he will state the amount paid by way of expenses, allowances and fees to each of them for the last 12 months. [47610]

**Dr. David Clark** *[holding answer 29 June 1998]:* The information requested is set out in the table.

| *Current membership* | *Experience* | *Total fees (£) paid since 1 April 1997* | *Total travel and subsistence costs (£) incurred since 1 April 1997* |
|---|---|---|---|
| Lord Neill of Bladen, QC | Extensive legal experience. Former Chairman of the Bar Council, Warden of All Souls College, Oxford and Vice Chancellor of Oxford University. Chairman of numerous high level committees and enquiries. | 22,000 | [2]5,609.50 |
| Sir Clifford Boulton, GCB | Former Clerk of the House of Commons. | 4,945.00 | 682.85 |
| Sir Anthony Cleaver | Chairman of AEA Technology plc. Extensive business experience. Academic interests. Involvement with various public sector committees. | 360.00 | — |
| Lord Goodhart, QC | Legal and political experience. Liberal Democrat Peer. | 4,860.00 | [2]5,309.80 |
| Frances Heaton | Director, Lazard Brothers, and Bank of England. Legal, civil service and private sector background. | 1,980.00 | [2]4,916.90 |
| Professor Anthony King | Academic. Professor of Government, Essex University. | 3,785.00 | 882.40 |
| The right hon. John MacGregor, OBE MP | Extensive political experience Conservative Member of Parliament | — | 430.65 |
| The right. hon. the Lord Shore of Stepney | Extensive political experience. Labour Peer. | 1,055.00 | 668.90 |
| Sir William Utting, CB | Extensive experience in social work. Former Chief Inspector of Social Services. | 3,015.00 | — |
| Ms Diana Warwick | Chief Executive, Committee of Vice Chancellors and Principals. Trades Union background. Member of various public and private sector boards. | 5,450.00 | 48.50 |

[1] Relates to all transactions recorded on the Cabinet Office Resource Accounting System at 24 June 1998.
[2] Total includes overseas study trips. Lord Neill visited Germany, Sweden, Canada and the USA, and was accompanied by Lord Goodhart (except Sweden), and Frances Heaton (except Germany).
[3] John MacGregor receives payment from the public purse as a Member of Parliament.

### Public Service Delivery

**Mr. Russell Brown:** To ask the Chancellor of the Duchy of Lancaster if he will make a statement on his plans for improving the delivery of public services. [48477]

**Dr. David Clark:** I am pleased to inform the House that I am announcing today, as part of my wider Better Government initiative, the launch of Service First—the new Charter programme. Service First is the Government's programme to improve public service delivery. It places a new emphasis on promoting responsiveness, quality, effectiveness, and cross-sectoral working. It has been designed to meet the real needs of people, following an extensive and wide-ranging consultation exercise over the last twelve months into the future of the Citizen's Charter programme. Details of the new programme have been placed in the Library of the House.

### Local Authorities (Pilot Schemes)

**Mr. Burstow:** To ask the Chancellor of the Duchy of Lancaster if he will list the pilot schemes announced since 1 May 1997 by his Department that involve local authorities in a lead or partnership capacity; if he will list each of the local authorities involved in each case; and what revenue and capital funding each local authority will receive through the pilot in (i) 1997–98, (ii) 1998–99, (iii) 1999–2000 and (iv) 2000–2001. [46391]

**Mr. Kilfoyle** *[holding answer 18 June 1998]:* The Better Government for Older People programme, launched on 5 June, aims to improve public services for older people by better meeting their needs, listening to their views, and encouraging and recognising their contribution. The programme seeks to promote partnership at both a national and local level and is being co-funded by a consortium of five organisations—the Cabinet Office (OPS), Age Concern, the Anchor Trust, the Carnegie Third Age Programme, and the Warwick University Local Authorities Research Consortium.

The programme has established 28 local pilots across the UK. Each pilot is led by a local authority but includes partners from central Government and the voluntary, community and private sectors. The pilot authorities are:

Bolton Metropolitan Borough Council
Bury Metropolitan Borough Council
Coventry City Council
Devon County Council
Hartlepool Borough Council
London Borough of Hackney
London Borough of Hammersmith and Fulham
London Borough of Harrow
Royal Borough of Kensington and Chelsea
London Borough of Lambeth
Middlesbrough Borough Council
City of Newcastle upon Tyne
North Yorkshire County Council
Nottinghamshire County Council
Oxfordshire County Council
Sheffield City Council
Solihull Metropolitan Borough Council
Warwick District Council
Watford Borough Council
Waverley Borough Council
Wolverhampton Metropolitan Borough Council
City of York Council
Scottish Borders Council
South Lanarkshire Council
Stirling Council
Isle of Anglesey County Council
Rhondda Cynon Taff County Borough Council
North Down Inter-Agency Partnership.

The aim of the programme is to develop best practice. As such the pilots will receive no revenue or capital funding. However, small grants, or 'seed money' may be available to fund specific activities aimed at encouraging community involvement in the pilots.

## ATTORNEY-GENERAL

### Government Policies

**Mr. Fabricant:** To ask the Attorney-General if he will list the projects undertaken by his Department since 1 May 1997 to research public reaction to *(a)* Government policies and *(b)* potential new policies; and if he will place the results of the research in the Library. [46688]

**The Attorney-General:** There have been no such projects in my Department.

## PRIME MINISTER

### Policy Reviews

**Mr. Waterson:** To ask the Prime Minister how many of the policy reviews initiated by the Government since May 1997 have been completed within the planned timetable. [45443]

**The Prime Minister:** The timetables of Government reviews are often subject to change to take account of changes in remit or circumstance and are a matter for the responsible Ministers. An up to date list of Government reviews has been placed in the Library. Of the 146 reviews, 63 have already been completed, 40 within the originally planned time-scale.

### Millennium Compliance

**Mr. David Atkinson:** To ask the Prime Minister if he will list the summits and EU ministerial meetings over which the United Kingdom has presided in 1998; what discussions on the millennium compliance of computer systems took place at each; and if he will make a statement on the initiatives that were decided on. [46646]

**The Prime Minister:** A list of the Councils being held under the UK's Presidency of the European Union was deposited in the Library of the House earlier this year. The UK has also presided over the G8 Summit and Foreign Ministers' meetings, and the Asia-Europe summit.

The Government attach great importance to tackling the Millennium Bug problem. They have worked hard to raise awareness in each of these fora and to encourage practical action. In the EU, we ensured the issue was addressed in a wide range of relevant fora: we raised it for instance at the Telecoms Councils on 26 February and 19 May, the Internal Market Council on 30 March, the Industry

Council on 7 May, and at the European Conference on 12 March. We organised a major conference in London on 8 May to draw attention to the Bug's cross-border implications and to encourage the sharing of best practice among member states. We also raised the issue at the Cardiff European Council. The Conclusions of the Council include a call for effective national compliance programmes and for a further progress report to the Vienna Summit in December.

At the 3–4 April Asia Europe Meeting, leaders highlighted the importance of international co-operation to ensure millennium compliance, particularly where failures would cause social and economic dislocation.

At their 15–17 May Birmingham Summit, G8 leaders recognised the seriousness of the threat posed by the Millennium Bug. The G8 communique agreed to take urgent action and to share information, among ourselves and with others, that would assist in preventing disruption in the near and longer term. The G8 would work closely with business and organisations working in those sectors, who would bear much of the responsibility to address the problem. The G8 would work together in international organisations, such as the World Bank to assist developing countries, and the OECD, to help solve this critical technological problem and prepare for the year 2000. Heads agreed that G8 officials should meet to pursue the issue. I announced that the UK was giving £10 million to the World Bank Trust Fund to help poorer developing countries develop strategies to combat the problem.

## TRADE AND INDUSTRY

### Power Stations

**Mr. Pound:** To ask the President of the Board of Trade what assessment she has made of the Independent Assessor's finding that the closure of generating capacity at three power stations by National Power and Powergen could reflect a reluctance to relinquish claims to existing power station sites in order to retain their market position; and if she will make a statement. [47324]

**Mr. Battle** *[holding answer 25 June 1998]:* I refer my hon. Friend to the statement made by my right hon. Friend on 25 June 1998, *Official Report*, columns 1169–72, concerning the Government's proposals following the Energy Review.

### Oil and Gas

**Mr. Fearn:** To ask the President of the Board of Trade (1) in which sectors of the United Kingdom's offshore waters exploration for oil and gas is currently taking place; [47694]

(2) how many *(a)* United Kingdom and *(b)* non-United Kingdom operators are currently exploring for oil and gas in United Kingdom offshore waters; [47698]

(3) how many *(a)* United Kingdom and *(b)* non-United Kingdom operators produce oil or gas from United Kingdom offshore waters. [47697]

**Mr. Battle:** Details of areas currently under Petroleum production licence are published in Volume II of the annual Energy Report (the 'Brown Book'), which is available in the Library of both Houses. There are, in addition, 35 current exploration licences, which allow the holders to carry out survey work (but not drilling) in any area not subject to a production licence.

On-site exploration—mainly seismic data acquisition or exploratory drilling—is a relatively short-term process and actual locations therefore change rapidly, but exploration is taking place, or in preparation, in all sectors of the North Sea, to the north and west of Scotland, and in the Irish Sea. There is no current on-site exploration activity on licensed areas south of England or in the south-west approaches.

In accordance with the Hydrocarbons Licensing Directive, no distinction is drawn between United kingdom and non-United Kingdom companies as operators of partners in the award of administration of licences. The statistics for licence operators in both categories on Petroleum Production licences and producing fields are as follows:

| | *Current petroleum production licences* | *Producing offshore oil and gas fields* |
|---|---|---|
| Current total | 550 | 187 |
| Operating companies: | | |
| UK | 10 | 6 |
| Non-UK | 30 | 19 |

Includes UK registered companies with non-UK parents

### Multilateral Agreement on Investment

**Ms Walley:** To ask the President of the Board of Trade how the United Kingdom Government intend to fulfil their commitment in the OECD Ministerial Statement on the proposed Multilateral Agreement on Investment of 28 March concerning a period of assessment and further consultation; what steps have been taken in this respect; and if she will make a statement. [48048]

**Mrs. Roche:** Officials from the Department and from other relevant Government Departments are continuing their on-going consultations with business, unions, local government, non-governmental organisations, and others interested in the Multilateral Agreement on Investment (MAI). We will participate in planned EU-wide meetings with trade unions and non-governmental organisations in September. We are also considering options for further consultations with developing countries.

### Sellafield

**Mr. Baker:** To ask the President of the Board of Trade if she will list the representations from other countries her Department has received since 1 May 1997 in respect of the Sellafield reprocessing facility. [47747]

**Mr. Battle** *[holding answer 29 June 1998]:* Since 1 May 1997 I have responded to one representation from the Government of the Republic of Ireland about safety issues at UK nuclear sites, including Sellafield. In

addition, officials of my Department have responded to two letters from individuals in Ireland, and also to one from an individual in Germany who raised a number of issues, including safety at the Sellafield site.

### Midland Bluebird Bus Company

**Mr. Canavan:** To ask the President of the Board of Trade if she will make a statement about the future ownership of the Midland Bluebird Bus Company. [47842]

**Mr. Nigel Griffiths:** My right hon. Friend, the President of the Board of Trade, will announce her decision as quickly as is practicable on FirstBus's request for a review of the decision of the then Minister for Corporate and Consumer Affairs that it should be required to divest its subsidiary, Midland Bluebird, plus part of the Glasgow operations of SB Holdings.

### EU Research Council

**Dr. Gibson:** To ask the President of the Board of Trade if she will make a statement on the outcome of the European Union Research Council on 22 June. [48479]

**Mr. Battle:** I chaired the meeting of the EU Research Council on 22 June 1998.

The Council made useful progress on the negotiations on the Fifth Framework for Research Technological Development and Demonstration Activities 1998–2002 (FP5), achieving consensus in a number of areas and maintaining momentum against the tight timetable for introducing FP5 by the end of this year. This Council consolidated the achievements of our Presidency in pressing forward these negotiations.

The Council reached a "common position" on the proposed decisions on the rules governing participation in the Framework Programmes and the dissemination of results, which are essential for implementing the programme. Although formal decisions could not be made at this stage, the Council reached broad consensus on the scientific and technological content of three of the ten specific programmes that give detailed effect to FP5, and on the underpinning general provisions broadly common to these programmes. It also took note of the progress made in negotiations so far on the distribution of funding within each of the specific programmes, which will be the subject of further consideration under the Austrian Presidency.

The Council also agreed conclusions on the management of Community RTD programmes that reflect the agreement reached at the Colloquium of EU research ministers that I chaired on 28 April. An important aspect of these conclusions is the Commission's undertaking to report on the progress made in meeting performance targets, adopting new management approaches and on plans for future improvements.

The Council agreed a resolution aimed at strengthening the links and complementarity in space research between the EU and ESA. A parallel resolution was adopted by the ESA Council on 23 June. The resolution represents a significant step towards increased co-operation in this field between the EU and the European Space Agency.

## HOME DEPARTMENT

### Electoral Registration

**Mr. Barnes:** To ask the Secretary of State for the Home Department what is his most recent assessment of the accuracy of electoral registers at the end of their lifespan. [47712]

**Mr. George Howarth:** The information required for such an assessment to be made is not held centrally.

**Mr. Barnes:** To ask the Secretary of State for the Home Department how many people have been fined for failing to comply with the requirement to register for electoral purposes in each of the last 10 years. [47713]

**Mr. George Howarth:** In 1988 there were three prosecutions and in 1989 there were 13 prosecutions, although we have no information as to their outcome. Data for this summary offence have not been collected centrally since then.

**Mr. Barnes:** To ask the Secretary of State for the Home Department what assessment he has made of the amount of canvassing carried out in each local authority area to compile electoral registers; and how many areas carry forward names from the previous year's register for (i) one year and (ii) longer than one year. [47704]

**Mr. George Howarth:** "Compiling the electoral register 1996", published by the Office for National Statistics last year, looked at the main canvass procedures adopted by local authorities, the number of reminder stages and whether, and in what circumstances, names of non-responders were carried forward.

**Mr. Barnes:** To ask the Secretary of State for the Home Department how much money has been spent on advertising electoral registration by central Government in each of the last 10 years. [47714]

**Mr. George Howarth:** Expenditure for England and Wales was as follows:

| *Year* | *Expenditure (£)* |
|---|---|
| 1988–89 | 472,000 |
| 1989–90 | 481,000 |
| 1990–91 | 541,000 |
| 1991–92 | 648,000 |
| 1992–93 | 624,000 |
| 1993–94 | 653,000 |
| 1994–95 | 697,000 |
| 1995–96 | 868,000 |
| 1996–97 | 728,000 |
| 1997–98 | 691,000 |

The figures available for Scotland and Northern Ireland are as follows:

| *Year* | *Expenditure (£)* *Scotland* | *Northern Ireland* |
|---|---|---|
| 1994 | [1]28,000 | 11,000 |
| 1995 | 59,000 | 10,000 |
| 1996 | [1]15,000 | 5,000 |
| 1997 | 73,000 | 5,000 |

[1] Includes publicity for absent voting

**Mr. Barnes:** To ask the Secretary of State for the Home Department what estimate he has made of the extent of non-registration on the electoral register of *(a)* those in privately rented and furnished accommodation, *(b)* New Commonwealth citizens, *(c)* those who had moved in the past year, *(d)* black people, *(e)* those aged under 17 years, *(f)* those aged 21–24 years and *(g)* those living in inner London. [47708]

**Mr. George Howarth:** The most recent information available is set out in "Electoral registration in 1991", published in 1993, which provides estimates for all seven categories listed.

**Mr. Barnes:** To ask the Secretary of State for the Home Department what is his estimate of the extent of dual electoral registrations by *(a)* students, *(b)* owners of second homes and *(c)* others. [47705]

**Mr. George Howarth:** The information needed for such an estimate is not available.

**Mr. Barnes:** To ask the Secretary of State for the Home Department if he will arrange for electoral registration statistics to be compiled by parliamentary constituencies. [47707]

**Mr. George Howarth:** Electoral registration statistics are already compiled by parliamentary constituencies, as well as by local government areas. The Office for National Statistics (ONS) published figures for the 1998 register on 23 April 1998, in an ONS Population and Health Monitor (reference EL 98/1), copies of which are in the Library.

**Mr. Barnes:** To ask the Secretary of State for the Home Department what is his estimate of the number of overseas voters and service voters who live abroad. [47706]

**Mr. George Howarth:** The total number of overseas electors and service voters (whether serving in the United Kingdom or overseas) included on the 1998 register was published by the Office for National Statistics in "Population and Health Monitor" EL 98/1, copies of which are in the Library. Figures for the number of registered services voters posted abroad are not held separately.

## Data Protection

**Mr. Cohen:** To ask the Secretary of State for the Home Department (1) if his Department holds copies of all the certificates signed by Cabinet Ministers since 1984, under section 27 of the Data Protection Act 1984; [47377]

(2) how many certificates have been signed to date under section 27 of the Data Protection Act 1984. [47378]

**Mr. Straw** *[holding answer 29 June 1998]:* In 1986, the then Home Secretary made a determination in respect of all data held by the Security Service. In accordance with that determination, the Security Service has not registered under the Act.

Certificates under section 27 of the Data Protection Act relate to exemption from the provisions of Part II and sections 21 to 24 of Part IV of the Act, for the purpose of safeguarding national security.

I understand that no such certificate has been signed by a Home Secretary and that none are held in my Department.

## Youth Justice Board

**Ms Keeble:** To ask the Secretary of State for the Home Department what progress he has made with arrangements to establish the Youth Justice Board. [48480]

**Mr. Straw:** Following my announcement at Second Reading of the Crime and Disorder Bill [*Lords*] on 8 April 1998, *Official Report*, column 376, that I intended to establish the Youth Justice Board for England and Wales from 1 October 1998 (if the Bill receives Royal Assent early enough), advertisements for the Chair and 11 other Board Members appeared in the press from 19 April.

Over 750 applications have been received (for the post of Chair, member or both), and the competitions are being conducted in line with guidance from the Office of the Commissioner for Public Appointments ('Nolan' procedures). The selection panel for the post of Chair was chaired by David Omand, Permanent Secretary of the Home Office, with John Halliday, Director of Criminal Policy Home Office; Tom Luce, Head of Social Care Policy, Department of Health; and two independent assessors: Sir Terence Harrison, Chairman, Alfred McAlpine plc., former Chief Executive, Rolls-Royce; and Mrs. Gill Pitt, general education inspector, Northamptonshire, Inspection and Advisory Service, former primary headteacher.

Following advice from the selection panel, I am pleased to announce that the Chair of the Youth Justice Board will be Norman Warner, chair of the Task Force on Youth Justice and, until he takes up his appointment, senior policy adviser, Home Office.

The panel selecting the 11 other members of the new Board is expected to provide advice in the summer, and Mr. Warner is participating in the selection process.

The setting up of the Youth Justice Board as an executive non-departmental public body is a significant step forward in delivering the Government's commitment to tackling youth crime and reforming youth justice. The Task Force on Youth Justice is likely to complete its work in July and will then be wound up.

## Deportation

**Mr. Livingstone:** To ask the Secretary of State for the Home Department how many people aged 65 years or over are currently subject to deportation orders; and how many people aged 65 years or over have been deported or removed in each of the last three years. [46691]

**Mr. Mike O'Brien:** As at 29 May, there were 54 persons aged 65 years or over who had deportation orders signed against them but who had not been removed from the United Kingdom.

The available information on persons who were aged 65 years or over when they were removed, or departed voluntarily, following deportation or illegal entry action is given in the table. Comprehensive information on

persons aged 65 years or over when removed under port procedures could be obtained only at disproportionate cost.

*Removals[1] as a result of deportation or illegal entry action of persons aged over 65 years[2], 1995–1997[3]*

| | 1995 | 1996 | 1997[3] |
|---|---|---|---|
| Persons removed from the United Kingdom as a result of deportation action[4] | 22 | 25 | 18 |
| Persons removed from the United Kingdom as a result of illegal entry action[4] | 4 | 10 | 9 |

[1] Includes persons departing 'voluntarily' after deportation or illegal entry action had been initiated against them

[2] Covers persons aged over 65 years on the date they were removed or departed 'voluntarily'

[3] 1997 data are provisional

[4] Enforcement action may have been initiated in an earlier period

### Murder Victims (Support)

**Mr. Öpik:** To ask the Secretary of State for the Home Department what support his Department offers for the relatives of murder victims; and if he will make a statement. [47435]

**Mr. Michael:** In addition to the support provided by state funded services, including the National Health Service, Social Services, the police and other criminal justice agencies, the Home Office funds two national voluntary organisations which are able to offer practical help and emotional support to the families and friends of murder victims, both in the immediate aftermath of the murder and on a longer-term basis. In 1998–99, the Home Office grant to Victim Support will amount to £12.7 million, and the grant to Support After Murder and Manslaughter (SAMM) will amount to £43,000.

The Home Office also produces a pack called "Information for Families of Homicide Victims", which contains leaflets on a number of subjects. The pack is handed to friends and relatives by the police at the earliest suitable opportunity following the murder.

## SCOTLAND

### Gender Impact Assessments

**Jackie Ballard:** To ask the Secretary of State for Scotland if he will place in the Library copies of gender impact assessments which have been undertaken in respect of legislation introduced in this Parliament; if he will make it his policy to do so in respect of future legislation; and if he will make a statement. [47018]

**Mr. McLeish:** We are addressing the gender perspective in policy making through the cross-Departmental mainstreaming initiative which the Ministers for Women launched on 18 May. New guidelines have been formulated after wide consultation which the Scottish Office will adapt to suit Scottish circumstance and issue to all Scottish Office staff. The guidelines require Departments to:

consider how policy proposals affect women

consult with women's organisations and

act upon that information to ensure that policy decisions reflect the views and interests of women.

The Scottish Office will contribute to an Annual Report to Parliament setting out progress on mainstreaming the women's perspective into Government policy making. The first report will be published after the end of this financial year.

### Action Zones

**Mr. Llwyd:** To ask the Secretary of State for Scotland if he will list the initiatives undertaken by his Department since 1 May 1997 which have involved the establishment of *(a)* action zones and *(b)* pilot schemes limited to particular geographical areas, indicating the name of the programme and the action zone or pilot scheme areas covered in each instance. [47057]

**Mr. Dewar:** There have been no action zones established by my Department since 1 May 1997. Pilot schemes, covering particular geographical areas, which have been established in Scotland are listed in the following table.

| *Pilot scheme* | *Area covered* |
|---|---|
| Better Government for Older People | Scottish Borders Council<br>Stirling Council<br>South Lanarkshire Council |
| Disqualification from Driving for all Offences | Paisley Sheriff Court<br>Perth Sheriff Court |
| Initiative at the Edge (Iomairt Air An Oir) | Comhairle nan Eilean Siar (Western Isles Council)<br>Argyll and Bute Council<br>Highland Council |
| Northern Periphery: ERDF Article 10 Pilot Action Programme | Eligible Areas: Highlands and Islands Objective 1 Area and adjacent Objective 5(b) areas of North West Grampian and Rural Stirling/Upland Tayside |
| Pilot Scheme under Road Traffic (Vehicle Emissions) (Fixed Penalty) Regulations 1997 | Glasgow |
| Regional Selective Assistance Priority Initiative—Pilots | Glasgow North<br>Glasgow East End<br>Dundee<br>West Dunbartonshire<br>North Ayrshire (3 Towns—Saltcoats, Ardrossan and Stevenston) |

| *Pilot scheme* | *Area covered* |
|---|---|
| Rehabilitation Courses for Drink-Drive Offenders | Dumbarton Sheriff Court<br>Greenock Sheriff Court<br>Hamilton Sheriff Court<br>Paisley Sheriff Court |
| Scottish Biodiversity Group Pilot Programme: Establishment of Local Biodiversity Action Plans | Orkney Islands Council<br>North East Scotland (a partnership of Aberdeen City, Aberdeenshire and Moray Councils)<br>South Lanarkshire Council<br>Argyll and Bute Council |

In addition, my Department has also announced a number of projects in particular geographical areas under the New Housing Partnerships initiative, Empty Homes Initiative and Rough Sleepers Initiative.

### Employment

**Ms Osborne:** To ask the Secretary of State for Scotland how he plans to encourage the retention and expansion of high-skilled jobs in Scotland. [47441]

**Mr. Wilson:** The creation and retention of high-skilled jobs is very important for the future of the Scottish economy and of its international competitiveness. This requires action by Government and their agencies on a number of fronts, including education and training, the attraction of appropriate international investment in Scotland, and the encouragement of new high-tech companies.

Our education and training initiatives include Higher Still, Modern Apprenticeships, Skillseekers, the Scottish University for Industry and a range of other measures to encourage lifelong learning. In order to meet the skills needs of industry, Scottish Enterprise is currently reviewing its own approach to skills development and we intend to draw together its findings and other recent work to create an overarching Skills Strategy for Scotland.

Our inward investment strategy is targeted particularly on high value-added sectors such as aerospace and biotechnology, electronics, software and design projects. Project Alba is a particularly important fruit of this approach. In encouraging the creation and development of new high-tech companies, I attach particular importance to the Foresight initiative, which is encouraging companies throughout the UK to look at the opportunities created by new technology. Scottish Enterprise's Technology Ventures scheme is also an important initiative designed to promote commercialisation of the fruits of academic research, by facilitating links between business and the research base in our higher education institutions.

## WALES

### Small Businesses

**Mr. Barry Jones:** To ask the Secretary of State for Wales how many *(a)* small and *(b)* medium sized businesses his Department has helped to start since 1 May 1997; and if he will make a statement. [47415]

**Mr. Hain:** Under the enterprise programme managed by the TECs in Wales and funded by the Welsh Office, over 1,500 new business starts have been assisted since 1 May 1997. All can be categorised as small firms.

I am keen to see more good quality businesses established throughout Wales—and to this end a new Business Starts Programme has recently been launched under Business Connect. Further planned action in this area will be set out in the "Economic Agenda for Wales" which will be published shortly.

### William Crompton and Fiona Ovis

**Mr. Öpik:** To ask the Secretary of State for Wales what factors underlie the length of time taken to review the case of the murders of William Crompton and Fiona Ovis; and if he will make a statement. [47434]

**Mr. Win Griffiths:** Dyfed Powys Health Authority initiated an Independent Review Panel under the NHS complaints procedure, to inquire into the healthcare circumstances relating to the case. I understand that the authority has received legal advice to the effect that the report of the panel should not be made available pending the outcome of a retrial in relation to alleged offences arising from the deaths.

### Government Policies

**Mr. Fabricant:** To ask the Secretary of State for Wales if he will list the projects undertaken by his Department since 1 May 1997 to research public reaction to *(a)* Government policies and *(b)* potential new policies; and if he will place the results of the research in the Library. [46687]

**Mr. Ron Davies:** In line with the practice of successive Administrations, the Department routinely consults the public, interested parties and client groups by way of consultation papers, White Papers and discussion groups on a wide range of policies and proposed legislation. I have therefore confined my reply to 3 major exercises.

Between March and June 1998 a major consultation exercise was conducted inviting views on "Modernising Local Government in Wales". A series of 7 consultation papers, which were placed in the Library of the House has attracted over 200 responses to date. When all the responses have been received and analysed, the analysis and copies of all responses will be placed in the Library. The results of the consultation will inform the White Paper I intend to publish in the summer.

Three pieces of research have been conducted since 1 May 1997 in relation to the National Assembly for Wales. In June 1997 qualitative research was carried out to help determine the most effective cover for the Devolution White Paper. In April 1997 quantitative tracking research was used to establish shifts in awareness in the run up to the Referendum in Wales. In March-April 1998 qualitative research was conducted among the general public to explore information needs in relation to the forthcoming National Assembly elections.

A public consultation exercise was undertaken by the Welsh Consumer Council on behalf of the Welsh Office to gauge views relating to the production of a new Patient's Charter for Wales. The results will be published in the Autumn.

## EDUCATION AND EMPLOYMENT

### Moral Studies

**Mr. McWalter:** To ask the Secretary of State for Education and Employment if he will expand the National Curriculum to introduce school students to the study of modes of reasoning about morality which do not emphasise the idea that obedience is the primary virtue. [48176]

**Ms Estelle Morris:** The Qualifications and Curriculum Authority (QCA) is currently piloting draft guidance for schools on promoting pupils' spiritual, moral, social and cultural development. The guidance makes it clear that moral development involves acquiring both the capacity for moral reasoning, and a determination to obey moral rules derived from shared values. My right hon. Friend the Secretary of State has asked QCA to review the National Curriculum for the year 2000. The review will incorporate recommendations on education for moral and social responsibility from the Advisory Group on Education for Citizenship.

### Correspondence

**Mr. McLoughlin:** To ask the Secretary of State for Education and Employment when he will reply to the letter from the hon. Member for West Derbyshire of 25 April on behalf of his constituent, Mr. A. Mundin, of Belper about compulsory school uniform. [48217]

**Dr. Howells:** Unfortunately, the original letter appears to have gone astray. A copy, however, was received in the Department on 29 June 1998 and therefore a reply will be issued within five working days.

### Tuition Fees

**Mr. Dalyell:** To ask the Secretary of State for Education and Employment what discussions he has had with UK Vice Chancellors in respect of the advantages of eliminating differences in the level of fees paid by students for similar university courses from different parts of the UK. [48255]

**Dr. Howells:** The Government's policy is that, subject to a maximum of £1,000, the level of the annual contribution towards tuition fees for eligible home full-time undergraduates should depend on the student's own and his or her parents' or spouse's income. This inevitably means that there will be differences in the level of contributions made by students for similar university courses. The only exceptions we are proposing relate to students in the fifth and subsequent years of medical and dental courses and the special concession which my right hon. Friend the Secretary of State for Scotland, intends in relation to Scottish students on the fourth or additional year of honours degree courses in Scotland where those are a year longer than comparable courses elsewhere in the UK.

My right hon. Friend, the Secretary of State for Education and Employment, made clear in the House during the Third Reading debate on the Teaching and Higher Education Bill that he would be happy to join my right hon. Friend, the Secretary of State for Scotland, in talking to the Vice-Chancellor of Edinburgh University and other vice-chancellors, but he has received no further approach to do so.

### New Deal

**Mr. Jim Cunningham:** To ask the Secretary of State for Education and Employment what steps will be taken to ensure that employers engaged in the New Deal adhere to the standards set under the terms of their employer agreement; and what action will be taken against those firms who are found to be exploiting New Deal recruits. [47755]

**Mr. Andrew Smith:** The employer is given a copy of the Employment Agreement once it has been signed and prior to the New Deal participant starting on the option. This sets out the full terms and conditions of the Employment Option. A copy is also issued to the New Deal employee at the time they start on the Employment Option.

The personal adviser will remain in contact with both the employer and the employee throughout the option and will take up any concerns that arise with the employer. A confidential New Deal Information Line has also been set up for participants who have concerns about any aspect of New Deal.

If an employer fails to meet the terms and conditions of the agreement, the Employment Service (ES) following discussion with the employer, may terminate the agreement and recover payments already made. Employers suspected of being in breach of existing legislation or statutory duties will also be reported by the ES to the appropriate authorities for action. An employer whose agreement is terminated will not be allowed to participate again in New Deal until they are able to satisfy the ES that they will be able to fulfil the terms and conditions applicable at the time.

**Mr. Jim Cunningham:** To ask the Secretary of State for Education and Employment how many *(a)* voluntary and *(b)* public organisations have currently signed up to the New Deal in (i) Coventry, (ii) the West Midlands and (iii) England. [47756]

**Mr. Andrew Smith:** In the West Midlands 24 voluntary organisations and 34 public sector companies have signed Employer Agreements to date. Of these, two of the voluntary organisations and four of the public sector companies are based in Coventry. In England, over 10,500 employers have signed Employer Agreements. A breakdown of this number into private sector, voluntary and public sector organisations is available only at local level.

## SOCIAL SECURITY

### Child Support Agency

**Ms Stuart:** To ask the Secretary of State for Social Security how many CSA cases are currently awaiting assessment. [46564]

**Mr. Keith Bradley:** The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to my hon. Friend.

*Letter from Mrs. Faith Boardman to Ms Gisela Stuart, dated 29 June 1998:*

I am replying to your Parliamentary Question to the Secretary of State for Social Security about Child Support Agency cases currently awaiting assessment.

The number of cases awaiting assessment at 31 May 1998 was 283,152. This is made up of approximately 110,000 backlog cases which are over 52 weeks old (down from 225,000 at the start of 1997/8) and 173,000 work on hand cases under 52 weeks old (down from 180,000 in the same period). In total, this represents a 30 per cent. reduction in the number of cases awaiting assessment.

In addition to the cases awaiting assessment, there are also around 128,000 cases where the parent with care was in receipt of Income Support prior to the launch of the Agency in April 1993. Any parent with care in this group who wishes to pursue maintenance as part of the Government's New Deal for Lone Parents or for any other reason will be taken on by the Agency.

The reductions in the numbers of cases outstanding have been achieved at the same time as the workloads of the Agency have been increasing. In 1997/98 the Agency cleared 595,000 maintenance applications—an increase of two-thirds on the 357,000 cleared in 1996/97. At the end of May 1998 our live and assessed caseloads stood at 784,160, compared with 609,800 in May 1997 (an increase of 29 per cent.) and is expected to rise to around 1.2m by 2003/04.

I hope this is helpful.

### Benefit Fraud

**Mr. Goggins:** To ask the Secretary of State for Social Security what steps she is taking to minimise fraud in the transition from family credit to the working families tax credit. [46202]

**Mr. Field:** I refer my hon. Friend to the Written Answer I gave on 25 June 1998, *Official Report*, columns *623–24*.

### Government Policies

**Mr. Fabricant:** To ask the Secretary of State for Social Security if she will list the projects undertaken by her Department since 1 May 1997 to research public reaction to *(a)* Government policies and *(b)* potential new policies; and if she will place the results of the research in the Library. [46680]

**Mr. Field:** In line with the practice of successive Administrations, the Department routinely consults the public, interested parties and client groups by way of consultation papers, White Papers and discussion groups on a wide range of policies and proposed legislation. It is our normal practice to make the findings of all projects in the Department's Research Programme available to the public, including placing copies in the Library.

In my Written Answer to the hon. Member for Northavon (Mr. Webb) on 11 May 1998, *Official Report*, columns *29–30*, we provided a list of the focus group projects which the Department has undertaken since 1 May 1997 to explore qualitatively public attitudes to existing and future policies.

Two additional focus group studies have been commissioned since then:

Attitudes to methods of making benefit payments.

Attitudes to survivors benefits.

Work commissioned under our ongoing call-off contract with Social and Community Planning Research has included studies on attitudes to lone parents working; to child support arrangements following relationship breakdown; and views on proposals for partners of Jobseeker's Allowance claimants.

Since 1 May 1997, we have also tested public attitudes quantitatively. A small-scale telephone poll was undertaken exploring attitudes to welfare reform issues, and we have on occasion commissioned questions for inclusion in the Office for National Statistics Omnibus Survey which have allowed us to test quantitatively attitudes to particular policy areas. Questions have been asked about sickness and disability benefits, lone parents working, financial top-ups, conditions attached to receipt of benefits, partners of the unemployed.

### Council Tax Benefit

**Mr. Coleman:** To ask the Secretary of State for Social Security (1) if she will make a statement on the numbers of claimants affected by the changes to council tax benefit regulations introduced on 1 April; [47424]

(2) how many households in London have been affected by the changes to council tax benefit regulations introduced on 1 April; and what percentage of the total this figure represents. [47425]

**Mr. Keith Bradley:** An estimated 8,000 claimants will be affected by the restriction of Council Tax Benefit in properties in Band F and above in 1998/99. The long-run estimate of those affected is 66,000.

Information for those households affected in London is not available. However, in Greater London the long-term estimate of those claimants affected is 28,000. This represents approximately 40 per cent. of the total affected by the changes.

### Jobseeker's Allowance

**Mr. Öpik:** To ask the Secretary of State for Social Security what plans she has to review the degree of flexibility available to staff implementing the jobseeker's allowance in relation to imposing conditions on a client's claim; and if she will make a statement. [47405]

**Mr. Keith Bradley:** The conditions of entitlement for receipt of Jobseeker's Allowance are set out in legislation. Adjudication Officers make decisions on entitlement to Jobseeker's Allowance within this framework. Their decisions are monitored regularly by the Chief Adjudication Officer who reports annually on the standards achieved.

An extensive programme of research has been commissioned as part of the evaluation of Jobseeker's Allowance. The findings will be available in the Summer of 1999 and will enable us to consider what changes need

to be made to ensure that the design and operation of the benefit meets the principles set out in the Welfare Reform Green Paper.

### Social Fund Grants

**Jackie Ballard:** To ask the Secretary of State for Social Security (1) what plans she has to allow the reclaiming of expenses for hospital visits by spouses whose income is at the level of income support; [48083]

(2) if she will review the problems faced in meeting the costs of attending specialist hospitals by families whose income is just above income support levels. [48084]

**Mr. Denham:** Social fund community care grants can be paid to people on Income Support or income-based Jobseeker's Allowance to help with travelling expenses to visit a partner in hospital. Any award is subject to the level of priority which can be sustained from the district budget, and the circumstances of the particular case. Grants for visits to a child in hospital would normally be given a high priority.

In addition, social fund crisis loans can be paid to people, whether on benefit or not, where the applicant needs help with fares to hospital for treatment for the applicant or a member of their family. Such a payment would have to be the only means of preventing serious risk or serious damage to the applicant or a member of their family. The Hospital Travel Costs Scheme, administered by the Department of Health, provides financial help to patients in receipt of Income Support and, where deemed medically necessary, an escort for travel to hospital for treatment under the care of a consultant.

### Benefit Integrity Project

**Mr. Burstow:** To ask the Secretary of State for Social Security, pursuant to her answer of 9 June 1998, *Official Report*, columns *545–46*, concerning the BIP, for what reasons she was unable to list the operational and legal issues that have prevented a review of BIP cases prior to 9 February 1998. [45770]

**Mr. Denham** *[holding answer 15 June 1998]:* On 17 June, we announced that action will be taken to look again at Benefit Integrity Project cases decided before 9 February 1998, where a decision to reduce or remove benefit was based solely on evidence provided by the claimant and where the claimant did not seek a review of the decision.

In order to make this announcement legal issues needed to be resolved relating to: our scope to take review action on cases that had already been reviewed as part of the Project; how and when the claimant should be involved, and what sort of decisions might be made. Operationally, we also needed to identify the scale of the exercise and how it might be conducted sensitively, without raising false expectations. Claimants need to be fully informed about the possible outcomes of a further review of their entitlement but in such a way that they are not dissuaded from exercising their right to have their case looked at again if that is what they choose. We are currently finalising the details of this new exercise.

### Benefits Agency

**Mr. Goggins:** To ask the Secretary of State for Social Security what plans she has to realign local Benefits Agency boundaries so as to make them coterminous with local authority boundaries. [47490]

**Mr. Keith Bradley:** The administration of the Benefits Agency is a matter for Peter Mathison, its Chief Executive. He will write to my hon. Friend.

*Letter from Peter Mathison to Mr. Paul Goggins, dated 29 June 1998:*

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking what plans there are to re-align local Benefits Agency (BA) boundaries so as to make them co-terminous with local authority boundaries.

As part of our ongoing effort to improve customer service we are looking together with our colleagues from the Employment Service at the boundaries of the two agencies and local authorities, with a view to seeking further alignment where possible.

I hope you find this reply helpful.

## AGRICULTURE, FISHERIES AND FOOD

### Ritual Slaughter

**Mr. Wyatt:** To ask the Minister of Agriculture, Fisheries and Food what action he proposes to take to seek implementation of the EU Slaughter Directive which would outlaw the slaughter of animals without pre-stunning at open air festivals. [46765]

**Mr. Morley:** Directive 93/119/EC on the protection of animals at the time of slaughter or killing is not clear as to whether religious slaughter is permitted outside of slaughterhouses. The Directive was implemented in GB by the Welfare of Animals (Slaughter or Killing) Regulations 1995. The Regulations permit the slaughter of animals elsewhere than in slaughterhouses without stunning for reasons of religion. Such slaughter must be carried out in accordance with specific legal requirements, by a licensed slaughterman and in the presence of an authorised person. More recently, the European Commission has stated that in its opinion open-air religious slaughter is in fact prohibited by the Directive. We therefore intend to reconsider the position, in consultation with all those with an interest, later this year.

**Mr. Wyatt:** To ask the Minister of Agriculture, Fisheries and Food if he will introduce measures for the labelling of meat to identify at the point of sale meat which has been ritually slaughtered. [46766]

**Mr. Morley:** Meat from animals slaughtered to provide food for the religious communities is already identified at the point of sale. It is the Government's intention to discuss with representatives of the religious communities all aspects of religious slaughter, including the entry onto the general market of meat from animals slaughtered without prior stunning.

### Farmers (Late Payments)

**Mr. Charles Kennedy:** To ask the Minister of Agriculture, Fisheries and Food what percentage of payments due in December 1997 to farmers *(a)* have not been paid to date and *(b)* were paid late; and if he will make a statement. [46947]

**Dr. John Cunningham:** Under the Arable Area Payments Scheme in England, 99.51 per cent. of applicants received payments due by 31 December 1997 (representing 99.12 per cent. by value). As at 1 June, 0.025 per cent. of applicants are yet to receive payments (representing 0.011 per cent. by value).

### EU Subsidies

**Mr. Charles Kennedy:** To ask the Minister of Agriculture, Fisheries and Food if he will bring forward, from September 1998, the payment of those European Union hill farming subsidies available to United Kingdom agriculture; and if he will make a statement. [46942]

**Dr. John Cunningham:** There are two subsidies specific to hill farmers: Hill Livestock Compensatory Allowances (HLCAs) and the Less Favoured Area (LFA) supplement under the Sheep Annual Premium (SAP) scheme. HLCAs are paid in the spring. The SAP LFA supplement is paid in two stages in tandem with payments of the basic premium, after rates for the latter have been fixed in Brussels. For the 1998 scheme year, we expect to pay a 90 per cent. advance of the LFA supplement over July and August and the balance next April. The agriculture departments try to make all subsidy payments as early as possible.

### Mr. Alick Barnes

**Mr. Charles Kennedy:** To ask the Minister of Agriculture, Fisheries and Food if in respect of the case involving Mr. Alick Barnes, Loyton Farm, Bampton, Devon, and his application for European Objective 5b funding, he will *(a)* approve disclosure of the documents requested by Mr. Barnes and *(b)* agree to discussions between his officials and Mr. Barnes; and if he will make a statement. [47138]

**Dr. John Cunningham:** A request for disclosure of papers has already received from Mr. Barnes' solicitors. This is being considered, with the other Departments with an interest in the case, and a reply will be sent as soon as possible. As regards a meeting with officials, it is not clear that any issues arising from Mr. Barnes' application for Objective 5b funding remain to be resolved. But if Mr. Barnes wishes to write to explain why he thinks that a meeting would be helpful, such a request will of course be considered.

### Gender Impact Assessments

**Jackie Ballard:** To ask the Minister of Agriculture, Fisheries and Food if he will place in the Library copies of gender impact assessments which have been undertaken in respect of legislation introduced in this Parliament; if he will make it his policy to do so in respect of future legislation; and if he will make a statement. [47013]

**Mr. Morley:** The Department had guidelines in place designed to ensure that those involved in the development of policy consider the possible differential effects which their proposals may have on men and women and to take action where these effects cannot be justified.

No differential effects have been identified during the course of preparation of any of the legislation introduced in this session of Parliament for which the Minister of Agriculture, Fisheries and Food is responsible.

The Department's guidelines will be reviewed once we receive new guidelines, which are being worked up as part of a cross-departmental initiative which the Ministers for Women announced on 18 May.

### Primates

**Mr. Hancock:** To ask the Minister of Agriculture, Fisheries and Food (1) what assessment he has made of Article 9(5) of Regulation 338/97/EC in relation to primates' journey times; [47337]

(2) for what reasons his Department does not impose maximum journey times for non-human primates. [47323]

**Mr. Morley:** In relation to animals, Article 9(5) of Regulation 338/97/EC requires that Community rules on protection of animals in transport are complied with. These rules, implemented in Great Britain by the Welfare of Animals (Transport) Order 1997, do not set maximum journey times for animals other than farm animals and horses. However, no animal may be transported in a way that causes or could cause injury or unnecessary suffering. Strict rules cover the construction, maintenance and use of the receptacles and means of transport used. For example, receptacles in which primates are transported must provide adequate space for the animals to stand in their natural position; be constructed and maintained in such a way as to prevent the animals from suffering undue exposure to noise and vibration and must provide adequate ventilation and air space.

### Fish Stocks

**Mr. Gordon Prentice:** To ask the Minister of Agriculture, Fisheries and Food if he will list by species of fish, the dates when the stocks in fishing grounds around the United Kingdom will be fished out at current rates of depletion. [47454]

**Mr. Morley:** Approximately half of the fish stocks in the North East Atlantic assessed by the International Council for the Exploration of the Sea (ICES) are considered to be above safe biological limits. This means that they are above the level necessary to avoid an increasing risk that they will fail to reproduce themselves. The remaining stocks are at or below this level so cautious fisheries management is necessary to ensure that these stocks are not overfished and remain at or return to a safe level. With such management, no stocks around the UK are predicted to be fished out in the foreseeable future.

### Cumberland Rum Butter

**Mr. Martlew:** To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the impact of EU Commission Regulation 623/98 on the manufacture of Cumberland Rum Butter; and if he will make a statement. [47772]

**Mr. Rooker:** Commission Regulation (EC) 623/98 amends Commission Regulation (EC) 577/97 relating to standards for spreadable fats and the protection of dairy designations. From April 1999, "Cumberland Rum Butter" and all other alcoholic butters (including brandy and whisky butters) may only be so described if they contain sufficient butter to meet a minimum milkfat level of 34 per cent. The UK was opposed to the adoption of arbitrary compositional rules of this kind.

The Regulation will, however, have no effect on those rum and other "butters" sold with 34 per cent. or more milkfat. Products which do not contain enough butter to meet the minimum milkfat level may also continue to be sold, but may need to be relabelled to ensure that their different composition is clear to consumers. It is not possible to estimate the likely impact of such relabelling on sales or production of these products but the Department is working closely with the relevant companies to find ways to minimise problems for UK manufacturers.

### Feeding Stuffs

**Mr. Hancock:** To ask the Minister of Agriculture, Fisheries and Food (1) how many checks have been made since 1995 to monitor compliance with the prohibition in Article 15(11)(a) of the Feeding Stuffs Regulations 1995 on the use of poultry manure in compound feeding stuffs; [47581]

(2) how many contraventions of Article 15(11)(a) of the Feeding Stuffs Regulations 1995, on the prohibition of the use of poultry manure in compound feeding stuffs, have been notified to his Department since it came into force; and if he will make a statement. [47582]

**Mr. Rooker:** The Feeding Stuffs Regulations 1995 are enforced by Local Authority Trading Standards Departments. The Department is not informed of the number of checks carried out or contraventions detected.

**Mr. Hancock:** To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the adequacy of the prohibition in Article 15(11)(a) of the Feeding Stuffs Regulations 1995, in ensuring that no poultry manure is used in foodstuffs; and if he will make a statement. [47584]

**Mr. Rooker:** While we have no evidence on the current use of poultry manure in animal feed, officials have recently alerted both Local Authorities and the State Veterinary Service to be on the lookout for this practice.

**Mr. Hancock:** To ask the Minister of Agriculture, Fisheries and Food what mechanisms are used to ensure that no poultry manure is included in compound feeding stuffs and to monitor compliance with Article 11(a) of the Feeding Stuffs Regulations 1995; and if he will make a statement. [47585]

**Mr. Rooker:** Compliance monitoring, to ensure that poultry manure is not used in animal feed, is a matter for individual Local Authority Trading Standards Departments.

### Over-30-months Scheme

**Miss McIntosh:** To ask the Minister of Agriculture, Fisheries and Food how many carcases are currently waiting to be disposed of under the over-30-months scheme. [47770]

**Mr. Rooker:** There are no carcases awaiting disposal under the over-30-months scheme (OTMS). The majority of the 15,000 cattle which enter the OTMS each week are rendered to produce meat and bonemeal (MBM) and tallow, which is being safely and securely stored pending destruction. Around 2,000 animals a week, mostly on-farm casualties, are directly incinerated in appropriately authorised incinerators. Capacity for direct incineration is expected to further increase as new facilities covered by the Intervention Board's 1996 tender for carcase incineration facilities come on stream, subject to the successful companies obtaining the necessary planning and environmental consents, thus reducing the rate of increase of MBM and tallow stocks.

### Fallen Stock

**Miss McIntosh:** To ask the Minister of Agriculture, Fisheries and Food what methods of disposal of fallen stock his Department has evaluated. [47686]

**Mr. Rooker:** The Animal By-Products Order 1992, which specifies the methods of disposal for fallen stock, is being reviewed and I hope to consult on the outcome during the summer.

**Miss McIntosh:** To ask the Minister of Agriculture, Fisheries and Food if he will give a regional breakdown of fallen stock in England for the last 12 months for which figures are available. [47685]

**Mr. Rooker:** This information is not collected.

**Miss McIntosh:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the extent of problems with fallen stock in the North of England. [47684]

**Mr. Rooker:** Some farmers in the North of England, as in other parts of England, may be experiencing problems if knackers' yards or hunt kennels have stopped taking certain types of fallen stock. We are concerned that fallen stock should be disposed of properly and my officials have therefore been liaising with the disposal and farming industries over the disposal of fallen stock and possible future arrangements.

### Culled Ewes

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food for what reasons the cull ewe trade from the United Kingdom to France is restricted to four southern-based abattoirs. [47271]

**Dr. John Cunningham** *[holding answer 29 June 1998]:* Our recent proposals to amend the Specified Risk Material Regulations to allow export of ewe carcases with spinal cord intact were based on the French authorities' list of four premises in France which they were prepared to designate for the removal of spinal cord under their own controls on specified risk materials.

Revised proposals have now been issued for statutory consultation on the basis of a further list of seven premises which the French authorities have notified to us. These are:

Abattoir Municipal de Gap (SE France); Abattoir Municipal de Thiviers (SW France); Stemontoise D'Abbattage, Mont-de Marsan (SW France); Abattoir de Mantes-la-Jolie (near Paris); Socopa a Coutances (Normandy); Abattoir Public d'Oloron (SW France); Abattoir-SVA a Vitre (NW France).

### Genetically Modified Pigs

**Mr. Cohen:** To ask the Minister of Agriculture, Fisheries and Food what means of transport have been used to export genetically modified pigs; and what measures have been taken to ensure they do not escape. [47379]

**Mr. Morley** *[holding answer 29 June 1998]:* Genetically modified pigs have been exported by road and air. During this transport they were subject at all times to the provisions of the Welfare of Animals (Transport) Order 1997, paragraph 8 of Schedule 1 of which requires that all means of transport and receptacles must be escape-proof.

## Public Registers

**Mr. Cohen:** To ask the Minister of Agriculture, Fisheries and Food if he will list the public registers which his Department has responsibility for. [47359]

**Mr. Rooker** *[holding answer 29 June 1998]:* The Department has responsibility for the following public registers:

| *Public Registers* | *Comments* |
|---|---|
| County, Parish Holding (CPH) Register | This is not a public access database although some information is made available in certain circumstances |
| Register of classification (by level of microbiological contamination) of designated bivalve mollusc production areas in England and Wales | Held in accordance with the Shellfish Hygiene Directive 91/492/EEC as implemented by the Food Safety (Fishery Products and Live Shellfish) (Hygiene) Regulations 1998 |
| Register of establishments approved to export meat, meat products etc. derived from foreign origin bovine products | In compliance with Article 9(i) of Council Decision 98/256/EC and known in the UK as the XAP system |
| The Conservation Walks Register | Provides details of access agreements under the agri-environment regulations |
| Register of laboratories approved to test samples of milk for the presence of brucellosis or enzootic bovine leukosis | |
| Register of authorised quarantine premises in Great Britain which are open to the public for the purpose of detaining imported rabies susceptible animals | |
| Register of authorised carrying agents in Great Britain which are available to the public for the purpose of carrying imported rabies susceptible animals | |
| Register of meat plants licensed or approved in England under meat hygiene legislation | This information is made available to the public on request and notified to the European Commission and other Member States but there is no specific legislative requirement to provide public access. |
| Register of establishments or undertakings carrying on activities licensed, approved or registered under the Diseases of Animals (Waste Food) Order 1973 and the Animal By-Products Order 1992 | In accordance with the Waste Management Licensing Regulations 1994 |
| Register of Applications for Licences to Deposit Substances and Articles in the Sea issued under the Food and Environment Protection Act 1985 (Part II)(as amended) | |
| Register of Oil Spill Treatment Products Approved for use in the United Kingdom for treating oil on the surface of the sea | |
| Register of abattoirs and cutting plants authorised to remove spinal cord from sheep over 12 months of age | |
| List of Hygiene Assessment System scores for all individual licensed abattoirs and cutting plants in the UK | |
| Registers of commercial and non-commercial interests of members of the:<br>Food Advisory Committee<br>Advisory Committee on Novel Foods and Processes<br>Spongiform Encephalopathy Advisory Committee<br>MAFF Consumer Panel | |

## Badgers

**Mr. McLoughlin:** To ask the Minister of Agriculture, Fisheries and Food when he will reply to the letter from the hon. Member for West Derbyshire of 11 May about the culling of badgers. [48215]

**Mr. Rooker:** I wrote to the hon. Member for West Derbyshire on 26 June 1998.

## French Beef

**Mr. Laurence Robertson:** To ask the Minister of Agriculture, Fisheries and Food what discussions he has had with the French Agriculture Minister about the quality and safety standards of French beef, with particular reference to possible gene contamination in French beef of cancer cells; and if he will make a statement. [47753]

**Mr. Rooker:** The Minister has not discussed the particular subject with the French Agriculture Minister, nor are we aware of the problem referred to.

### Agriculture Council

**Mr. Peter Bradley:** To ask the Minister of Agriculture, Fisheries and Food what was the outcome of the Agriculture Council held in Luxembourg on 22 to 26 June; and if he will make a statement. [48483]

**Dr. John Cunningham:** I chaired a meeting of the European Union Agriculture Council in Luxembourg on 22–26 June. My noble Friend, The Lord Donoughue, Parliamentary Secretary responsible for the farming and food industry, represented the United Kingdom.

This 4-day Council took decisions on a large package of important legislative measures concerning the Common Agricultural Policy and animal welfare. The package included agreement on changes to the bananas regime to bring it into conformity with World Trade Organisation rules whilst ensuring continued access to the EU market for Caribbean ACP bananas; significant reform of the olive oil regime, abolishing public intervention and the consumer and small producer aids which have been particularly susceptible to fraud; and measures setting common welfare standards for the rearing of farm animals throughout Europe. This measure is an important further step to improve animal welfare following the agreement to phase out fishing for tuna and swordfish with drift nets, which I secured at the Fisheries Council earlier this month.

The package also included adoption of the 1998–99 CAP price proposals and the 1999–2000 compulsory set-aside rate, giving farmers certainty for the coming marketing year, as well as limited reforms to the tobacco regime to encourage producers to become more market-oriented and less dependent on subsidy.

The package was agreed by a qualified majority of Member States, as were each of the individual elements. The Netherlands voted against all elements, Denmark against the bananas and set-aside proposals and France against the set-aside proposal. The Council also adopted by qualified majority, with Greece voting against, a proposal changing the rules for payments of aids to cotton producers.

I am very pleased that the United Kingdom Presidency was able to secure a satisfactory deal on this complex package of measures. Coming on top of the conclusions on CAP reform which were unanimously agreed by the Agriculture Council at its May meeting, and subsequently endorsed by the European Council meeting in Cardiff, it concludes the substantial programme of work which I set out at the outset of our Presidency.

### Government Policies

**Mr. Fabricant:** To ask the Minister of Agriculture, Fisheries and Food if he will list the projects undertaken by his Department since 1 May 1997 to research public reaction to *(a)* Government policies and *(b)* potential new policies; and if he will place the results of the research in the Library. [46679]

**Mr. Rooker:** In line with the practice of successive Administrations, the Department routinely consults the public, interested parties and client groups by way of consultation papers, White Papers, on a wide range of policies and proposed legislation. I have therefore confined my reply to major exercises. It is our normal practice to make the results of such research available to the public, including placing copies in the Library.

| *Project* | *Date commenced* |
|---|---|
| Review of the Sugar Beet and Education Committee | 20 June 1997 |
| Review of the Milk Development Council | June 1997 |
| Weed Control on the Farm: Management of Genetically Modified Herbicide Tolerant (GMHT) Crops | 10 July 1997 |
| Review of the Home Grown Cereals Authority | 29 August 1997 |
| Proposals for new Code of Practice on Effective Use of Animal Medicines on Farms | 27 October 1997 |
| Evaluation of Access Provisions in Agri-Environment Schemes | Autumn 1997 |
| Farmers' Attitudes to Arable Options in the Countryside Stewardship Scheme | Autumn 1997 |
| Food Standards Agency: A Force for Change White Paper Cm3830 | 14 January 1998 |
| Proposed Sugar Beet Development Council | 30 January 1998 |
| Agricultural Restructuring | 18 March 1998 |

## FOREIGN AND COMMONWEALTH AFFAIRS

### Foreign Policy Centre

**Mr. Waterson:** To ask the Secretary of State for Foreign and Commonwealth Affairs to what extent and in what ways the Foreign Policy Centre has influenced his Department's policy initiatives; and if he will make a statement. [46706]

**Mr. Tony Lloyd:** The Foreign Policy Centre is an independent policy institute launched in March of this year. It is established practice for Foreign Office Officials and Ministers to have contact with policy institutes and NGOs and to consider their views when developing policy. These contacts occur at all levels of the Foreign Office and are an important and valued part of the policy-making process. Policy institutes and NGOs contribute to a wider public debate which can also influence policy. The nature of these contacts means it is not possible to assess the influence of one particular policy institute in isolation from other institutes and NGOs.

### Diplomats

**Mr. Burden:** To ask the Secretary of State for Foreign and Commonwealth Affairs how many serious offences were committed in 1997 by persons entitled to immunity. [48597]

**Mr. Tony Lloyd:** From a diplomatic community of over 17,000 persons, seventeen alleged serious offences by persons entitled to immunity were drawn to the attention of the Foreign and Commonwealth Office in 1997. "Serious offences" are defined in accordance with the Report to the Foreign Affairs Committee "The Abuse of Diplomatic Immunities and Privileges (1985)" as offences which fall into the category which in certain

circumstances attract a maximum penalty of 6 months imprisonment or more: the majority involved drinking and driving and shoplifting.

In relation to this question, I refer my hon. Friend to the answer my noble Friend the Parliamentary Under-Secretary of State gave to the noble Lord, Lord Marlesford on 1 June 1998, *Official Report, House of Lords*, column *16*, that one diplomat was withdrawn at the Department's request from his post in the United Kingdom as a result of alleged offences, compared with six the previous year.

### EU Economic and Social Committee

**Mr. Burden:** To ask the Secretary of State for Foreign and Commonwealth Affairs who are the United Kingdom's candidates for the next term of membership of the Economic and Social Committee of the European Union. [48595]

**Mr. Doug Henderson:** We have today submitted to the Council Secretariat details of the United Kingdom's 24 nominees for membership of the Economic and Social Committee, along with 24 reserve nominees.

The nominees are:

*Group I*

Malcolm Levitt—European Adviser, Barclays Bank
John Little CBE—Former Chairman, CBI Scotland
Peter Morgan—Director, South West Wales Electricity
Kenneth Walker—Management Consultant
Clive Wilkinson—Director of the Gin and Vodka Association
Bill Tosh—Chief Director of Unidare Plastics
Dr. Sandra Thomas—Nuffield Council for Bioethics
Yvonne Thomson—European Federation of Black Women Business Owners

*Group II*

Tom Jenkins—Europe Unit, TUC
Helen McGrath OBE—NUKFAT, TUC Women's Committee
George Wright—Welsh TGWU
Campbell Christie CBE—Scottish TUC
Eddy Warillow—Regional Secretary, GMB
Ken Jackson—AEEU
Josie Irwin—Royal College of Nursing
Alison Shepherd—UNISON

*Group III*

Ann Davison—Consumers in Europe
Sukhdev Sharma—Commission for Racial Equality
Professor Rose D'Sa—University of Glamorgan
Tim Papé—Shaw Trust
David Evans CBE—ex-Director General, NFU
Professor James Petrie—Aberdeen Royal Infirmary
John Simpson—Economics Consultant
Alma Williams—Consumer Issues.

The reserve nominees are:

*Group I*

Keith Welton—Mid Yorkshire Chamber of Commerce
Brian Prime—Federation of Small Business
Jim Foulds—ex-Chemical Industries Association
Leonard Collinson—Forum of Private Business
Pamela Shimell—Managing Director, Industry and Environment Associates
Doug Franks—Biscuits, Cakes, Chocolate & Confectionery Alliance
Balram Gidoomal—Chairman of Winning Communications
Alan Blackburn—Ex Nat West

*Group II*

David Triesman—Association of University Teachers
John Lyons CBE—Engineers and Managers Association
Sir Alex Macara—BMA
Ian Partridge—Lloyds TSB Group Union
Rory Murphy—NatWest Staff Association
John Andrews—Management and Professional Staff Association
Tom Leney—Association of Teachers and Lecturers
Christopher Minta—NATFHE

*Group III*

Robert Moreland—Business Graduate Association
Catherine O'Donnell—Low Pay Unit
Sean Mayo—Union of Independent Companies
Iain Robertson—Highlands and Islands Enterprise
John Fergusson, OBE—Royal Pharmaceutical Society
Chris King—Avon Rubber
Felicity Huston—Northern Ireland Consumer Council
Fitzroy Andrew—Windsor Fellowship.

In selecting these nominees the Government have sought to provide a delegation with a wide range of experience who will be able to represent the views of differing social and economic groups throughout the United Kingdom.

### Nazi Gold Conference

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs what steps he has taken to follow up the Nazi Gold Conference of 1997. [48208]

**Mr. Doug Henderson:** The Government have contributed £1 million to the International Fund for Needy Victims of Nazi Persecution. We have discussed how the money should be spent with concerned NGOs and envisage that the first payments will be made shortly. FCO officials contributed to the Stockholm seminar on Holocaust Education on 7 May 1998, and on 30 June 1998 officials are attending the Organising Seminar for the Washington Conference on Holocaust-Era Assets, scheduled for later this year. FCO officials are also taking forward proposals for an international guide to archival sources on Holocaust-era assets.

### British Council

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the number of British Council staff at overseas locations on *(a)* 1 May 1997 and *(b)* 24 June 1998. [48205]

**Mr. Fatchett:** Precise figures for the numbers of British Council staff on the dates requested are not available, but the estimated average numbers of staff working overseas in 1997–98 and 1998–99 are as follows:

| | *1997–98* | *1998–99* |
|---|---|---|
| Overseas general managers | 229 | 237 |
| Locally engaged staff | 3,700 | 3,874 |
| Teachers | 1,670 | 1,737 |
| Total | 5,599 | 5,848 |

UK-appointed management staff have remained roughly constant over the past three years, whereas the numbers of local staff have grown markedly. This reflects a policy of increasing localisation of work to reduce costs and the expansion in activity and turnover from non-HMG sources. The number of teachers continues to grow annually at around 5 per cent., with the expansion of the Council's self-funded teaching centre network.

### Libya

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the role played by the Government of Libya in *(a)* Guinea Bissau, *(b)* Sierra Leone and *(c)* Liberia. [48212]

**Mr. Fatchett:** We are aware of contacts between Libya and President Vieira of Guinea-Bissau, and that Libya has just sent a high-level delegation to Bissau to mediate in the current internal political crisis there.

We are aware of reports that the Liberian Government are training soldiers in Libya to fight West African peacekeeping forces (ECOMOG) on the Sierra Leone/Liberia border. We are also aware of longstanding links between Libya and the President of Liberia, Charles Taylor, and between Libya and the Sierra Leone rebel movement, the Revolutionary United Front (RUF).

We have been told that the Government of Sierra Leone are now considering their position with regard to Libya. A Libyan delegation made a recent visit to Sierra Leone, and was received by President Kabbah.

### Burundi

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the implementation of the Arusha Agreement in Burundi. [48211]

**Mr. Tony Lloyd:** The British Government welcome the progress achieved at the first session of the Burundi Peace talks conducted from 15 to 21 June 1998 in Arusha and the commitment made by all parties represented at the talks to engage in serious negotiations with the aim of resolving the conflict in Burundi.

We welcome the unanimous adoption by the parties of a declaration which includes a commitment to resolve the crisis by peaceful means and put an end to all forms of violence. We call on all armed parties to honour the commitment to suspend hostilities by 20 July 1998 at the latest.

We strongly encourage all parties to return to the negotiating table on 20 July, ready to start a second round of negotiations in the spirit of goodwill and commitment to dialogue indicated by their declaration. The UK and our European partners will continue to support the peace process and the efforts of former Tanzanian President Julius Nyerere to bring about a durable solution to the Burundi crisis.

### Kashmir

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the recent killings in Champnagri, Kashmir. [48210]

**Mr. Fatchett:** We are shocked by this latest incident in Kashmir. We condemn all acts of terrorism. It is essential that those who have committed these crimes are brought to justice.

### Holocaust Victims

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the implications for Her Majesty's Government of the offer made by Credit Suisse, Swiss Bank Corporation and the Union Bank of Switzerland to settle the lawsuits by Holocaust victims in the United States. [48207]

**Mr. Doug Henderson:** We will continue to monitor with interest progress in negotiations between the Swiss banks and their US interlocutors. Possible wider implications are unclear at this stage. These will depend on the terms and scope of any settlement.

### Ottawa Convention

**Mr. Howard:** To ask the Secretary of State for Foreign and Commonwealth Affairs when he was notified by his officials that the official opposition would not obstruct the passage of the Bill enabling the UK Government to ratify the Ottawa Convention. [48201]

**Mr. Tony Lloyd:** I was informed by the Opposition Foreign Affairs Spokesman in February that the Opposition would not obstruct legislation to ratify the Ottawa Convention, and the Leader of the Opposition confirmed in a letter of 25 June that the Opposition would co-operate in expediting its progress.

### Afghanistan

**Helen Jones:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list, for each of the past five years *(a)* the total amount spent by the UN on crop substitution programmes in Afghanistan and *(b)* the amount contributed each year by the United Kingdom. [47848]

**Mr. Tony Lloyd:** We have been unable to obtain the information on UN expenditure. Projects run by UNDCP in Afghanistan have included preparatory work for crop substitution, but the UN has not recorded this expenditure separately.

The UK contributed £900,000 to the overall UNDCP programme in Afghanistan in 1997. This did include preparatory work on a poppy crop substitution module.

**Helen Jones:** To ask the Secretary of State for Foreign and Commonwealth Affairs what monitoring is being undertaken to ensure that money given to Afghanistan for crop substitution programmes is actually spent on those programmes; and if he will make a statement. [47847]

**Mr. Tony Lloyd:** The UK contributes directly to the pilot projects operated by the UN Drug Control Programme in Afghanistan, and initiated a donor monitoring mission in Afghanistan in November 1997. FCO and DFID officials took part. We continuously monitor the development and implementation of UNDCP's programme through our Posts in Vienna and Islamabad. In May the UK hosted the Afghanistan Donor

Support Group meeting which endorsed the full integration of drug control assistance into the UN's aid programme.

## HEALTH

### Drug Misuse Services

13. **Mr. Jim Cunningham:** To ask the Secretary of State for Health what extra funding he has made available for the development of drug misuse services. [46613]

36. **Ms Dari Taylor:** To ask the Secretary of State for Health if he will make a statement about the additional resources he has made available to deal with the consequences of drug misuse. [46638]

**Ms Jowell:** The Department provides a cash contribution to health authorities to purchase drug services under a special allocation. In 1997/98 this stood at £37.2 million. In the current financial year the special allocation is £41.3 million, an increase of 11 per cent.

The Department also administers the Specific Grant for making Payments to Voluntary Organisations Providing Services for Drug and Alcohol Misusers, which will distribute £2.5 million in 1998/99.

24. **Mr. Hesford:** To ask the Secretary of State for Health what assessment he has made of the impact of money invested in drug misuse treatment on the cost to public funds of crime. [46625]

**Ms Jowell:** I refer my hon. Friend to the reply I gave my hon. Friend, the Member for Warrington, North (Helen Jones) on 30 June 1998, *Official Report*, columns 145-46.

### PFI Hospital (Isle of Sheppey)

14. **Mr. Wyatt:** To ask the Secretary of State for Health if he will make a statement on progress with the private finance initiative hospital on the Isle of Sheppey. [46614]

**Mr. Milburn:** Thames Gateway National Health Service Trust and their preferred private sector partner are working together on drawing up a revised Full Business Case for the Private Finance Initiative scheme for a new community hospital for the Isle of Sheppey. The local health authority will shortly be reviewing progress with the scheme and will be meeting my hon. Friend to discuss the project.

### National Performance Frameworks

16. **Mr. Pike:** To ask the Secretary of State for Health what progress he has made in drawing up national performance frameworks for the NHS. [46616]

**Mr. Milburn:** We have received over 550 responses to our consultation on the National Performance Framework. These indicate wide support for a move to a broader based approach to assessing National Health Service performance and away from the narrow focus of the past. The Framework is to be 'road-tested' by health authorities over the summer in advance of its implementation across the NHS from April 1999.

### Breast Cancer

17. **Mr. Ian Stewart:** To ask the Secretary of State for Health what action he is taking to reduce waiting times for breast cancer treatment. [46617]

**Ms Jowell:** We are committed to equal access to high quality health services. We have already made £10 million available for breast cancer services which is being used to support over 300 initiatives around the country. Particular emphasis has been given to supporting projects that give rapid access to diagnostic services through the provision of "one stop" clinics, speeding access to high quality treatment and care delivered by specialist teams.

The White Paper, "The New NHS" sets out a specific target for cancer that everyone with suspected cancer will be able to see a specialist within two weeks of their general practitioner deciding that they need to be seen urgently and requesting an appointment. This has been guaranteed for breast cancer by April 1999.

### NHS Personnel (Management Skills)

18. **Mr. Sheerman:** To ask the Secretary of State for Health what steps he is taking to improve the management skills of senior national health service personnel. [46618]

**Mr. Milburn:** It is vital that the National Health Service continues to invest systematically in developing senior managers and leaders.

Major development programmes making a significant contribution to developing the skills of senior managers in the NHS include a new Chief Executive Development programme, a Senior Manager Career Development Service, the well established NHS Management Training Scheme and the Management Education Scheme by Open Learning.

### Dental Students

20. **Mr. Kidney:** To ask the Secretary of State for Health if he will increase the number of training places for dental students. [46621]

**Mr. Milburn:** The number of undergraduates in dental schools in England increased from 3,174 in 1995/96 to 3,325 in 1997/98—an increase of 5 per cent. We are to review future workforce requirements, in consultation with the dental profession.

### Primary Care Groups

21. **Mr. Truswell:** To ask the Secretary of State for Health how he will ensure GPs and other members of the primary health care team are fully involved in the development of primary care groups. [46622]

**Mr. Milburn:** Once Primary Care Groups have been developed, general practitioners and nurses will be in the driving seat as signalled in the White Paper.

We also expect GPs and others to have a say in the configuration of Primary Care Groups. Health authorities must provide evidence of support for the proposed configuration, and we are instructing the National Health Service Executive Regional Offices to ensure that health authorities explicitly provide evidence of the Local Medical Committee view on proposals.

**Miss McIntosh:** To ask the Secretary of State for Health what steps he has taken to protect general practitioners within the new primary care groups from losing their resources in the event of a hospital budget overspend. [47098]

**Mr. Milburn:** We will ensure that the level of investment in primary care infrastructure within health authorities' unified budgets will be maintained and uplifted for inflation.

At Primary Care Group level, through the mechanism of the new primary care investment plans, the level of resources available for staff and computer maintenance will be maintained at current spending levels, uplifted for inflation. Alongside this guarantee and the current statement of fees and allowances protection, a one-year period of notice for change on these items at practice level is to be established.

**Miss McIntosh:** To ask the Secretary of State for Health if he has taken into account the special needs of rural areas when setting the funding levels for the new primary care groups. [47099]

**Mr. Milburn:** There will be a national weighted capitation formula to set target fair shares for the new Primary Care Groups (PCGs). It will be for health authorities to determine how quickly individual PCGs are moved from their starting point to their fair share.

The health care needs of populations, both rural and urban, will be the driving force in determining where cash goes.

**Miss McIntosh:** To ask the Secretary of State for Health if he will make a statement on the ability of primary care groups to decide on treatment for a particular condition. [47097]

**Mr. Milburn:** The ability to offer patients the individual care they require has been and remains the cornerstone of general practice. Patients will continue to be guaranteed the drugs, investigations and treatments they need. The freedom to refer and prescribe remains unchanged.

**Miss McIntosh:** To ask the Secretary of State for Health if he will make a statement on the proposed new primary care groups of general practitioners. [47100]

**Mr. Milburn:** Primary Care Groups offer an historic opportunity for primary care professionals to be in the driving seat in shaping and improving health services locally.

### Community Health Councils

22. **Sir Sydney Chapman:** To ask the Secretary of State for Health if he will make a statement on the role and degree of independence of community health councils. [46623]

**Mr. Milburn:** Community health councils are independent statutory bodies whose role is to represent the interests of the public in their districts in health service matters.

**Mr. Etherington:** To ask the Secretary of State for Health how many representations since June 1997 he has received from *(a)* hon. Members, *(b)* community health councils, *(c)* health authorities and *(d)* hospital and ambulance trusts regarding the future role of community health councils; and if he will make a statement. [46521]

**Mr. Milburn:** We have received a number of letters from hon. Members and community health councils about the future role of community health councils.

**Mr. Etherington:** To ask the Secretary of State for Health (1) what plans he has to review and expand the role of community health councils; and if he will make a statement; [46526]

(2) what action he is taking to raise the profile of community health councils. [46524]

**Mr. Milburn:** No immediate changes to the role of community health councils are planned. It is for CHCs to decide how best to undertake and raise awareness of their activities.

### Acute Beds

23. **Mr. Love:** To ask the Secretary of State for Health what proposals he has to increase the number of acute beds in the NHS. [46624]

26. **Ms McCafferty:** To ask the Secretary of State for Health how many NHS beds are expected to be provided through the extra money made available to the NHS from the 1998 Budget. [46628]

**Mr. Boateng:** As a result of the extra £417 million we have made available for the National Health Service in England this year, an extra 2,000 acute beds and day case places are being opened to tackle waiting lists and the closure of a further 1,100 beds has been deferred.

31. **Mr. Dennis Turner:** To ask the Secretary of State for Health what was the change in the number of acute beds in the NHS between 1979 and 1997. [46633]

**Mr. Milburn:** There was an average of 148,725 beds available on acute wards in England in 1979, compared with 108,895 in 1996–97, a fall of 39,830.

### Hospital Waiting Lists (Essex)

25. **Mr. Amess:** To ask the Secretary of State for Health what recent representations he has received about hospital waiting lists in Southend and Essex. [46627]

**Mr. Milburn:** We have received a small number of representations about hospital waiting lists in Essex.

### NHS Beds (West Kent)

27. **Mr. Pond:** To ask the Secretary of State for Health how many extra NHS beds he estimates West Kent health authority will be able to purchase as a result of the 1998 Budget. [46629]

**Mr. Boateng:** West Kent Health Authority will open an extra 96 beds as part of a package of measures to tackle waiting lists funded from the additional £5.1 million it received as a result of the 1998 Budget.

### Strategic Health Review (Worcestershire)

28. **Mr. Michael J. Foster:** To ask the Secretary of State for Health when he is likely to announce his decision

regarding the strategic health review submitted by Worcestershire health authority; and if he will make a statement. [46630]

**Mr. Milburn:** We are aware of the decision taken by Worcestershire Health Authority to approve its preferred option for service reconfiguration, and that support for this option has been received from 2 of the 3 local Community Health Councils within Worcestershire.

As my hon. Friend will be aware, the Kidderminster and District Community Health Council has formally objected to the proposals. The submission to Ministers will be given careful consideration and a decision will be made in due course.

### Cancer Treatment

29. **Mr. Colman:** To ask the Secretary of State for Health what action he is taking to improve patient access to specialists in cancer treatment. [46631]

**Mr. Boateng:** We are committed to improving cancer services so that all patients have access to high quality, specialist and patient-centred services, wherever they may live. As a first step we made available an additional £10 million for breast cancer services to speed access to diagnosis and high quality services. We have also announced a further £10 million for improvements to colorectal cancer services. The White Paper, "The New NHS" guarantees that everyone with suspected cancer will be able to see a specialist within two weeks of their general practitioner deciding that they need to be seen urgently and requesting an appointment. This will be achieved by April 1999 for breast cancer, and for all cancers by 2000.

### Professional Conduct Standards

30. **Ann Clwyd:** To ask the Secretary of State for Health what steps he is taking to introduce professional conduct standards for all medical staff in the NHS. [46632]

**Mr. Milburn:** All medical staff in the National Health Service must comply with the existing professional standards set out in the General Medical Council's guidance "Good Medical Practice". The GMC has made it clear that if serious problems arise which call a doctor's registration into question, these are the standards against which such doctors will be judged.

Our White Paper "The New NHS" announced proposals to introduce a duty of clinical governance in the NHS. This will provide a framework of local accountability to ensure staff comply with their professional duties.

### Hospital and Maternity Provision (Cornwall)

32. **Mr. Matthew Taylor:** To ask the Secretary of State for Health if he will make a statement on hospital and maternity provision in Cornwall. [46634]

**Mr. Milburn:** The proposals for changes to health services in Cornwall put forward by Cornwall and Isles of Scilly Health Authority remain under consideration by my right hon. Friend, the Secretary of State. The decision will reflect the best interests of the people of Cornwall and will be announced when all the relevant factors and information have been properly scrutinised.

### Health Trusts (Ethnic Minority Appointees)

33. **Mr. Vaz:** To ask the Secretary of State for Health what plans he has to increase the number of ethnic minority appointees to health trusts. [46635]

**Mr. Milburn:** We are committed to improving the participation of people from ethnic minorities in public life. Since taking office, 9 per cent. of all the non-executive appointments made to National Health Service trust boards in England have been of people from an ethnic minority background, compared with only 5 per cent. before the General Election. Approximately 7 per cent. of trust board non-executive directors now come from ethnic minorities. The new goal for all National Health Service boards is to achieve at least 7 per cent. ethnic minority participation by September 2001.

### NHS Procurement

34. **Mr. Miller:** To ask the Secretary of State for Health what steps he is taking to improve efficiency in NHS procurement. [46636]

**Mr. Boateng:** We have set up a review of current procurement practice by National Health Service trusts in England. This will cover both procurement through the NHS Supplies Authority and that carried out directly by NHS trusts. The review has been asked to report by September 1998.

### NHS Medical Staff Vacancies

35. **Mr. Stunell:** To ask the Secretary of State for Health how many NHS medical staff vacancies there are at present. [46637]

**Mr. Milburn:** The number of National Health Service medical staff vacancies is not available centrally.

### Health Services (Birmingham)

37. **Dr. Lynne Jones:** To ask the Secretary of State for Health what discussions he has had with Birmingham health authority about health services in Birmingham. [46639]

**Mr. Milburn:** The conclusion to Birmingham Health Authority's recent public consultation on 2 March 1998 was an important stage in developing a long-term strategy on the future of health services in the Birmingham area. After careful analysis of the results, and consideration of the recommendations of Lord Hunt's Panel, Birmingham Health Authority will publish, in July, a strategic framework for health investment in the City.

Until the outcome is finalised, it would be premature to comment on Birmingham Health Authority's proposals.

### Hospitals (Clinical Performance)

38. **Dr. Iddon:** To ask the Secretary of State for Health what action he is taking to improve patients' access to information about local hospitals' clinical performance. [46640]

**Mr. Milburn:** I refer my hon. Friend to the reply given today to my hon. Friend the Member for Brighton, Kemptown (Dr. Turner) on 30 June 1998, *Official Report*, column 133.

### Tobacco Advertising

**Mr. White:** To ask the Secretary of State for Health what plans the Government have to ban tobacco advertisements aimed at young people. [46619]

**Ms Jowell:** Our forthcoming White Paper on Tobacco Control will set out our plans for implementing the European Community Directive to ban tobacco advertising and sponsorship, which was formally adopted by the Council on 22 June.

The Directive bans all forms of tobacco advertising aimed at young people.

### Drugs Budget

**Mrs. Ellman:** To ask the Secretary of State for Health what steps his Department takes to ensure the NHS receives value for money in relation to the purchase of drugs. [43029]

**Mr. Milburn:** The Department encourages clinicians to seek value for money in their use of medicines through various means, including publications, feedback on prescribing patterns, and visits from prescribing advisers. In addition, the Department seeks to secure fair prices for National Health Service medicines through the operation of the Pharmaceuticals Price Regulation Scheme and (for out of patent medicines) through encouraging price competition.

### Efficiency Gains

**Mr. Maude:** To ask the Secretary of State for Health what estimate his Department has made of efficiency gains achieved since 1 May 1997. [46436]

**Mr. Milburn:** Latest estimates for the National Health Service show that efficiency savings equal to £655 million were made in 1997/98. Targets have been set for further NHS efficiency savings equivalent to £750 million across the NHS in 1998/99.

In addition to this we are committed to a broader based approach to improving efficiency in the NHS. To that end we have:

- set targets to reduce NHS bureaucracy in England by £84 million in 1997/98 and by a further £73 million in 1998/99
- established an Efficiency Task Force to identify opportunities for process and systems changes in the NHS
- developed a revised performance assessment framework focused on improving both quality and efficiency.

### Trauma Patients

**Mr. Nigel Jones:** To ask the Secretary of State for Health how many specialists in trauma treatment there are in each health authority area. [46513]

**Mr. Milburn:** Competence to offer treatment for the psychological and psychiatric after-effects of trauma, like other psychological and psychotherapeutic interventions, is not restricted to one professional group. The Department does not keep data centrally about the number of staff qualified for such work.

### Bristol Royal Infirmary

**Mr. Harvey:** To ask the Secretary of State for Health if he will assess the advantages of extending his proposed inquiry into paediatric cardiac services at the Bristol Royal Infirmary to include adult cardiac surgery involving the same medical professionals. [46805]

**Mr. Milburn:** The public inquiry which my right hon. Friend the Secretary of State announced on 18 June 1998, *Official Report*, columns 529–39, will address primarily the questions arising from the delivery of paediatric cardiac surgery at the Bristol Royal Infirmary. However, the exact terms of reference will be announced later, and if necessary the inquiry will take account of any related issues involving adult cardiothoracic surgery.

**Dan Norris:** To ask the Secretary of State for Health when he will make an announcement about what form the Government inquiry into paediatric cardiac services at Bristol will take. [46972]

**Mr. Milburn:** I refer my hon. Friend to the statement my right hon. Friend, the Secretary of State made on 18 June 1998, *Official Report*, columns 529–39, in which he announced a public inquiry under the chairmanship of Professor Ian Kennedy.

### Dental Amalgam

**Mr. Gordon Prentice:** To ask the Secretary of State for Health what assessment he has made of research on the alleged link between leakage of mercury in amalgam fillings and multiple sclerosis. [46979]

**Mr. Milburn:** None. The Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment, in their recent review of the potential toxicity of dental amalgam, were aware of suggestions that neurological diseases such as multiple sclerosis may be associated with dental amalgam and also of the evidence against this hypothesis. They therefore did not consider it necessary to comment specifically on this matter.

### Waiting Lists

**Mr. Hammond:** To ask the Secretary of State for Health how many patients were awaiting an outpatient consultation in an NHS hospital at 1 May *(a)* 1997 and *(b)* 1998. [47134]

**Mr. Milburn:** Information is not collected centrally in the form requested.

**Mr. Flight:** To ask the Secretary of State for Health what data he has collated and what estimates he has made as to the numbers of people on NHS waiting lists who are aged over 65 years. [46626]

**Mr. Milburn:** Information on the age of people on National Health Service waiting lists is not collected centrally.

### ENT Services (Gloucestershire)

**Mr. Nigel Jones:** To ask the Secretary of State for Health if he will make a statement on the future of ear, nose and throat departments in Gloucestershire. [47294]

**Mr. Milburn:** Gloucestershire Health Authority will be considering proposals for the future of ear, nose and throat services in Gloucestershire at its meeting on 7 July 1998. Any proposals for service change will be subject to public consultation.

### Pharmacists

**Mrs. Lait:** To ask the Secretary of State for Health when he expects to agree remuneration with pharmacists for the current financial year. [47136]

**Mr. Milburn:** Discussions with the Pharmaceutical Services Negotiating Committee are continuing, and I hope that an agreement will be reached shortly.

### Diabetes Day

**Mr. Maclean:** To ask the Secretary of State for Health what initiatives his Department will take to promote U.N. International World Diabetes Day on 27 June. [47208]

**Ms Jowell:** The Department was not aware that such an event was planned for 27 June, in addition to the annual World Diabetes Day, which is co-sponsored by the World Health Organisation and the International Diabetes Federation and which takes place on 14 November each year. World Diabetes Day is a reminder of the importance and seriousness of this condition worldwide, and of the need to continue to strive to improve the care of people with diabetes and their quality of life. We recognise that need, and are pledged to work in partnership with the National Health Service, health professionals, the British Diabetic Association and all those with an interest to secure these improvements.

### Registered Homes Act 1984

**Mrs. Lait:** To ask the Secretary of State for Health what plans he has to review Part 2 of the Registered Homes Act 1984. [48011]

**Mr. Boateng:** We are committed to creating effective independent regulatory arrangements for residential and nursing homes which are tough, transparent and accountable. We are reviewing the options for change, including the provisions of the Registered Homes Act 1984, and will set out our proposals in the White Paper on Social Services to be published later this year.

### NHS Funding

**Mr. Malcolm Bruce:** To ask the Secretary of State for Health what is his latest estimate of the real increase in National Health Service funding between 1997–98 and 1998–99; and if he will make a statement. [48220]

**Mr. Milburn:** Planned Government expenditure on the National Health Service in 1998–99 is 2.3 per cent. higher in real terms than the forecast outturn expenditure in 1997–98.

### Government Policies

**Mr. Fabricant:** To ask the Secretary of State for Health if he will list the projects undertaken by his Department since 1 May 1997 to research public reaction to *(a)* Government policies and *(b)* potential new policies; and if he will place the results of the research in the Library. [46677]

**Ms Jowell:** The Department's press and publicity division has undertaken the following research projects since 1 May 1997. Only those reports containing commercially sensitive materials and agencies' creative concepts are not made available under the terms of the *Code of Practice on Access to Government Information*. Copies of the research will be placed in the Library as indicated.

| *Project* | *Purpose of research* | *Placed in Library?* |
|---|---|---|
| NHS White Paper research | Potential new policy-advice on public attitudes towards the NHS to allow the identification of the areas of greatest importance | This will be placed in the Library in due course |
| Nursing careers—CREM Report | Government policy—publicity campaign development | This will be placed in the Library |
| Nursing campaign | Government policy—creative development | No. Commercially confidential |
| Prescription charges, exemption and fraud | Potential new policy—publicity campaign development | Not yet available but it will be placed in the Library in due course |

### Correspondence

**Mr. McLoughlin:** To ask the Secretary of State for Health when he will reply to the hon. Member for West Derbyshire's letter of 18 March 1998 on behalf of his constituent, Mr. Paterson, of the Matlock Dental Practice. [48216]

**Mr. Milburn:** The matter is being investigated by officials and I will respond to the hon. Member once it has been resolved.

### Pharmacies

**Mr. McWalter:** To ask the Secretary of State for Health how many pharmacies are currently supported by the essential small pharmacy scheme. [48221]

**Mr. Milburn:** At 30 September 1997, 251 pharmacies in England were receiving payments from the essential small pharmacies scheme.

**Mr. McWalter:** To ask the Secretary of State for Health how many community pharmacies he estimates will close if resale price maintenance on over the counter medicines is discontinued; and what assessment he has made of the effect of such closures on the progress of *(a)* primary care groups and *(b)* health action zones. [48218]

**Mr. Milburn:** I have made no such estimate.

### Junior Doctors

**Mr. Laurence Robertson:** To ask the Secretary of State for Health what are the recommended working hours per week of junior doctors. [47749]

**Mr. Milburn:** The working hours of junior doctors are limited by the New Deal on junior doctors' hours, introduced in June 1991. Overall contracted hours of duty should not exceed 72 hours a week on-call, and for partial shifts and full shift working the maxima are 64 hours and 56 hours a week respectively. Regardless of working pattern, no doctor should actually be working more than 56 hours a week on average within those contracted duty hours.

### Nursing Homes

**Mr. Laurence Robertson:** To ask the Secretary of State for Health what plans he has to make the National Health Service responsible for running and financing nursing homes. [47752]

**Mr. Boateng:** None. Where a patient meets eligibility criteria for continuing National Health Service in-patient care, the NHS is responsible for arranging and funding such care, either by providing it in a NHS hospital or purchasing it from a nursing home. We have no plans to take privately-owned nursing homes into public ownership.

## TREASURY

### Registration (Births, Deaths and Marriages)

**Mr. Laurence Robertson:** To ask the Chancellor of the Exchequer what plans he has to reform the system for recording births, deaths and marriages; if he will examine the system of, and cost of, access to these records; and if he will make a statement. [47754]

**Mrs. Liddell:** The Government have no plans to reform the system for the collection of information for the registration of births, deaths and marriages.

The Registration Acts are quite specific on the recording of information and access to records of births, deaths and marriages. The Registrar General has no powers to make available or disclose registration information in any other way.

It has long been recognised that this is unnecessarily restrictive. The 1990 White Paper "Registration: proposals for change" (Cm 939) made recommendations for fundamental reform of the system for the registration of births, deaths and marriage including access to records. No Bill has been introduced to give effect to these reforms. The Registrar General has been asked to reconsider the proposals relating to access to registration records, and an options paper will be presented to Ministers.

### Parliamentary Questions

**Mr. Vaz:** To ask the Chancellor of the Exchequer when he expects to reply to the question from the hon. Member for Leicester East of 20 May relating to the Bingham report (43079). [48254]

**Mr. Darling:** I hope to do so shortly.

### Tax Liability

**Mr. Winnick:** To ask the Chancellor of the Exchequer when the arrangement for reducing tax liability by forming a company only for this purpose was first permitted. [46664]

**Dawn Primarolo** *[holding answer 19 June 1998]:* There has never been a bar on an individual forming a company to reduce their liability to tax. However, incorporation does impose various obligations.

**Mr. Winnick:** To ask the Chancellor of the Exchequer (1) if he will estimate the sum which the Treasury would receive if those who minimise their tax liability by forming a company only for this purpose were no longer able to do so; [46666]

(2) if he will estimate the number of those who minimise their tax liability by forming a company only for this purpose. [46667]

**Dawn Primarolo** *[holding answer 19 June 1998]:* Companies are formed for many different reasons and it is not possible to identify from tax records those where the only reason is the intention to minimise tax liability.

### Economic and Fiscal Strategy Report

**Mr. Heathcoat-Amory:** To ask the Chancellor of the Exchequer if he will reproduce table 3A.1 in the Economic and Fiscal Strategy report for each of the years 1991–92 to 1997–98. [46854]

**Mr. Darling** *[holding answer 22 June 1998]:* Annexe 3A of the Economic and Fiscal Strategy Report contained an illustrative presentation of the spending plans for 1998–99, restated in terms of the main elements of the new system. Outturn data in this format for the past few years will be included alongside plans for the three years to 2001–02 when the conclusions of the Comprehensive Spending review are published next month.

### Working Families Tax Credit

**Mr. Webb:** To ask the Chancellor of the Exchequer what would be the cost to the Exchequer of introducing a flat rate mortgage interest credit of *(a)* £20 per week, *(b)* £30 per week and *(c)* £40 per week into the working families tax credit for people with mortgages. [46955]

**Dawn Primarolo** *[holding answer 22 June 1998]:* The information requested is given in the table:

*£ million*

| *Mortgage interest credit* | *Net cost* |
|---|---|
| £20 | 680 |
| £30 | 1,100 |
| £40 | 1,580 |

*Notes:*

1. Figures include Council Tax Benefit savings of £10 million/£15 million/£15 million arising from the £20/£30/£40 mortgage interest credits respectively
2. Costs rounded to nearest £10 million
3. Figures for Great Britain, based on 1998–99 levels of earnings and benefit rates
4. Costings assume all measures from March 1998 Budget are in place (including those taking effect in 1999–2000)

**Mr. Webb:** To ask the Chancellor of the Exchequer what would be the gross cost to the Exchequer of introducing a flat rate housing credit of *(a)* £20 per week, *(b)* £30 per week and *(c)* £40 per week into the working families tax credit for people in rented accommodation; and what would be the cost net of savings in housing benefit if the corresponding amount was removed from the eligible rent of all housing benefit claimants. [46954]

**Dawn Primarolo** *[holding answer 22 June 1998]:* The information requested is given in the table. The first row gives the increase in WFTC cost from introducing a rented housing credit; the second row shows the net effect including reduced Housing Benefit and Council Tax Benefit owing to the increased WFTC. The third row shows the net effect if the eligible rent in Housing Benefit is reduced by the amount of the rented housing credit.

*£ million*

| *Costs* | *£20 rented housing credit* | *£30 rented housing credit* | *£40 rented housing credit* |
|---|---|---|---|
| Gross WFTC costs | 600 | 930 | 1,280 |
| Costs net of HB/CTB | 450 | 720 | 1,030 |
| Costs net of HB/CTB: eligible rent reduced by amount of rented housing credit | 330 | 610 | 93 |

*Notes:*
1. Costs rounded to nearest £10 million
2. Eligible rent has only been reduced for Housing benefit recipients on WFTC
3. Figures for Great Britain, based on 1998–99 levels of earnings and benefit rates
4. Costings assume all measures from March 1998 Budget are in place (including those taking effect in 1999–2000)

### Casino Industry

**Mr. Brooke:** To ask the Chancellor of the Exchequer, pursuant to the oral statement of the Financial Secretary to the Treasury of 28 April 1998, *Official Report*, column 234, what factors led her to conclude that the casino industry is undertaxed compared with most other betting and gaming sectors. [47820]

**Dawn Primarolo** *[holding answer 29 June 1998]:* In reaching these conclusions, I took into account a number of factors. These included the effective rate of taxation on net consumer spend (effectively the house winnings) compared to other sectors of the betting and gaming industry, levels of profitability, turnover and the capacity of the industry to bear a higher burden of taxation.

### Public Registers

**Mr. Cohen:** To ask the Chancellor of the Exchequer if he will list the public registers which his Department has responsibility for. [47366]

**Mrs. Liddell** *[holding answer 29 June 1998]:* The Treasury has no responsibility for maintaining public registers.

### Individual Savings Account

**Mr. Cousins:** To ask the Chancellor of the Exchequer if he will list the participants, and the organisations they represented, at Treasury seminars on individual savings accounts. [47729]

**Mrs. Liddell** *[holding answer 29 June 1998]:* The Treasury has held two seminars in London and one in Edinburgh as part of the process of consultation on the proposals for setting voluntary standards for individual savings accounts set out in the Treasury consultation document "Making Saving Easy".

The seminars included speakers from Britannic Assurance, Direct Line, the Financial Services Authority, M&G, Midland Bank, Nationwide Building Society, Pearl Assurance, Tillinghast Towers Perrin and Virgin Direct.

The seminars were attended by some 240 representatives of a range of organisation including consumer organisations, financial institutions and their trade associations, law firms, the press and regulators. Officials from HM Treasury and the Inland Revenue were also present.

### VAT (Empty Properties)

**Mr. Shaw:** To ask the Chancellor of the Exchequer how much revenue he estimates would be lost if VAT were reduced to 5 per cent. on properties empty for one year or more. [47808]

**Dawn Primarolo:** The information is not available.

### Gender Impact Assessments

**Jackie Ballard:** To ask the Chancellor of the Exchequer if he will place in the Library copies of gender impact assessments which have been undertaken in respect of legislation introduced in this Parliament; if he will make it his policy to do so in respect of future legislation; and if he will make a statement. [47027]

**Mrs. Liddell:** I refer the hon. Member to the answer the Parliamentary Under-Secretary of State for Women gave her on 24 June 1998, *Official Report*, column *557*.

### Retirement Benefit Schemes

**Ms Stuart:** To ask the Chancellor of the Exchequer what assessment he has made of the extent to which funded unapproved retirement benefit schemes are used *(a)* to avoid the payment of national insurance contributions and *(b)* to obtain a reduction in a company's council tax charges. [46952]

**Dawn Primarolo:** Since April this year the Contributions Agency has been enforcing liability for National Insurance contributions on all employers' payments into funded unapproved retirement benefit schemes in a way that matches the Inland Revenue's income tax regime. This alignment of the tax and National Insurance rules is a further example of the Government's determination to make the two systems fairer and easier to administer. Changes to the National Insurance regulations

giving additional clarification are expected to be made shortly. Funded unapproved retirement benefit schemes cannot be used as a means of avoiding council tax charges.

### Trusts (Compliance Strategy)

**Ms Stuart:** To ask the Chancellor of the Exchequer what plans the Inland Revenue has to prepare a compliance strategy for trusts. [46951]

**Dawn Primarolo:** The Inland Revenue already undertakes compliance work on trusts as part of the existing Departmental compliance strategy.

### Bank Notes

**Mr. Gordon Prentice:** To ask the Chancellor of the Exchequer if he will conduct research into *(a)* the cost of manufacturing a plastic banknote and *(b)* its lifespan in comparison with a paper note; and what plans he has to introduce plastic currency. [47199]

**Mrs. Liddell:** The Bank of England, which is responsible for issuing banknotes, has an active research and development programme which considers all aspects of a variety of substrates ranging from the current high quality cotton based paper to the polymer substrate (plastic). There is no clear information available on the cost of manufacturing polymer banknotes although this will depend on a number of factors including the number of banknotes printed and their actual lifespan.

There are no plans to introduce a polymer banknote in the short term.

### Financial Services Authority

**Mr. Caplin:** To ask the Chancellor of the Exchequer when he expects the annual report of the Financial Services Authority to be published. [48316]

**Mrs. Liddell:** A copy of the Board's report, made in accordance with Section 117 of the Financial Services Act 1986, was laid before Parliament today. The report covers the period 1 April 1997 to 31 March 1998. Copies are available in the Library of the House.

### Engineers

**Dr. Starkey:** To ask the Chancellor of the Exchequer how many *(a)* male and *(b)* female engineers there are in the United Kingdom; and how many in each case are qualified as (i) chartered engineer, (ii) incorporated engineer and (iii) engineering technician. [47511]

**Mrs. Liddell:** The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to reply.

*Letter from Tim Holt to Dr. Phyllis Starkey, dated 30 June 1998:*

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question about engineers by professional status and gender.

The Labour Force Survey (LFS) is the ONS's major up to date source of data on numbers of people in various occupations. The Standard Occupational Classification is used in the LFS and respondents are assigned to categories largely on the basis of the job title and a description of the job provided by the respondent. There is no specific separate question asking for membership (or grade of membership) of professional bodies. Consequently, the LFS cannot be used to provide estimates which are consistent with the qualification categories which you have specified.

The attached table shows estimates of the numbers of men and women in the Engineers and Technologists minor group of the Professional Occupations major group and in the Engineering technician and Building and Civil Engineering technician unit groups which are classified under the Associate Professional & Technical Occupations major group.

*Employment in engineering professional and technical occupations United Kingdom, winter 1997–98, not seasonally adjusted*

*000s*

| | *All* | *Men* | *Women* |
|---|---|---|---|
| Engineers and technologists[1] | 580 | [3]554 | 26 |
| Engineering/Civil engineering etc. technicians[2] | 58 | 56 | [3]— |
| Total | 638 | 609 | 29 |

[1] Standard Occupational Classification (SOC) minor group 21
[2] SOC Unit Groups 301 and 304
[3] Sample size too small for reliable estimate
*Source:*
ONS, Labour Force Survey

# Written Answers to Questions

*Wednesday 1 July 1998*

## TREASURY

### Correspondence

**Mr. McLoughlin:** To ask the Chancellor of the Exchequer when he will reply to the letter from the hon. Member for West Derbyshire of 10 March about his constituent, Mr. Eric Pugh, on the subject of tax relief on resuscitation training materials. [48214]

**Dawn Primarolo:** I have been considering this matter carefully and expect to be able to write to the hon. Member in a few days' time.

### Individual Savings Account

**Mr. Loughton:** To ask the Chancellor of the Exchequer what research he has commissioned to determine whether the new individual savings account will achieve its objective of encouraging more people to save. [47083]

**Mr. Geoffrey Robinson** *[holding answer 23 June 1998]:* As stated in the answer I gave to the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) on 19 May 1998, *Official Report*, column *304*, information was obtained from three surveys from the March Budget. Details of the survey specifications and a summary of the main findings have been placed in the Library.

Since the Budget, the Inland Revenue has taken part in a syndicate to commission research from NOP, which included questions about the public's awareness of, and initial reactions to, aspects of the ISA proposals. The results of this research cannot be published for contractual reasons.

**Mr. Gibb:** To ask the Chancellor of the Exchequer if he will list those circumstances in which a lower rate or basic rate taxpayer would benefit from holding equity shares through an individual savings account after 2004. [45997]

**Mr. Geoffrey Robinson** *[holding answer 15 June 1998]:* The Individual Savings Account offers savers the certainty that they will be able to save completely free of all tax, including capital gains tax, for at least ten years, irrespective of any change in their circumstances.

### Sustainable Development and Environmental Protection

**Mr. Baker:** To ask the Chancellor of the Exchequer in what ways the Comprehensive Spending Review has taken account of sustainable development and environmental protection issues. [47776]

**Mr. Darling** *[holding answer 29 June 1998]:* Under the Greening Government initiative, we are committed to taking proper account of environmental considerations across all areas of policy making. The Comprehensive Spending Review's findings will be reported before the Summer Recess.

### Foreign Earnings Deduction

**Mr. Cousins:** To ask the Chancellor of the Exchequer what estimate he has made of the number of North East resident employees currently with foreign earnings who will be affected by the withdrawal of the foreign earnings deduction. [47600]

**Dawn Primarolo** *[holding answer 29 June 1998]:* I regret that the information requested is not available.

**Mr. Cousins:** To ask the Chancellor of the Exchequer (1) if he will estimate the number of employees currently receiving the foreign earnings deduction, the ranges of their foreign income, and the revenue benefit estimated in a full financial year from the withdrawal of foreign earnings deductions for employees; [47599]

(2) what is the total estimated revenue benefit in a full financial year of the withdrawal of the foreign earnings deductions. [47601]

**Dawn Primarolo** *[holding answer 29 June 1998]:* In 1996–97, the last year for which data are available, about 35,000 employees received the foreign earnings deduction. Of this total, about 15,000 seafarers will be unaffected by the changes. Reliable estimates by the range of foreign earnings are not available. Abolition of the foreign earnings deduction for all employees except seafarers will yield about £250 million in a full year.

### Taxation (Tourism)

**Mr. Fearn:** To ask the Chancellor of the Exchequer what research his Department has *(a)* commissioned and *(b)* evaluated on the impact of levels of taxation on tourism products and services, on tourism levels. [47696]

**Dawn Primarolo:** I have recently received a comprehensive report from the British Tourist Authority regarding the impact of VAT on the UK tourist industry. This is currently being analysed by Customs.

### Financial Services Ombudsmen

**Mr. Healey:** To ask the Chancellor of the Exchequer what representations he has received, and from whom, on incorporation of the functions of the Building Society Ombudsman into the proposed new single Ombudsman scheme within the proposed Financial Services Authority. [48067]

**Mrs. Liddell:** A number of representations have been received about the scope of the new single ombudsman scheme from ombudsman schemes, consumer groups, trade bodies and individuals.

**Mr. Healey:** To ask the Chancellor of the Exchequer what representations he has received on extending the remit of the Building Society Ombudsman to allow him to deal with the complaints he receives connected to building society conversions. [48065]

**Mrs. Liddell:** I have received a number of suggestions that the scheme be extended in this area, although the Ombudsman can already consider cases where a member of a converting society misses out on a share allocation or payment because of alleged mishandling of an account.

**Mr. Healey:** To ask the Chancellor of the Exchequer if he will list the members of the Steering Group to set up the proposed new single Ombudsman scheme separately identifying its specialist advisers. [48068]

**Mrs. Liddell:** The Steering Group has been set up by the Financial Services Authority to advise it on the formation of the new scheme. I understand that its members are: Laurie Slade (Chairman), Peter Dean (Investment Ombudsman), Tony Holland (Personal Investment Authority Ombudsman), Walter Merricks (Insurance Ombudsman), Brian Murphy (Building Societies Ombudsman), David Thomas (Banking Ombudsman), Nick Walker (Financial Services Authority Head of Complaints Oversight and Policy), and Clare Boyle (Financial Services Authority Complaints Oversight and Policy Department). This committee is not a matter for Government.

**Mr. Healey:** To ask the Chancellor of the Exchequer when he last reviewed the operation of the Office of the Building Society Ombudsman and the extent of his remit. [48066]

**Mrs. Liddell:** The Office of the Building Society Ombudsman is a private body, recognised by the Building Societies Commission as complying with the requirements of a compensation scheme set out in the Building Societies Act 1986. Its remit was widened by the Building Societies Act 1997.

## Duty Free

**Mr. Gordon Prentice:** To ask the Chancellor of the Exchequer when he expects to have in place the new tax and duty regime which will follow the abolition of duty-free; and if he will make a statement. [47980]

**Dawn Primarolo:** In accordance with Community Legislation, duty and tax free sales to intra-EU travellers will cease on 30 June 1999. The details for the successor regime are under discussion at official expert level in the EU Excise Committee. Once agreement is reached, any required changes to UK legislation will be implemented.

## Low Pay

**Mr. Woolas:** To ask the Chancellor of the Exchequer if he will estimate how many people in the constituency of Oldham, East and Saddleworth earn less than the proposed national minimum wage, broken down by *(a)* gender, *(b)* age, *(c)* full or part-time employment and *(d)* ethnic origin. [48187]

**Mrs. Liddell:** The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to reply.

*Letter from Tim Holt to Mr. Phil Woolas, dated 1 July 1998:*

As the Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on earnings in the constituency of Oldham East and Saddleworth.

The national minimum wage will become effective in April 1999 and has been set at £3.60 for employees aged over 21 and £3.00 for those aged 18 to 21, although there are a number of qualifications to this general observation.

The Low Pay Commission, in arriving at their recommendations, had to adjust 1999 pay rates to 1997 values. Their methodology produces £2.80 and £3.40 as the 1997 values of the government's preferred rates and I have provided supplementary data for these levels.

The New Earnings Survey (NES) does not collect information on the ethnic origin of employees, therefore figures for this element of the question cannot be given. I cannot provide data for those aged 18–21 years who would earn below the proposed minimum wage since there were only 7 individuals in the NES sample for Oldham East and Saddleworth. Also, reliable estimates by gender of full-time/part-time status for those employees aged over 21 years cannot be provided, because the associated statistical standard errors are too high.

The overall percentage of employees aged over 21 years in Oldham East and Saddleworth earning under £3.40 per hour excluding overtime and shift payments at April 1997 was 4.4 per cent. Similarly, 5.9 per cent. of employees aged over 21 earned below £3.60 per hour excluding overtime and shift payments at April 1997.

The NES is based on a one percent sample of employees in the PAYE system and is therefore likely to under-represent relatively low paid staff earning below the tax threshold and in particular those who work part-time.

The extent of this bias may be estimated for the North West by using data from the NES augmented by data from the Labour Force Survey (LFS). This suggests that the estimate of the overall proportion of employees aged over 21 years earning below £3.60 could understate the true position by as much as 3 percentage points. However, it is unlikely that the occurrence of lower paid jobs is uniform across the region, and so it would be wise to treat this figure as broadly indicative rather than a precise estimate.

## National Minimum Wage

**Ms Julie Morgan:** To ask the Chancellor of the Exchequer how many women in Wales he estimates will benefit from the national minimum wage. [47846]

**Mrs. Liddell** *[holding answer 29 June 1998]:* The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to reply.

*Letter from Tim Holt to Ms Julie Morgan, dated 1 July 1998:*

As the Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on the effect of the national minimum wage in Wales.

The national minimum wage will become effective in April 1999 and has been set at £3.60 for employees aged over 21 and £3.00 for those aged 18 to 21, although there are a number of qualifications to this general observation.

The Low Pay Commission, in arriving at their recommendations, had to adjust 1999 pay rates to 1997 values. Their methodology produces £2.80 and £3.40 as the 1997 values of the government's preferred rates and I have provided supplementary data for these levels.

The attached table presents adjusted New Earnings Survey (NES) and Labour Force Survey (LFS) data for the number of women aged over 212 years in Wales earning less than £3.40 and £3.60. These estimates are based on the preferred method for assessing the coverage of the proposed national minimum wage. This method reflects the fact that the NES is based on a one percent sample of employees in the PAYE system and is therefore likely to under-represent relatively low paid staff, earning below the tax-threshold, and in particular those who work part-time. The extent of this bias may be estimated for Wales by using data from the NES augmented by data from the LFS.

There are too few women in our sample for us to use this preferred method for those aged 18 to 21 in Wales, so we have provided information solely from the NES. At the UK level adjusted

NES and LFS data show that the NES understates the percentage of 18 to 21 year olds earning less than £3.00 by around 6 per cent. This gives an indication of the likely degree of bias in the NES estimate.

*Adjusted New Earnings Survey and Labour Force Survey estimates—Wales—Spring 1997*

| | *Number (thousand)* | *Percentage* |
|---|---|---|
| Women aged over 21 years earning less than: | | |
| £3.40 | 82–98 | 17.3–20.8 |
| £3.60 | 101–119 | 21.5–25.2 |

*New Earnings Survey—April 1997—Wales*[1]

| *Percentage of employees with hourly earnings excluding overtime and shift payments less than* | *£2.80* | *£3.00* |
|---|---|---|
| Employees aged 18–21 on all rates of pay | | |
| All women | 7.1 | 9.5 |

[1] Employees whose pay for the survey pay-period was unaffected by absence

## PRIME MINISTER

### Chief Surveillance Commissioner

**Mr. Corbett:** To ask the Prime Minister if he will make an announcement about arrangements made to appoint the Chief Surveillance Commissioner under Part III of the Police Act 1997. [48812]

**The Prime Minister:** In accordance with section 91 of the Police Act 1997 I have decided to appoint Sir Andrew Leggatt as Chief Surveillance Commissioner for a period of 3 years.

I attach considerable importance to this appointment and to the implementation of the intrusive surveillance provisions, which form a key component of the Government's response to organised and serious crime. It is important that we ensure that the police and Customs have access to these operationally important techniques, but we must ensure that adequate procedures and protections are in place. I am delighted that Sir Andrew has accepted this appointment. I have no doubt that his skills and experience will prove invaluable.

The Chief Surveillance Commissioner will be responsible for keeping under review the authorisation of police and Customs intrusive surveillance operations under Part III of the Police Act 1997. Sir Andrew will be the first Chief Surveillance Commissioner appointed under these provisions, and will assist the establishment and development of the intrusive surveillance authorisation processes required under the Police Act 1997. His appointment is a key component of the work under way to implement the intrusive surveillance provisions, a process which should be completed later this year. The responsibilities of the Chief Commissioner will include:

- Overseeing and reviewing the authorisation system and the work of Commissioners to be appointed under the Act;
- Considering appeals by authorising officers and members of the public against decisions of the Commissioners;
- Making an annual report to the Prime Minister and reporting to the Prime Minister at any time regarding the performance of functions under the Act.

### Parliamentary Questions

**Mr. Butterfill:** To ask the Prime Minister when he will answer the question from the hon. Member for Bournemouth, West for answer on 9 June regarding reports to 10 Downing Street (44556). [48019]

**The Prime Minister:** I refer the hon. Member to the reply I gave to him on 25 June 1998, *Official Report*, column 596.

### Engagements

**Sir Peter Tapsell:** To ask the Prime Minister if he will list his official engagements for Wednesday 1 July. [47849]

**The Prime Minister:** This morning I had meetings with Ministerial colleagues and others and will have further such meetings later today.

## HOME DEPARTMENT

### Immigration and Nationality Directorate

**Mr. Stephen Twigg:** To ask the Secretary of State for the Home Department if he has received the annual report for 1997 of the Complaints Audit Committee of the Immigration and Nationality Directorate; and if he will make a statement. [41217]

**Mr. Straw:** A copy of the report has been placed in the Library. It is a wide-ranging and informative document and I am grateful to the Committee for its comments and its recommendation. The Committee's comments about asylum interviewing are being brought to the attention of staff and interview training will be reviewed in the light of the recommendation.

### Prisons (Illegal Drugs)

**Sir Norman Fowler:** To ask the Secretary of State for the Home Department (1) what assessment he has made of the advantages of introducing drug detecting devices into prisons in accordance with the proposal of the Chief Inspector of Prisons in his recent annual report; and if he will make a statement; [48175]

(2) what assessment he has made of the advantages of using dogs in prisons to detect illegal drugs in accordance with the proposal of the Chief Inspector of Prisons in his recent annual report; and if he will make a statement. [48174]

**Ms Quin** *[holding answer 30 June 1998]:* Her Majesty's Chief Inspector of Prisons, Sir David Ramsbotham, recommends that every prison is provided with a passive drug detector dog to screen visitors and to patrol landings. The Prison Service believes that use of drug dogs is helpful in detecting drugs and deterring some prisoners and their visitors from using or smuggling them. So far the Prison Service has about 30 passive detector dogs, capable of screening visitors, and this number is increasing rapidly. The Prison Service is considering options for providing wider cover. The same dogs could not be used to screen cells from the outside at night, as Sir David suggests. However, about half of prisons have active drug dogs trained to detect drugs during a cell search, and such dogs are available to all other prisons from a central pool.

The Prison Service has a continuing programme of research into contraband detection technology. A field trial of two pieces of trace detection equipment is now being evaluated by the Police Scientific Development Branch on behalf of the Prison Service.

**Sir Norman Fowler:** To ask the Secretary of State for the Home Department if, in the new trials announced by his Department for providing disinfecting tablets for prisoners who inject drugs, inmates will be allowed to remain anonymous; and if he will make a statement. [48168]

**Mr. George Howarth** *[holding answer 30 June 1998]:* The trials are being planned so that prisoners may obtain disinfecting tablets under conditions of anonymity. The prison governors of the 11 establishments involved are being asked to put in place arrangements so that disinfecting tablets are easily available and that those prisoners who use them are not targeted as injecting drugs users.

The arrangements for ensuring anonymity may have to vary from prison to prison to take account of security requirements, regime and physical layout. This is one aspect of the trials which will be closely examined by the London School of Hygiene and Tropical Medicine, who will independently evaluate the scheme.

### Probation Officers

**Mr. Beith:** To ask the Secretary of State for the Home Department how many full-time probation officers were in post *(a)* during 1994 and *(b)* for the latest date for which figures are available. [47829]

**Ms Quin:** At the end of 1994, there were 7,359 probation officers of all grades in full-time employment. This figure appears in table 8.5 of Probation Statistics England and Wales 1996, a copy of which is in the Library. The equivalent figure for the end of 1997, the most recent date for which figures are available, is 6,653.

**Mr. Beith:** To ask the Secretary of State for the Home Department how many full-time probation officers are expected to be in post during the financial years 1999–2000 and 2000–01. [47827]

**Ms Quin:** After my right hon. Friend has announced how much specific current grant is available to each of the 54 probation services in England and Wales in future financial years, it will be for the responsible probation committees to determine staffing levels within their services.

### Juveniles (Police Custody)

**Mr. Clappison:** To ask the Secretary of State for the Home Department what assessment he has made of the impact of the implementation of the provisions of the Crime and Disorder Bill [*Lords*] on the number of juveniles held in police custody. [47580]

**Mr. Michael:** The Crime and Disorder Bill [*Lords*] does not affect the relevant powers of the police in respect of juveniles or adults. A person is defined as being in police detention by section 118 of the Police and Criminal Evidence Act 1984, as subsequently amended. This section states that a person is in police detention if

" . . . he has been taken to a police station after being arrested for an offence . . . ; or, . . . he is arrested at a police station after attending voluntarily . . . ".

The Bill introduces a range of measures which will have an impact across the whole spectrum of juvenile justice issues. These measures are designed to speed up the justice process, and encourage multi-agency co-operation in the youth offending teams. As a result, juvenile justice will undergo radical reform intended to cut reoffending. The key youth justice changes will be piloted and the impact of these changes assessed through evaluation of the pilot project, but there is no basis for estimating the effect on the way the police use their powers of detention.

### Road Policing

**Mr. Kidney:** To ask the Secretary of State for the Home Department what assessment he has made of the relative effectiveness of the different ways police resources are spent on road policing in England and Wales. [48154]

**Mr. Michael:** Her Majesty's Inspectorate of Constabulary is conducting a thematic inspection of the policing of road users and traffic. It will include an analysis of the key issues and identify good practice. The report on the inspection will be published later this year.

Our Police Research Group has published a study, "Cost Benefit Analysis of Traffic Light and Speed Cameras", which shows the effectiveness and efficiency of those technologies.

We are working closely with colleagues at the Department of the Environment, Transport and the Regions and with the Association of Chief Police Officers on ways to improve road policing and action to tackle vehicle crime.

## ENVIRONMENT, TRANSPORT AND THE REGIONS

### Sustainable Development

**Mr. Bennett:** To ask the Secretary of State for the Environment, Transport and the Regions what proposals the United Kingdom Government have to prepare for a world-wide conference 10 years after the Rio Conference to discuss progress on sustainability. [47989]

**Mr. Meacher:** The United Kingdom's priority is to ensure that the agreements reached at Rio and thereafter are fully and effectively implemented. At the United Nations General Assembly Special Session in 1997, which reviewed progress on implementing Agenda 21 since Rio, all parties committed themselves to ensuring that the next review in 2002 demonstrates greater measurable progress in achieving sustainable development. The United Kingdom strongly endorsed this approach. In working towards the review we will promote sustainable development in our bilateral negotiations and in multilateral forums, working closely with all interested parties.

### United Nations Environment Programme

**Mr. Bennett:** To ask the Secretary of State for the Environment, Transport and the Regions what discussions the United Kingdom Government have had about improving co-ordination in respect of the United Nations Environment Programme and *(a)* the Montreal Protocol,

*(b)* the Basel Agreement, *(c)* the Kyoto climate change negotiations, *(d)* CITES and *(e)* other individual environmental agreements. [48030]

**Mr. Meacher:** A tendency towards fragmentation has reduced the effectiveness of some environmental agreements. The Government believe this should be addressed. The Executive Director of the United Nations Environment Programme, Mr. Klaus Toepfer, has been mandated to bring forward proposals on improving co-ordination between the environmental conventions to the Twentieth Governing Council next February. The United Kingdom, acting as the Presidency of the European Union, was instrumental in negotiating agreement to this mandate at the Fifth Special Session of the Governing Council on 20–22 May. I also expect the report of the United Nations Task Force on Environment and Human Settlements, chaired by Klaus Toepfer, to make recommendations on this area.

### Public Participation Convention

**Mr. Bennett:** To ask the Secretary of State for the Environment, Transport and the Regions how and when he expects the Convention on Public Participation, Access to Information and Access to Justice agreed at the Aarhus Environmental Conference to be incorporated into United Kingdom law. [47990]

**Mr. Meacher:** I refer my hon. Friend to the reply I gave to the hon. Member for Lewes (Mr. Baker) on 29 June 1998, *Official Report*, column *89*.

### Solvents (Trichlorotrifluroethane)

**Mr. Cotter:** To ask the Secretary of State for the Environment, Transport and the Regions what risk assessments have been carried out into the inhalation of trichlorotrifluroethane vapours; and how many accidents involving this chemical have been reported to her Department in each of the last three years. [48007]

**Angela Eagle:** Trichlorotrifluroethane was reviewed in 1990 by the International Programme on Chemical Safety of the World Health Organisation. This covered hazard identification and qualitative risk assessment of the chemical for the general population, workers and the environment. The Health and Safety Executive (HSE) is also aware of reviews of trichlorotrifluroethane by the German MAK Commission and the USA American Conference of Industrial Governmental Hygienists.

Occupational exposure to trichlorotrifluroethane is controlled under the Control of Substances Hazardous to Health Regulations 1994. There are occupational exposure standards for this solvent of 1000 ppm (8-hour Time Weighted Average) and 1250 ppm Short Term Exposure Limit (15-minute reference period).

In the period 1 April 1995 to 31 March 1998 there were no cases of injury caused by trichlorotrifluroethane reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.

### Planning Inquiries

**Mr. Dismore:** To ask the Secretary of State for the Environment, Transport and the Regions what advice his Department gives to those appearing at lengthy planning inquiries, concerning their liability for costs in the event of the inquiry not proceeding as planned. [47985]

**Mr. Caborn:** No specific advice is given by the Department or the Planning Inspectorate on this matter. All parties are expected to meet their own inquiry expenses regardless of the length of the inquiry and whether or not the inquiry proceeds as planned.

### Swanwick Air Traffic Centre

**Mr. Hancock:** To ask the Secretary of State for the Environment, Transport and the Regions (1) when work started on the construction of the new Swanwick air traffic centre at Fareham; [48135]

(2) how much has been spent to date on the new Swanwick air traffic centre at Fareham; [48138]

(3) what is the current estimate for the cost of completion of the new Swanwick air traffic centre at Fareham; [48136]

(4) what is the estimated time for completion of the new Swanwick air traffic centre at Fareham. [48163]

**Ms Glenda Jackson:** Construction of the Swanwick centre began in 1991, and the systems contractors were appointed in 1992. The acceptance of the operational computer system from Lockheed Martin took place in April this year, and the project has now been closed within budget at a total capital cost of £350.1m.

National Air Traffic Services Ltd estimate that the earliest opportunity for bringing the Swanwick centre into operation is the winter of 1999–2000.

### Extraction Industries

**Mr. Gordon Prentice:** To ask the Secretary of State for the Environment, Transport and the Regions if he will introduce into the planning system stipulations concerning the end use of minerals, aggregates and other products of the extraction industries. [48032]

**Mr. Caborn:** There are no plans to introduce any such measures. The planning system exists to regulate the development and use of land, rather than the end-uses of minerals and other industrial products. Any planning controls over the use of materials away from a production site would be difficult to enforce in practice. However, my Department's minerals planning guidance encourages the adoption of other measures by planning authorities and the minerals industry, including the efficient use of materials, appropriate uses made of high-quality materials, and the recycling of wastes as sustainable objectives for minerals planning.

### Bus Employees Superannuation Trust

**Mr. Bob Russell:** To ask the Secretary of State for the Environment, Transport and the Regions if it is his policy that the surplus of the Bus Employees Superannuation Trust should be returned to the BEST pensioners. [48036]

**Ms Glenda Jackson:** I refer the hon. Member to the answer that I gave to him on 8 April 1998, *Official Report*, columns *291–95*.

### Traffic Calming Schemes

**Mr. Bob Russell:** To ask the Secretary of State for the Environment, Transport and the Regions if additional finance will be allocated to local authorities for traffic calming schemes. [48037]

**Ms Glenda Jackson:** Allocations to local highway authorities for capital expenditure on their transport infrastructure in 1999–2000, including traffic calming schemes, are due to be announced in December.

### Health and Safety at Work

**Mr. Llew Smith:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to review the operation of section 28 of the Health and Safety at Work etc. Act 1974. [47875]

**Angela Eagle:** The Freedom of Information White Paper *Your Right to Know* has promised the reduction of the complexities and duplication in existing statutory and non-statutory access requirements. A review of all existing provisions, including Section 28 of the Health and Safety at Work etc. Act 1974, is underway.

### Hauliers (Road User Charges)

**Mr. Todd:** To ask the Secretary of State for the Environment, Transport and the Regions what progress has been made towards reaching agreement on a common European Union set of road user charges for hauliers; and if he will make a statement. [48077]

**Ms Glenda Jackson:** European legislation is already in place which allows Member States to impose user charges on heavy goods vehicles over 12 tonnes, if they wish to do so. However the Directive in question, Council Directive 93/89 EEC, was annulled by the European Court of Justice in 1995, although its provisions remain in force. Agreement has yet to be reached on a replacement, despite considerable effort during the UK's Presidency of the EU and previous Presidencies.

### Coalfields Task Force

**Mr. Wigley:** To ask the Secretary of State for the Environment, Transport and the Regions how many public meetings have been held by the Coalfields Task Force in *(a)* England, *(b)* Scotland and *(c)* Wales. [48178]

**Angela Eagle:** The Task Force held five public hearings in England. There were none in Scotland or Wales because the remit of the Task Force was to develop a programme for action for former mining communities in England only.

**Mr. Wigley:** To ask the Secretary of State for the Environment, Transport and the Regions what is the budget for *(a)* the current year and *(b)* future years for the Coalfields Task Force. [48151]

**Angela Eagle:** The Task Force's Report 'Making the Difference' was published on 18 June, and its work is now complete. There was no programme budget for the Coalfields Task Force; its members were not remunerated, and incidental expenses were met from my Department's administrative budgets.

### University College Stockton

**Ms Dari Taylor:** To ask the Secretary of State for the Environment, Transport and the Regions if he has approved the £0.8 million commitment from the Teeside Development Corporation towards the establishment of a new Chair and Research Centre in Urban Regeneration and Change at University College Stockton and a further commitment of £0.5 million towards staff and student amenities. [48270]

**Mr. Caborn:** No decision has been taken yet. The board of the Teesside Development Corporation approved both grants at a meeting on 20 March 1998. A conditional grant agreement was signed on 27 March 1998 with the University College Stockton for the Chair in Urban Regeneration and Change, but no grant agreement was signed in relation to staff and student amenities. Both grants need the approval of the Secretary of State and they are now being considered on their merits. A decision will be issued shortly.

### Local Government Commission for England

**Mr. Watts:** To ask the Secretary of State for the Environment, Transport and the Regions when he intends to announce the outcome of the prior options study of the Local Government Commission for England; and if he will make a statement. [48435]

**Ms Armstrong:** I am today publishing the Report on the "prior options" study of the Local Government Commission for England (LGC). This is Stage 1 of the Financial Management and Policy Review of the Commission which I announced on 17 November 1997, *Official Report*, column 9. I have arranged for copies to be placed in the Library of the House.

The Report concludes that the core function of the LGC, to review periodically the electoral arrangements of every local authority in England to reduce electoral imbalances, is essential and that the LGC is the right and most cost-effective body to carry this out. It also concludes that the LGC is well placed to undertake individual structural and boundary reviews of local government.

Other key findings of the Report are that:

The LGC should not be asked to undertake nationwide structural reviews in future;

the Secretary of State should be able to direct the types of review the LGC undertakes;

electoral reviews should be undertaken on a rolling basis and not on the basis of the current 10–15 year programme;

better coordination is needed between the local Government Commission and the Parliamentary Boundary Commission (PBC);

the two Commissions should be merged.

Under current legislation, the LGC, in planning its review programme, is obliged to follow a review cycle of 10–15 years which allows it neither to prioritise those areas where electoral imbalance is worst nor to have regard to the needs of the PBC. The PBC is, therefore, faced with conducting its reviews using ward data which are often very much out of date.

The Report recommends the longer term option of a merger of the LGC and the PBC. It also makes a number of more detailed recommendations about the role of the LGC.

We agree that it is important for there to be as effective co-ordination as possible between the two Commissions and my right hon. Friend the Home Secretary, and I will be considering what steps can now be taken to achieve this.

We are also minded, at the next legislative opportunity, to amend the 10–15 year periodic requirement to enable the LGC to plan their programme better, addressing the worst electoral imbalances first and having regard to the work of the PBC.

As to a merger of the two Commissions, we recognise that there is a case for this. We also recognise that such a merger could raise important constitutional issues and have wider implications for the administration of our electoral arrangements. Accordingly, we are proposing now to consult widely on this proposal for merger before taking any final decisions.

I have arranged for Stage II of the Financial Management and Policy Review to take place over the coming months. It will look at the detailed operation of the LGC, in particular its management structures, financial controls and arrangements for undertaking its reviews.

### Road Traffic Pollution

**Mr. Jim Cunningham:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the extent of air pollution resulting from road traffic and its effect on numbers of premature deaths and hospital admissions. [48052]

**Angela Eagle:** Road traffic is a significant source of emissions of airborne pollutants. Figures for the United Kingdom in 1996 show that traffic accounted for 71 per cent. of national emissions of carbon monoxide, 47 per cent. of nitrogen oxides, 30 per cent. of volatile organic compounds and 25 per cent. of particulate matter. These proportions are likely to be higher in urban areas.

The Department of Health Committee on the Medical Effects of Air Pollution has published a report entitled *Quantification of the Effects of Air Pollution on Health in the United Kingdom*, in January this year. In this report, the Committee estimates that each year between 12,000 and 24,000 deaths are brought forward by short-term exposure to air pollution (sulphur dioxide, particulate matter and ozone) from all sources, including traffic, mainly in urban areas of Great Britain. The range for hospital admissions and readmissions was 14,000–24,000. Some uncertainties remain. It is, at present, not possible to say by how much lives are shortened. It is also not possible to attribute a proportion of these effects to traffic alone. Research is already under way to address some of the issues highlighted in the Committee's report.

**Mr. Jim Cunningham:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the impact of the forecast growth in road traffic over the next 20 years on the attainment of the Government's targets for the reduction in carbon emissions by 2010. [48051]

**Angela Eagle:** Road traffic $CO_2$ emissions can increase as a result of a number of factors, which include changes in the distance travelled, vehicle speeds, and the fuel efficiency of vehicles. Energy projections published in 1995 by the Department of Trade and Industry forecast that $CO_2$ emissions from road transport would grow by around twenty percent. between 1995 and 2010. Revised energy forecasts will be published later this year.

Interim estimates based on the 1997 National Road Traffic Forecasts (NRTF) point to significantly lower growth in emissions over the period compared to the 1995 forecasts. The NRTF incorporates the impact of the Government's policy of increasing fuel duty by six percent. per year in real terms, and the improvements which this is expected to produce in the fuel efficiency of the vehicle stock.

The Government plan to publish a consultation paper later this summer on policy options for delivering our climate change targets. This will focus on measures to deliver our legally binding target from Kyoto to reduce emissions by 12.5 per cent. below 1990 levels over the period 2008–2012, as well as discussing how we might move beyond that towards our domestic aim of reducing $CO_2$ emissions by 20 per cent. on 1990 levels by 2010. This document will cover the options available to reduce emissions from the transport sector.

### Car Transport

**Mr. Jenkin:** To ask the Secretary of State for the Environment, Transport and the Regions what percentage of people travel to work by car. [48275]

**Ms Glenda Jackson:** In Great Britain in 1997, 71 per cent. of people travelled to work by car.

### Integrated Transport White Paper

**Mr. Jenkin:** To ask the Secretary of State for the Environment, Transport and the Regions if the Integrated Transport White Paper will include a cost benefit analysis of the proposals. [48276]

**Ms Glenda Jackson:** In our manifesto, we promised to develop an integrated transport policy to fight congestion and pollution. Our forthcoming White Paper will set out how we plan to deliver on this promise, in the interests of a healthier, cleaner and more prosperous nation, to the benefit of all.

### Petroleum Products

**Mr. Jenkin:** To ask the Secretary of State for the Environment, Transport and the Regions what percentage of petroleum products are carried annually in the United Kingdom *(a)* by water, *(b)* by rail and *(c)* by road. [48274]

**Ms Glenda Jackson:** The percentage of petroleum products carried annually in the United Kingdom is: 9 per cent. by road, 2 per cent. by rail, and 70 per cent. by water. The remaining 20 per cent. is carried by pipeline.

## WALES

### Textile Industry

**Mr. Barry Jones:** To ask the Secretary of State for Wales what is his estimate of the number of jobs in the textile industry in Wales; and if he will make a statement. [47416]

**Mr. Hain:** According to provisional estimates from the Annual Employment Survey, there were 7,400 employees in the textile industry in Wales in September 1996; of which 4,900 were in manufacturing and 2,500 in sales (1992 Standard Industrial Classification, Classes 17.10–17.70, 51.41 and 52.41).

### Automotive Industry

**Mr. Barry Jones:** To ask the Secretary of State for Wales what estimate he has made of the number of jobs in Wales in the automotive industry; and if he will make a statement. [47437]

**Mr. Hain:** According to provisional estimates from the Annual Employment Survey, there were 36,800 employees in the automotive industry in Wales in September 1996; of which 5,200 were in manufacturing and 21,600 in sales and maintenance and repair of motor vehicles (1992 Standard Industrial Classification, Divisions 34 and 50 respectively).

### Deeside Stadium

**Mr. Barry Jones:** To ask the Secretary of State for Wales when he proposes to open the new Deeside Stadium at the Deeside College; and if he will make a statement. [47909]

**Mr. Ron Davies:** I have accepted an invitation to perform the official opening of Deeside College Stadium on 6 October.

### Higher Education

**Mr. Barry Jones:** To ask the Secretary of State for Wales how many applications there were to Welsh university institutions in each of the last five years; and if he will make a statement. [47903]

**Mr. Hain:** The information is given in the table.

*All applications to higher education institutions in Wales*[1]

| *Year of entry*[2] | *Applications*[3] |
|---|---|
| 1994 | 119,128 |
| 1995 | 116,455 |
| 1996 | 88,131 |
| 1997 | 91,173 |
| 1998[4] | 87,294 |

[1] Applications are for full time first degree, Diploma or Higher Education, and HND courses. Some university diploma and full-time HNC courses also recruit through UCAS

[2] For 1994 and 1995, each applicant was allowed up to 8 applications. From 1996 onwards this reduced to 6

[3] Applicants to institutions in Wales may also be applicants to institutions elsewhere in the United Kingdom

[4] Data incomplete. Figures as at 8 May 1998 are shown

*Source:*
Universities and Colleges Admissions Service (UCAS)

### Class Sizes

**Mr. Öpik:** To ask the Secretary of State for Wales if he will ensure that information is collected centrally about class sizes in secondary schools; and if he will make a statement. [48196]

**Mr. Hain:** Class size is more difficult to measure in secondary schools than in primary schools where teaching groups are generally based on classes as registered. Information is collected centrally which gives the overall average size of teaching groups in secondary schools but no information is available centrally about the number of classes, or pupils in class, by size of class.

*Classes as taught in maintained secondary schools, by year group*[1]

| | *January 1997* |
|---|---|
| *Year group 7:* | |
| Number of classes | 1,546 |
| Number of pupils | 36,534 |
| Average class size[2] | 23.6 |
| *Year group 8:* | |
| Number of classes | 1,518 |
| Number of pupils | 35,131 |
| Average class size[2] | 23.1 |
| *Year group 9:* | |
| Number of classes | 1,544 |
| Number of pupils | 34,966 |
| Average class size[2] | 22.6 |
| *Year group 10:* | |
| Number of classes | 1,695 |
| Number of pupils | 34,892 |
| Average class size[2] | 20.6 |
| *Year group 11:* | |
| Number of classes | 1,718 |
| Number of pupils | 34,365 |
| Average class size[2] | 20.0 |
| *Year groups 12/13:* | |
| Number of classes | 1,508 |
| Number of pupils | 19,952 |
| Average class size[2] | 13.2 |
| *All year groups:* | |
| Number of classes | 9,529 |
| Number of pupils | 195,840 |
| Average class size[2] | 20.6 |

[1] At third period of the timetable on 14 January 1997

[2] Number of pupils divided by number of classes

### Millennium

**Mr. Barry Jones:** To ask the Secretary of State for Wales what moneys he has earmarked for projects to celebrate the millennium; and if he will make a statement. [47916]

**Mr. Ron Davies:** My Department does not provide direct financial support for projects to celebrate the millennium. However, in order to encourage festival events, Wales will receive £6.3 million from the Millennium Festival Fund which is supported by the Lottery distributors and New Millennium Experience Company. This is in addition to the £134.5 million which has already been allocated by the Millennium Commission towards millennium projects in Wales.

## SCOTLAND

### Multiple Births

**Mr. Wigley:** To ask the Secretary of State for Scotland how many sets of *(a)* twins, *(b)* triplets, *(c)* quadruplets, *(d)* quintuplets and *(e)* sextuplets were born in Scotland in each year from 1990 to 1997; and how many multiple births of each type in each year were conceived as a result of (i) in-vitro fertilisation, (ii) gamete intra-fallopian transfer and (iii) other forms of assisted conception. [46931]

**Mr. Galbraith** *[holding answer 29 June 1998]:* The information on multiple births is given in Table 1.

*Table 1*

| *Type of birth* | *1990* | *1991* | *1992* | *1993* | *1994* | *1995* | *1996* | *1997*[1] |
|---|---|---|---|---|---|---|---|---|
| *Twins:* | | | | | | | | |
| 2 live births | 711 | 682 | 790 | 751 | 762 | 780 | 775 | 774 |
| 1 live birth, 1 stillbirth | 15 | 22 | 11 | 25 | 13 | 31 | 22 | 13 |
| 2 stillbirths | 5 | 5 | 6 | 4 | 3 | 5 | 3 | 4 |
| *Triplets:* | | | | | | | | |
| 3 live births | 14 | 18 | 15 | 10 | 16 | 27 | 27 | 17 |
| 2 live births, 1 stillbirth | 2 | 4 | — | — | — | 1 | 2 | 3 |
| 1 live birth, 2 stillbirths | — | 2 | — | — | — | 1 | — | — |
| *Quadruplets:* | | | | | | | | |
| 4 live births | 1 | 1 | — | — | — | 1 | — | 1 |
| 3 live births, 1 stillbirth | — | 1 | — | — | 1 | — | — | — |
| Number of maternities | 65,556 | 66,630 | 65,307 | 62,946 | 61,224 | 59,271 | 58,831 | 58,925 |

[1] 1997 figures are still provisional

Table 2 presents data not previously available on the numbers of multiple births following in-vitro fertilisation and donor insemination at licensed clinics in Scotland. Data were not collected before 1 August 1991 and information for gamete intra-fallopian transfer and other forms of assisted conception is not available.

*Table 2*

| | *Donor insemination* | | *In-vitro fertilisation* | |
|---|---|---|---|---|
| | *Twins* | *Triplets* | *Twins* | *Triplets* |
| 1991 | 1 | 0 | 24 | 3 |
| 1992 | 2 | 0 | 35 | 2 |
| 1993 | 4 | 0 | 45 | 2 |
| 1994 | 5 | 1 | 51 | 7 |
| 1995 | 8 | 1 | 76 | 8 |
| 1996 | 6 | 0 | 23 | 2 |

*Notes:*

1. The figures are based upon the latest verified data, covering treatments carried out from the start of the HFEA register (1 August 1991)
2. Data for 1991 are for 1 August 1991 to 31 December 1991 only
3. Data for 1996 are for 1 January 1996 to 31 March 1996 only
4. No quadruplets, or higher multiple births, have been recorded

*Source:*

Human Fertilisation and Embryology Authority (HFEA)

### Scottish Parliament

**Mr. Corbett:** To ask the Secretary of State for Scotland what educational publicity campaign he plans to undertake, at what estimated cost, to inform electors of the new proportional voting system to be used for the election of the Scottish Parliament. [47139]

**Mr. McLeish** *[holding answer 23 June 1998]:* The Government are currently considering what publicity arrangements are needed to inform electors of the new voting system for the Scottish Parliament. It is not possible at this stage to provide details of these arrangements or estimated costs.

### Electoral Registration

**Mr. Barnes:** To ask the Secretary of State for Scotland if he will list the latest available estimates of those aged 17 years and over, plus 63 per cent. of those aged 16 years, for each parliamentary constituency in Scotland together, in each case, with the equivalent electoral registration figures expressed as a percentage of these figures. [47709]

**Mr. McLeish:** The information requested is given in the table. The population figures have been prepared by a method that involves a certain degree of approximation and therefore should be treated with some caution.

| *Parliamentary constituency* | *(a) Estimate of population aged 17 and over plus 63 per cent. of 16 year olds (as at 30 June 1997)* | *(b) Parliamentary electors on the 1997 electoral registers (qualifying date 10 October 1997)* | *(b) as a percentage of (a)* |
|---|---|---|---|
| Aberdeen Central | 55,600 | 53,713 | 96.6 |
| Aberdeen North | 57,000 | 55,009 | 96.5 |
| Aberdeen South | 63,200 | 60,968 | 96.5 |
| Airdrie & Shotts | 60,400 | 58,534 | 96.9 |
| Angus | 61,600 | 60,427 | 98.1 |
| Argyll & Bute | 51,000 | 50,271 | 98.6 |

| Parliamentary constituency | (a) Estimate of population aged 17 and over plus 63 per cent. of 16 year olds (as at 30 June 1997) | (b) Parliamentary electors on the 1997 electoral registers (qualifying date 10 October 1997) | (b) as a percentage of (a) |
|---|---|---|---|
| Ayr | 57,700 | 57,000 | 98.8 |
| Banff & Buchan | 60,200 | 58,949 | 97.9 |
| Caithness, Sutherland & Easter Ross | 41,400 | 41,902 | 101.2 |
| Carrick, Cumnock & Doon Valley | 67,200 | 66,588 | 99.1 |
| Central Fife | 58,900 | 59,123 | 100.4 |
| Clydebank & Milngavie | 54,300 | 52,963 | 97.5 |
| Clydesdale | 66,100 | 64,548 | 97.7 |
| Coatbridge & Chryston | 54,300 | 52,501 | 96.7 |
| Cumbernauld & Kilsyth | 50,700 | 49,201 | 97.0 |
| Cunninghame North | 57,700 | 56,374 | 97.7 |
| Cunninghame South | 52,000 | 50,727 | 97.6 |
| Dumbarton | 60,200 | 57,013 | 94.7 |
| Dumfries | 64,500 | 63,513 | 98.5 |
| Dundee East | 60,200 | 58,629 | 97.4 |
| Dundee West | 58,500 | 56,937 | 97.3 |
| Dunfermline East | 51,900 | 52,200 | 100.6 |
| Dunfermline West | 53,000 | 53,361 | 100.7 |
| East Kilbride | 67,000 | 66,479 | 99.2 |
| East Lothian | 58,800 | 58,577 | 99.6 |
| Eastwood | 69,100 | 68,021 | 98.4 |
| Edinburgh Central | 65,800 | 64,051 | 97.3 |
| Edinburgh East and Musselburgh | 61,700 | 60,364 | 97.8 |
| Edinburgh North and Leith | 63,400 | 61,786 | 97.5 |
| Edinburgh Pentlands | 62,400 | 60,729 | 97.3 |
| Edinburgh South | 65,500 | 63,775 | 97.4 |
| Edinburgh West | 63,600 | 61,988 | 97.5 |
| Falkirk East | 59,300 | 57,629 | 97.2 |
| Falkirk West | 54,900 | 53,427 | 97.3 |
| Galloway & Upper Nithsdale | 53,300 | 53,406 | 100.2 |
| Glasgow Anniesland | 55,200 | 53,397 | 96.7 |
| Glasgow Baillieston | 50,800 | 49,062 | 96.6 |
| Glasgow Cathcart | 52,200 | 50,429 | 96.6 |
| Glasgow Govan | 52,600 | 50,870 | 96.7 |
| Glasgow Kelvin | 59,000 | 57,058 | 96.7 |
| Glasgow Maryhill | 55,400 | 53,506 | 96.6 |
| Glasgow Pollok | 50,000 | 48,303 | 96.6 |
| Glasgow Rutherglen | 52,800 | 51,059 | 96.7 |
| Glasgow Shettleston | 49,900 | 48,209 | 96.6 |
| Glasgow Springburn | 55,300 | 53,427 | 96.6 |
| Gordon | 60,800 | 59,621 | 98.1 |
| Greenock & Inverclyde | 49,900 | 49,400 | 99.0 |
| Hamilton North & Bellshill | 56,500 | 54,403 | 96.3 |
| Hamilton South | 48,800 | 47,145 | 96.6 |
| Inverness East, Nairn & Lochaber | 66,000 | 66,531 | 100.8 |
| Kilmarnock & Loudoun | 63,700 | 62,171 | 97.6 |
| Kirkcaldy | 51,900 | 52,079 | 100.3 |
| Linlithgow | 55,600 | 54,728 | 98.4 |
| Livingston | 62,800 | 61,800 | 98.4 |
| Midlothian | 50,100 | 48,772 | 97.3 |
| Moray | 60,900 | 58,845 | 96.6 |
| Motherwell & Wishaw | 55,100 | 53,004 | 96.2 |
| North East Fife | 60,400 | 59,820 | 99.0 |
| North Tayside | 63,200 | 62,230 | 98.5 |
| Ochil | 53,600 | 57,715 | 107.7 |
| Orkney and Shetland | 33,100 | 32,761 | 99.0 |
| Paisley North | 50,800 | 49,915 | 98.3 |
| Paisley South | 55,400 | 54,436 | 98.3 |
| Perth | 62,300 | 61,457 | 98.6 |
| Ross, Skye & Inverness West | 56,900 | 56,448 | 99.2 |
| Roxburgh & Berwickshire | 47,400 | 47,907 | 101.1 |
| Stirling | 54,400 | 53,452 | 98.3 |
| Strathkelvin & Bearsden | 66,400 | 64,016 | 96.4 |
| Tweeddale, Ettrick & Lauderdale | 51,900 | 51,811 | 99.8 |
| West Aberdeenshire & Kincardine | 61,800 | 60,270 | 97.5 |
| West Renfrewshire | 54,000 | 53,223 | 98.6 |
| Western Isles | 22,400 | 22,539 | 100.6 |

### Argyll and Clyde Health Board

**Mr. Alexander:** To ask the Secretary of State for Scotland if he will estimate the amount of additional funding which will be allocated to Argyll and Clyde Health Board in 1998–99. [48488]

**Mr. Galbraith:** Argyll and Clyde Health Board received a base general revenue allocation in October 1997 of £270.827 million and a capital allocation of £0.009 million for 1998–99. Subsequent revenue allocations totalling £14.458 million have since issued of which £1.743 million is attributable to the extra resources made available for tackling waiting lists. Further allocations will issue in-year as appropriate.

## DUCHY OF LANCASTER

### Civil Service (Exchanges)

**Mr. Boswell:** To ask the Chancellor of the Duchy of Lancaster what action he is taking to stimulate interest in exchanges of Civil Service personnel. [48181]

**Dr. David Clark:** The Government believe that broadening the experience of civil servants is vital in developing skills and offering fresh insights. That experience may be gained from a period in a different Government Department, as well as in the private or wider public sector.

An Interchange Unit has been established in Cabinet Office to encourage the exchange of staff between Government Departments and other sectors of the economy, including businesses, local authorities, health service, small businesses and academia. My officials are working with representatives from these sectors to promote greater interchange.

Recent measures for encouraging exchanges of Senior Civil Service staff between Government Departments include the establishment of 'mobility clubs' between Departments with common interests. My Department is also consulting other Departments about what more can be done to promote and facilitate a greater degree of mobility, including for staff below Senior Civil Service level.

### Fast Stream Recruitment

**Mr. Singh:** To ask the Chancellor of the Duchy of Lancaster when he expects to publish the Third Annual Civil Service Fast Stream Recruitment report. [48813]

**Dr. David Clark:** The annual Civil Service Fast Stream Recruitment Report was placed in the Library of the House earlier today. It covers the year to 31 March 1998, reporting the results of Fast Stream competitions completed during that period and action undertaken for future competitions.

The report shows that the specialist recruitment in the Civil Service faces increasingly strong competition in the graduate market, especially for those with scientific and numerical skills. However, in line with the experience of other major employers, the generalist schemes have attracted applicant fields which are smaller but of high quality, reflecting the improvements made to the Fast Stream information available to graduates.

## MINISTER WITHOUT PORTFOLIO

### Millennium Dome

**Mr. Peter Ainsworth:** To ask the Minister without Portfolio how much car parking will be available at the Millennium Dome; and to whom it will be available. [48169]

**Mr. Mandelson** *[holding answer 30 June 1998]:* I refer the hon. Member to the answer I gave the hon. Member for Lewes (Mr. Baker) on 5 May 1998, *Official Report*, column *305*.

**Mr. Mitchell:** To ask the Minister without Portfolio if currencies other than sterling will be accepted for admission to the Millennium Dome. [45134]

**Mr. Mandelson:** Millennium Experience tickets will be available worldwide on a pre-booked basis and many outlets will handle transactions in currencies other than sterling.

## FOREIGN AND COMMONWEALTH AFFAIRS

### Gender Impact Assessments

**Jackie Ballard:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will place in the Library copies of gender impact assessments which have been undertaken in respect of legislation introduced in this Parliament; if he will make it his policy to do so in respect of future legislation; and if he will make a statement. [47026]

**Mr. Tony Lloyd:** I refer the hon. Member to the answer given by my hon. Friend the Parliamentary Under-Secretary of State for Women on 24 June 1998, *Official Report*, columns *557–58*.

### Belarus

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Government of Belarus concerning the treatment of the diplomatic corps based in Minsk. [48209]

**Mr. Doug Henderson** *[holding answer 30 June 1998]:* The British Ambassador in Minsk, on behalf of the EU, made frequent representations to the Belarusian authorities since they announced on 23 April their intention to exclude a number of Ambassadors from their residences at Drozdy. In addition, the Belarusian Ambassador was summoned to the Foreign and Commonwealth Office on 4 June and 12 June to be told that the EU found the actions of the Belarusian authorities unacceptable. He was again summoned on 22 June and was asked to return to Minsk in order to convey to his Government the seriousness of the situation with which the EU viewed the actions taken by the Belarusian authorities. He left London on 24 June.

### Organisation of African Unity

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assistance Her Majesty's Government have offered the Organisation of African Unity to carry out peace-keeping and peace-making activities. [47329]

**Mr. Tony Lloyd:** The UK is committed to helping the Organisation of African Unity (OAU) build its capacity for peacekeeping and conflict prevention. We have been working with other donors, particularly France and the US, to co-ordinate more closely our peace-keeping training. In March 1996 the UK and the OAU jointly organised a conflict management seminar in Addis Ababa. In April 1997 the UK funded the attendance of four participants from the OAU at a role playing peacekeeping seminar, with a conflict prevention element, in Camberley. The UK is planning a Command Post Exercise in the Conflict Management Division of the OAU designed to follow-up a US-run exercise held earlier this year. In Addis Ababa a British Military Liaison Officer works with the OAU on conflict prevention and peacekeeping. In addition, the UK contributed to an EU project worth ecu 860,000 designed to improve communications between the OAU's Centre for Conflict Prevention, Management and Resolution in Addis Ababa and its offices in the field.

### Tanzania

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's policy towards constitutional reform in Tanzania. [47333]

**Mr. Tony Lloyd:** The terms of the Tanzanian Constitution are a matter for the Tanzanian people and their elected representatives. We understand the Government of Tanzania intend to publish a White Paper by the end of June, to be followed by a process of wide consultation. We will welcome proposals for a transparent process, and stand ready to provide appropriate support if requested. We recently sponsored a visit to Tanzania by a British expert on Constitutional reform, who participated in a high profile televised debate on the issue.

### Arms Sales

**Mr. Wilkinson:** To ask the Secretary of State for Foreign and Commonwealth Affairs what Ministerial directions he has issued relating to the issue of export licences for the sale of British manufactured goods to Taiwan since 2 May 1997. [47570]

**Mr. Fatchett:** I refer the hon. Member to the answer I gave to my hon. Friend the Member for St. Albans (Mr. Pollard) on 4 June 1998, *Official Report*, column *349*.

## NORTHERN IRELAND

### Mater Hospital, Belfast

**Mr. Beggs:** To ask the Secretary of State for Northern Ireland what extension plans have been *(a)* prepared for the Mater Hospital, Belfast and *(b)* approved by the Department of Health. [47869]

**Mr. Worthington:** The Trust has developed plans for the construction of a new three storey block containing wards, a day procedures unit and a pharmacy. This will be funded by the Mater Hospital Trustees and does not require Departmental funding. The Trust also plans for the refurbishment and upgrading of the original building. These have not yet been submitted for Departmental approval. A business case for a 50 bed acute psychiatric unit, based within the Mater Hospital, was approved by the Health and Social Services Executive in January 1998.

## HOUSE OF COMMONS

### Refreshment Department

**Mr. Syms:** To ask the hon. Member for Roxburgh and Berwickshire, representing the House of Commons Commission, if he will make a statement on Phase F of the Refreshment Department modernisation programme. [48334]

**Mr. Kirkwood:** A project to modernise the 30-year-old main kitchens in the House of Commons (Phase F) has been approved by the House of Commons Commission. The project, which is the final phase of a six year modernisation programme agreed in debate by the House on 12 July 1994, *Official Report*, columns 940–62, involves the total refurbishment of the Refreshment Department's two main kitchens and the construction of new areas for the safe handling of food deliveries and storage.

The work on the kitchens is necessary for compliance with food hygiene, health and safety and fire regulations. During the debate in 1994, the House accepted the evidence of two separate firms of consultants, both of whose reports concluded that the substantial rise in the production demands on the kitchens over the past 30 years, and the changes in food hygiene legislation over that period, had led to the situation whereby the Refreshment Department could not longer continue to operate the existing premises in their present form and condition safely.

Since then, a team of experts and officials has developed detailed proposals for a modernisation scheme which will require demolition of the existing kitchens, the incorporation of additional space and the construction of new kitchens and support areas. The extensive structural alterations which are essential to achieve a well ordered layout and production workflow, are such that the scheme is programmed to take up to 8 months to complete, commencing in August 1999. The estimated cost of the project is £9.5 million, which is on target with the inflation adjusted bid agreed by the House in 1994.

The Commission has since been advised by Dr. Lisa Ackerley (a food hygiene expert who has recently given evidence at the E. coli Fatal Accident Inquiry in Scotland) that statutory requirements would be met only through a total redesign and refurbishment programme which addresses the fundamental problems of poor layout, lack of space and lack of temperature controlled storage. In the face of advice that the failings in the existing, antiquated kitchens

"amount to serious breaches of food safety legislation",

the House of Commons Commission considered that any further delay would be imprudent and would in any case by likely to lead to further cost increases.

The House of Commons Commission approved the detailed scheme for the modernisation of the main kitchens at their meeting on Monday 15 June.

## INTERNATIONAL DEVELOPMENT

### Tibet

10. **Mr. Baker:** To ask the Secretary of State for International Development what steps she is taking to help the people of Tibet. [46874]

**Clare Short:** We are supporting non-governmental organisations, who are working directly with Tibetan people within the autonomous region and neighbouring provinces of China, as well as refugee settlements in India. We are currently supporting projects in the fields of education, environmental health and income generation worth nearly £1 million. We are also supporting a £5 million EU programme which is about to be launched which will provide support to poor Tibetan farmers.

### Humanitarian Action

11. **Mr. Touhig:** To ask the Secretary of State for International Development what steps her Department has taken to improve the effectiveness of humanitarian action. [46875]

**Clare Short:** During the UK Presidency we hosted a joint Conference with the European Commission Humanitarian Office to discuss the principles that should govern humanitarian assistance. At this Conference I launched DFID'S 10 key principles to guide humanitarian operations in conflict areas in order to better integrate respect for human rights and humanitarian law within assistance programmes. A process of consultation is now underway with member states and EU countries are looking at establishing a humanitarian ombudsman. NGOs are also working to agree improved standards of assistance.

### Child Workers

12. **Mr. MacShane:** To ask the Secretary of State for International Development what estimate she has made of the number of children working for a wage worldwide; and if she will make a statement. [46876]

**Clare Short:** There are some 250 million child labourers world wide. There are no exact figures, but probably only a minority are in waged employment. Most are beggars, child prostitutes, domestic servants or unpaid workers on their family land. Some are bonded workers who are virtually slaves. Last month at the International Labour Organisation a convention was agreed—strongly supported by the UK Government—immediately to outlaw the worst forms of child labour. At the Oslo Conference in November 1997, we agreed that plans should be put in place in each country to phase out the abuse of child labour and to work to get child labourers into education and to improve their family income.

### Desertification

13. **Mr. Boswell:** To ask the Secretary of State for International Development what action Her Majesty's Government are taking to combat the spread of desertification. [46877]

**Clare Short:** There are close links between poverty and the problems of desertification and land degradation as poor people are forced to try to eke a living on marginal lands. Actions to address desertification and land degradation are a priority for the UK as part of our aim to create sustainable livelihoods for poor people. We are also working for implementation of the Convention to Combat Desertification. In 1997–98, the UK committed over £27 million to projects to address desertification and land degradation.

### Sudan

14. **Mr. Canavan:** To ask the Secretary of State for International Development if she will make a statement about Government policy on aid to Sudan. [46878]

**Clare Short:** The civil war is the main cause of continuing humanitarian crises in Sudan. Our policy is to promote the peace efforts sponsored by Sudan's neighbours under the Inter-governmental Authority on Development (IGAD). We strongly supported the meeting of the IGAD Partners Forum for Sudan which was held in The Hague on 17/18 June. The Forum agreed to send a delegation to Nairobi and Khartoum to try and broker a short cease-fire in the areas most affected by the current crisis in Southern Sudan so that food and seeds can reach all severely affected people.

17. **Mr. Connarty:** To ask the Secretary of State for International Development what is her assessment of the present level of food shortage in Sudan; and what policies she is adopting in the light of that assessment. [46882]

**Clare Short:** The United Nations World Food Programme now estimates that nearly 10,000 tonnes per month of food will need to be delivered between July and September to support 1.2 million vulnerable people in southern Sudan, including 700,000 in the Bahr El Ghazal region. £16 million of the £25 million that I have approved since February for humanitarian assistance to Sudan has been allocated to the WFP to help it meet these targets. I stand ready to approve further sums as new needs emerge. We are also currently working to try to secure a temporary truce so that larger amounts of food can be provided to those in need.

### Palestine

15. **Dr. Starkey:** To ask the Secretary of State for International Development what funding is being given by her Department to UNRWA for the care of Palestinian refugees. [46879]

**Clare Short:** This year we have contributed £7 million, an increase of £1 million over last year, to United Nations Relief and Works Agency for Palestine Refugees in the Near East's (UNRWA) core budget. In addition we fund a number of projects in the various refugee camps, and plan to provide substantial technical assistance to help support UNRWA's management and financial reform process.

### Montserrat

16. **Mr. Hoyle:** To ask the Secretary of State for International Development what support her Department will provide for a sustainable development plan for Montserrat; and if she will make a statement on its implementation. [46881]

**Clare Short:** Agreement has been reached between Her Majesty's Government and the Government of Montserrat on a draft text which is now being made available for

public consultation. A copy has been placed in the Library of the House. I hope that agreement can be reached on the final version by August. My Department will make available up to a further £75 million over the next three years to support the Plan. The scale of this pledge reflects the devastation to the island and the constraints imposed on the private sector by the continuing uncertainty about the volcano. If the volcano enters a permanent state of repose many of these constraints would be lifted, enabling the people of Montserrat to take greater responsibility for their livelihoods, and the private sector to take a greater role in rebuilding the island.

25. **Mr. Paterson:** To ask the Secretary of State for International Development if she will make a statement on her Department's responsibility for Montserrat. [46890]

**Clare Short:** My Department is responsible for delivering the Government's emergency and development assistance programmes to Montserrat. The Foreign and Commonwealth Office is responsible for co-ordinating the Government's overall relations with Montserrat.

### India and Pakistan

18. **Mr. Flight:** To ask the Secretary of State for International Development what proportion of total government aid is represented by UK Government aid to India in the current financial year; and what changes to this allocation have been planned. [46883]

**Clare Short:** Provisional figures in respect of 1997/98 indicate that our country programme to India was 7 per cent. of total UK bilateral development assistance. Current estimates suggest a similar figure for this year. In addition to bilateral assistance, UK development assistance is channelled through multilateral organisations.

We have made clear that we will review all our programmes following India's nuclear tests but that we will not take action which hurts poor people who are in no way responsible for the tests.

21. **Mr. Jim Cunningham:** To ask the Secretary of State for International Development what recent discussions she has had with other Governments regarding aid to India and Pakistan; and if she will make a statement. [46886]

**Clare Short:** The UK has participated in the UN Permanent 5, European Union and G8 discussions on aid to India and Pakistan, all of which have resulted in published communiqués. Our bilateral programmes to both countries are poverty focused and we do not propose to take actions which will hurt the poor. But we are in the process of preparing new Country Strategy Papers for India and Pakistan which will consider carefully the implications, including the economic and financial implications, of the nuclear tests when assessing prospects for partnerships and poverty reduction.

### Debt Relief

19. **Mr. Blunt:** To ask the Secretary of State for International Development if she will make a statement on the provision of debt relief to the poorest countries. [46884]

**Clare Short:** Debt relief can play an important part in the eradication of poverty in the poorest countries. The Government's Mauritius Mandate, launched last September, presses for the speedy and flexible implementation of the Heavily Indebted Poor Countries (HIPC) debt Initiative. But debt relief on its own will not lead to the attainment of international development targets. It must be accompanied by a commitment to the pursuit of economic and social policies which favour the poor, and root out corruption and the mismanagement of resources. In such cases debt cancellation and increased resource flows from donors and the private sector will lead to sustainable development and the reduction of poverty.

23. **Sir Sydney Chapman:** To ask the Secretary of State for International Development what is her estimate of the progress that will have been made on debt reduction of the poorest countries by 1 January 2000. [46888]

**Clare Short:** The Mauritius Mandate, launched last September by my right hon. Friend the Chancellor of the Exchequer, sets out the Government's aims for progress under the Heavily Indebted Poor Countries (HIPC) debt Initiative. By the year 2000, we expect all countries eligible for debt relief under the Initiative to at least have embarked on the process that will lead to debt relief by putting in place the necessary policy measures. This aim was endorsed by G8 leaders at their recent Summit in Birmingham.

### Sierra Leone

20. **Mr. Swayne:** To ask the Secretary of State for International Development what NGO projects her Department is currently supporting in Sierra Leone; and if she will make a statement. [46885]

**Clare Short:** My Department is currently providing seeds and tools, building materials for shelter, and medical supplies through the following NGO projects:

Care International: Seeds and tools

Children's Aid Direct: Seeds and tools

Concern Universal: Seeds and tools

Adventist Development and Relief Agency (ADRA): Reconstruction and rehabilitation

Primary Health Care: Medical Research Centre, Bo.

We are considering other proposals and keeping the situation under close review, in consultation with Sierra Leone Government and other donors.

### Commonwealth Development Corporation

22. **Ms Stuart:** To ask the Secretary of State for International Development if the proceeds from introducing private capital to the Commonwealth Development Corporation will be added to her Department's budget. [46887]

**Clare Short:** Proceeds from introducing private capital to the Commonwealth Development Corporation will be ploughed back into the development programme.

### Iraq

24. **Mr. Timms:** To ask the Secretary of State for International Development what steps she is taking to provide medical assistance to organisations working in Iraq. [46889]

**Clare Short:** In March 1998 I announced a new £7 million bilateral aid programme for central and southern Iraq in addition to some £3 million provided annually mainly for the north. £2.7 million of the new funds have been committed, including the provision of medicines direct to children's hospitals and water and sanitation projects to improve environmental health. My officials are working closely with specialist medical NGOs to develop project proposals, especially those benefiting children. In the last two years DFID has funded medical projects worth £4.1 million, of which £2.6 million was for the centre and south of Iraq.

### Famine Relief (Public Donations)

26. **Mr. Evans:** To ask the Secretary of State for International Development what support her Department has given to public appeals for donations towards famine relief work since 1 May 1997. [46891]

**Clare Short:** The Department for International Development has a contingency reserve which can be drawn on to respond to emergencies. Funds may also be allocated from country programme budgets. A high priority is given to ensuring that adequate resources are made available very quickly for humanitarian emergencies, whatever their nature and whatever the source of the appeal.

Since 1 May 1997 my Department has provided over £42 million in response to specific appeals in support of famine relief. These appeals, and DFID's contribution in each case, are listed:

| | *£ million* |
|---|---|
| UN 1998 Consolidated Appeal for Sudan | 25.23 |
| World Food Programme in support of the International Emergency Food Reserve programmes and Protracted Relief Operation | 6.4 |
| World Food Programme | 2.99 |
| World Food Programme, Malawi | 1.0 |
| UNICEF, Kenya | 0.4 |
| Action Aid, Kenya | 0.05 |
| Christian Aid, Kenya | 0.09 |
| GOAL, Kenya | 0.08 |
| Oxfam, Kenya | 2.24 |
| World Food Programme, Kenya | 1.96 |
| Action Contre La Famin, Uganda | 0.1 |
| Christian Aid, Tanzania | 0.22 |
| Cafod/Caritas, Tanzania | 0.17 |
| Norwegian People's Aid, Tanzania | 0.21 |
| SCF, Tanzania | 0.1 |
| Oxfam, Tanzania | 0.18 |
| World Food Programme, Tanzania | 0.18 |
| Action Aid, Haiti | 0.09 |
| Save the Children, Haiti | 0.02 |
| Action Aid, Vietnam | 0.01 |
| International Federation of the Red Cross, North Korea | 0.08 |
| International Federation of the Red Cross, Nicaragua | 0.05 |
| UN Development Programme, Guyana | 0.16 |
| International Federation of the Red Cross, Guyana | 0.03 |
| Cash through Post, Micronesia | 0.01 |
| Cash through Post, Solomon Islands | 0.01 |
| Cash through Post, Papua New Guinea | 0.05 |
| Salvation Army, Papua New Guinea | 0.1 |
| World Vision, Papua New Guinea | 0.09 |
| UK Foundation for the South Pacific, Papua New Guinea | 0.04 |
| Christian Aid, Papua New Guinea | 0.12 |

### Environmental Protection

27. **Helen Jackson:** To ask the Secretary of State for International Development what percentage of her budget goes towards projects which have a beneficial impact in terms of environmental protection. [46892]

**Clare Short:** Final expenditure figures for financial year 1997/98 are not yet available. We estimate that the Department for International Development (DFID) spent £194 million on bilateral projects which contributed to conservation of the environment. This represents about 20 per cent. of estimated bilateral aid expenditure in that year. It is not possible to calculate the corresponding proportion of expenditure through multilateral channels. Finalised expenditure figures for 1997/98 will be published in "British Aid Statistics" in December this year.

Since 1991, the UK has committed £215 million to the Global Environment Facility to assist in the protection of the global environment. These commitments are separate from those under the aid programme.

### Non-governmental Organisations

**Mr. Luff:** To ask the Secretary of State for International Development what representations she has received from NGOs concerning the future of her Department's aid programme and its effectiveness relating to their own activities in the developing world. [46893]

**Clare Short:** I have had a number of meetings with NGOs, individually and collectively, at which we have discussed my Department's work and the role of NGOs in development.

We have recently published a consultation document on ways of working more effectively with organisations of civil society, including NGOs, both in the UK and in developing countries.

### Russia

**Mr. Spring:** To ask the Secretary of State for International Development if she will make a statement on know-how fund aid to Russia. [46867]

**Clare Short:** The know-how fund is the primary conduit for the UK's programme providing know how to help Russia and the former Soviet bloc countries make the transition to democracy and a market economy. In Russia, and elsewhere, it has a good reputation for providing fast and flexible assistance in support of reform. Given the continuing growth in poverty in Russia, greater emphasis in future will be placed on assistance for the social, environmental and governance aspects of reform.

The programme provides technical assistance rather than resource transfers and will spend £30 million per year over the next two years. Our strategy paper for Russia will be published shortly and I will ensure a copy is placed in the Library.

## CULTURE, MEDIA AND SPORT

### Film Industry

**Mr. Amess:** To ask the Secretary of State for Culture, Media and Sport if he will publish the invitation to tender

for a cost benefit analysis of the All Industry Fund, approved by the Action Committee of the Film Policy Review Group, indicating the consultants invited to tender. [47693]

**Mr. Tom Clarke:** A copy of the invitation to tender has been placed in the Library of the House. The consultants invited to tender were Bridge Media, KPMG, London Economics, Olsberg/SPI and Spectrum Strategy Consultants. The contract has been awarded to London Economics.

## TRADE AND INDUSTRY

### Uranium

**Mr. Jim Cunningham:** To ask the President of the Board of Trade if she will publish the figures for the United Kingdom's national holdings of civil high enriched uranium as at 31 December 1997. [48478]

**Mr. Battle:** I have today placed in the Library of the House figures for the United Kingdom's national holdings of civil high enriched uranium as at 31 December 1997. These follow a similar format to that for civil plutonium, details of which I announced to the House on 2 June 1998, *Official Report*, column *162*.

The House will recall that I announced on 2 December 1997, *Official Report*, columns *163–64*, the publication of a document agreed among an informal group of nine countries (the United Kingdom, the United States, China, Russia, France, Germany, Japan, Belgium and Switzerland) entitled "Guidelines for the Management of Plutonium". That document recognised the sensitivity of high enriched uranium and the need to manage stocks of such material with the same sense of responsibility as the plutonium covered by the Guidelines. In addition, the Note Verbale associated with those Guidelines referred to the Government's belief that the management of high enriched uranium should be subject to similar guidelines.

In keeping with their commitment to improve transparency and public confidence in the management of nuclear materials, the Government have decided to publish information on national holdings of civil high enriched uranium. I have today sent a copy of these figures to the Director-General of the International Atomic Agency, requesting that they be circulated to Member States in due course.

I can confirm that, as of 31 December 1997, 84,000 tonnes of depleted, natural and low enriched uranium in both nuclear and non-nuclear uses in the United Kingdom were reported to the Euratom Safeguards Directorate. DTI will, in future, publish annual figures both for high enriched uranium and for the total of depleted, natural and low enriched uranium in the United Kingdom civil nuclear fuel cycle.

### Scott Report

**Mr. Ronnie Campbell:** To ask the President of the Board of Trade when the Government will publish its response to the recommendations on strategic export controls contained in Sir Richard Scott's report of the Inquiry into the Export of Defence Equipment and Dual-Use Goods to Iraq and Related Prosecutions. [48811]

**Mrs. Beckett:** I have today published a White Paper on Strategic Export Controls [Cm 3989]. This sets out the Government's response to the recommendations on strategic export controls contained in Sir Richard Scott's Report.

Its main proposal is the introduction of new primary legislation to update the Government's strategic export control powers and to provide for Parliamentary scrutiny of these powers. It also proposes improvements in export licensing procedures.

It is important in a modern democracy for Government to be accountable to Parliament for the way they use their strategic export control powers. We also need to ensure that we have up-to-date powers to enable us to deal with modern means of trading, such as transferring information via the Internet, and brokering deals involving the transfer of goods between overseas countries. Exporters need export licensing procedures that are both clear and consistent.

New primary legislation would:

Provide for Parliamentary scrutiny of secondary legislation on strategic export controls and for the purposes for which export controls can be imposed to be set out in secondary legislation. This will answer one of the main criticisms made in the Scott Report that the Government have

"an unfettered power to impose whatever export controls it wishes and to use those controls for any purpose it thinks fit".

Strengthen the Government's powers to take action against the proliferation of weapons of mass destruction, in part by bringing controls on biological and nuclear weapons into line with those already covering chemical weapons.

Introduce controls on the transfer of technology by intangible means.

Introduce additional controls on trafficking in, or brokering of deals in, certain goods between overseas countries. At present the Government have the power to control such activity only where this is necessary to implement a binding UN decision. We believe the Government should be able to impose controls in relation to the involvement of UK persons or companies, or other persons in the UK in supplying arms to *any* country on which we have imposed an arms embargo. We also propose to prohibit trafficking and brokering in equipment whose export we have already banned because of evidence that goods of the same type have been used for torture; and

Provide powers to require exporters to report the information necessary to enable us to meet our reporting obligations to international bodies.

We also propose some important changes to procedures to make the export licensing process clearer, fairer and more efficient:

The basic elements of the licensing process will be set out in primary legislation, with detailed procedures included either in secondary legislation or in guidance material as at present.

The system for appealing against licence refusals will be put on a more formal basis.

The export licensing authority should remain within the DTI. Most licence applications are circulated to FCO, MOD and, where appropriate DfID, for their advice and licensing decisions are, and will be, taken on the basis of the advice received from these Departments.

We believe our proposals should provide the right framework for strategic export controls that are both effective and accountable. The White Paper is a consultative document and we would welcome comments from industry, NGOs and others by 30 September. Copies

have been placed in the Libraries of both Houses, and are available from The Stationery Office and on the Department's website.

### Internet

**Dr. Cable:** To ask the President of the Board of Trade what proposals she has to ensure that children do not view unsuitable material on the Internet. [47889]

**Mrs. Roche:** We are determined to ensure that children can access the many benefits the Internet brings without fear of encountering harmful material. We support the work of the Internet Watch Foundation (IWF) to uphold the law on-line through its hotline and notification service, and to lead development of an international approach to rating and filtering of content. But we are not complacent, and I have announced a review of IWF to assess its progress to date and to help us establish its future priorities. IWF is now providing a model for action internationally and, during our EU Presidency, we reached broad agreement on a common position for a European Action Plan for Safe Use of the Internet, to promote the safe use of the Internet and protect children from harmful material.

### Joint Links Oil and Gas Consortium

**Mr. Dafis:** To ask the President of the Board of Trade what plans she has to respond to the policy from the Joint Links Oil and Gas Consortium which she received in May 1997; if she will meet representatives of the consortium; and if she will make a statement. [46863]

**Mr. Battle:** I wrote to the Consortium on 30 July 1997 setting out the Government's approach to environmental assessment of offshore oil and gas activity. The need for this was the main thrust of the policy proposals they had first sent to me in preliminary form in May. The Consortium subsequently sent me a copy of their published policy paper on 24 October, to which I sent a substantive reply on 27 November.

My letter described the important steps the Government had been taking to implement the Environmental Impact Assessment Directives 85/337/EEC and 97/11/EU offshore. The Offshore Petroleum Production and Pipe-lines (Assessment of Environmental Effects) Regulations, which were then in draft but came into effect on 30 April 1998, implement the 1985 Directive as it applies to oil and gas activity across the whole of the United Kingdom continental shelf (UKCS). These Regulations require an environmental assessment (including public consultation) for all relevant projects likely to have significant effects on the environment before such projects can be consented to. I also ensured that they introduced the production and pipeline project thresholds in the 1997 amending Directive, which must be implemented in full by 14 March 1999. These thresholds—which the United Kingdom was the first member State to transpose into domestic legislation—mean that approval of most such projects on the UKCS will in future be subject to environmental assessment.

I also explained that there is no statutory requirement in UK or EU law for strategic environmental assessment of offshore activity in advance of offshore licensing, as advocated by the Consortium, but that the potential impact of such activity on the environment in or adjacent to areas of interest for licensing is reviewed by the Joint Nature Conservation Committee (JNCC) and advice is taken from other Departments with environmental, fisheries and other marine interests before areas are offered for licensing. Comments have also been sought from the Consortium (among other non-government organisations) before recent licence offers, and my letter confirmed that the introduction of the 1998 Regulations would give it and similar bodies a further opportunity to contribute to decision making on relevant offshore projects in future.

I have no present plans to meet representatives of the Consortium.

### Bulldog Trainer Aircraft

**Mr. Hancock:** To ask the President of the Board of Trade, pursuant to her answer of 3 June 1998, *Official Report*, columns *227–28*, (1) what assessment she offered to the MOD concerning the employment and industrial implications of the contract award for the replacement of the Bulldog trainer aircraft; [48045]

(2) what assessment she has made of the costs to public funds of the employment and industrial consequences of the award of the contract for the replacement of the Bulldog trainer aircraft to Bombardier Services; [48044]

(3) what assessment she has made of the employment and trade impact of the award of the contract for the replacement of the Bulldog trainer aircraft to Bombardier Services. [48046]

**Mr. Battle:** My Department has considered carefully the employment, industrial, and trade implications of MOD's competition to replace the Bulldog trainer aircraft. The assessments produced contain commercially confidential information from the companies involved. Both DTI and MOD will continue to offer advice to the companies who bid for this contract.

### Toys

**Mr. Hoyle:** To ask the President of the Board of Trade (1) if she will make a statement on the presence of allegedly carcinogenic chemicals in children's toys sold in the UK, with particular reference to the use of phthalates; [47408]

(2) if she will ban the sale of toys in the UK which contain phthalates. [47409]

**Mr. Nigel Griffiths** *[holding answer 25 June 1998]:* Children's toys sold in the UK do not contain chemicals that are known or suspected human carcinogens. Some toys do contain phthalate compounds which at high doses have been shown to produce liver tumours in rodents, but the significance of this to humans is doubtful.

Furthermore, I am advised by the Department of Health that any resulting exposure is likely to be below the tolerable daily intake, based on this rodent data and incorporating large safety margins, and does not present risk to human health.

In its recently published report the EU Scientific Committee on Toxicity, Ecotoxicity, and Environment concluded that it is acceptable to set safe exposure levels for phthalates that are used in PVC. The Committee did not call for a ban on phthalates in PVC toys, but recommended safe limits for their release and that a single test procedure should be developed for use across the Community.

Following my instructions last year, UK safety experts have been leading the research into the release of phthalates. They are working with experts from other Member States in developing an acceptable and validated test method, and the outcome of this collaboration is expected to be available in August.

None of the evidence available has convinced me that a ban on the use of phthalates is necessary. However, I regard the safety of children as paramount and I will give careful consideration to any fresh evidence which shows a cause for concern.

### Milk Development Council

**Mr. Jack:** To ask the President of the Board of Trade for what reasons no decision has been made public on how her review of section 508 of the Corporation Taxes Act 1988 will affect the Milk Development Council; and when she expects the review to be *(a)* completed and *(b)* published. [47813]

**Mr. Battle** *[holding answer 29 June 1998]:* I refer the right hon. Member to the reply I gave to the hon. Member for Brecon and Radnorshire (Mr. Livsey) on 1 June 1998, *Official Report*, column *124*. Until the revised guidance notes have been published, we cannot ask applicants under section 508 to provide the information needed to judge their eligibility for approval. Even then, I will not be able to disclose how any particular body's tax position will be affected, as this information is confidential.

### Insider Dealing

**Mr. Gordon Prentice:** To ask the President of the Board of Trade, pursuant to her answer of 25 June 1998, *Official Report*, column *572* if she will list the penalties imposed by the courts for insider trading in each of the 20 successful prosecutions brought under the Financial Services Act 1986. [48248]

**Mr. Nigel Griffiths:** Prosecutions for insider dealing have been brought under the Companies Act 1980, the Company Securities (Insider Dealing) Act 1985, and the Criminal Justice Act 1993. Twelve defendants have been successfully prosecuted following inquiries under section 177 of the Financial Services Act 1986, one following an inquiry commencing in 1986. My previous answer to my hon. Friend, on 25 June 1998, *Official Report*, column *572*, referred to nine further successful prosecutions (of eleven individuals) where a section 177 investigation did not take place. These nine further prosecutions date from 1981. The schedule lists the penalties imposed against all those convicted of insider dealing:

| *Date of conviction of defendant* | *Sentence* | *Costs (£)* |
|---|---|---|
| 22 August 1981 | No fine | No costs |
| 11 May 1982 | 6 months imprisonment, suspended for 2 years | 100 |
| 17 December 1982 | 2 defendants, each fined £4,000 | 500 |
| 28 April 1986 | Fine £800 | 150 |
| 1 July 1987 | 12 months imprisonment, suspended for 2 years<br>£25,000 fine | 7,000 |
| 17 July 1987 | £10,000 fine | 2,000 |
| 16 March 1988 | £3,000 fine | 2,000 |
| 26 April 1989 | £1,000 fine | 500 |
| 10 October 1989 | £2,000 fine | 750 |
| 8 December 1989 | £15,000 fine | 1,000 |
| 1 March 1990 | 120 hours community service | 500 |
| 7 November 1990 | First defendant fined £750 | 432 |
| | Second defendant fined £500 | 290 |
| 30 April 1991 | 18 months imprisonment, 9 months suspended<br>Disqualified under Company Directors Disqualification Act 1996 for 10 years | — |
| 26 July 1991 | £5,000 fine | 500 |
| 28 October 1991 | £24,000 fine | 5,000 |
| 17 January 1994 | 2 defendants each fined £1,500 | 1,500 |
| 29 July 1994 | 6 months imprisonment, suspended for 2 years | [1]500 |
| 24 July 1995 | £1,300 fine | 200 |
| 1 November 1996 | 2 defendants, each given 120 hours community service | 7,500 |

[1] following appeal

### Multilateral Agreement on Investment

**Ms Walley:** To ask the President of the Board of Trade if the Government will seek to renegotiate the Multilateral Agreement on Investment to take more account of environmental and labour standards. [48050]

**Mrs. Roche:** The negotiations on the Multilateral Agreement on Investment (MAI) have not yet been concluded. In the negotiations the Government will continue to work for strong provisions on environmental and labour standards.

**Ms Walley:** To ask the President of the Board of Trade what will be Parliament's role in ratification of the proposed Multilateral Agreement on Investment; on what time scale; and if she will make a statement. [48049]

**Mrs. Roche:** Standard Parliamentary practice for treaties will be observed. In addition, the Multilateral Agreement on Investment (MAI) is the subject of scrutiny by the Select Committee on European Legislation, as the European Community will also sign the Agreement. It is too early to say what the timetable for ratification will be.

**Ms Walley:** To ask the President of the Board of Trade if she will publish the future schedule of negotiations on the proposed Multilateral Agreement on Investment, including informal and technical meetings. [48057]

**Mrs. Roche:** Formal negotiations on the Multilateral Agreement on Investment (MAI) are intended to re-commence in October, and regular meetings are likely to occur up to the next OECD ministerial meeting in May 1999, accompanied by technical and informal meetings.

No schedule is yet available. European Community meetings are a matter for the incoming Austrian Presidency which plans to hold them in July, September, and before each OECD meeting. The Department is planning an informal meeting of MAI negotiating partners on the relationship between the MAI and developing countries in London in July.

### Aerospace Industry

**Mr. Nicholas Winterton:** To ask the President of the Board of Trade what steps her Department has taken to ensure the future technology base of the UK aerospace industry. [48195]

**Mr. Battle:** My Department has undertaken a wide range of activities to ensure the future technology base of the UK aerospace industry, ranging from financial support for research, product development and manufacturing technology, to the work of officials to organise a cost-effective national infrastructure for technology development. We spent £24.6 million in the year to 31 March 1998 in support of civil aeronautics research activities in the industry and at the Defence Evaluation and Research Agency, including £1.7 million to complete the establishment of a major new European testing facility. In November 1997 and February 1998, we announced long-term investments of up to £323 million in total to Rolls-Royce and British Aerospace for product development. We are also providing financial support for programmes such as the Society of British Aerospace Companies "Competitiveness Challenge", a major part of which is aimed at improving manufacturing technology throughout the supply chain. Officials in my Department have actively encouraged and facilitated UK participation in the aeronautics research activities of the European Union Framework Programme and these efforts have been rewarded with high levels of UK participation. Officials are also heavily involved in the work of the Defence and Aerospace Foresight initiative. Under these auspices they have established improved national consultative arrangements for research in aerodynamics and in materials and are now working to create novel research partnerships between the industry and the universities.

## HEALTH

### Asthma

**Mr. Burstow:** To ask the Secretary of State for Health what was the net ingredient cost for preparations used in the treatment of asthma *(a)* in total, *(b)* per health authority and *(c)* per head of population per health authority in each of the last five years. [43642]

**Ms Jowell:** I refer the hon. Member to the reply given to the right hon. Member for East Devon (Sir P. Emery) on 22 July 1997, *Official Report*, column *569*. This gave the available information on the costs of drugs dispensed for the treatment of asthma in England by Family Health Services Authorities for the years 1993 to 1995 and by health authority for 1996. Copies of the information by health authority for 1997 are available in the Library.

The net ingredient cost of drugs dispensed in the community in England for the period 1993 to 1997 is shown in the table. Information on the use of drugs in hospitals is not available.

*Net ingredient cost of drugs dispensed in the community for the treatment of asthma, 1993 to 1997*
*England*

*£ million*

| *Year* | *Net ingredient cost* |
|---|---|
| 1993 | 346.5 |
| 1994 | 378.9 |
| 1995 | 410.9 |
| 1996 | 437.5 |
| 1997 | 466.2 |

*Notes:*
1. The data cover all prescriptions dispensed by community pharmacists, appliance contractors and dispensing doctors, and prescriptions submitted by prescribing doctors for items personally administered in England. The information was obtained from the Prescription Cost Analysis system for drugs used in the treatment of asthma contained in British National Formulary sections 3.1 (bronchodilators), 3.2 (corticosteroids) and 3.3 (Cromoglycate and related therapy). Some of the drugs may be used for the treatment of other conditions.
2. The net ingredient cost is the basic price of a drug before discounts and the addition of dispensing costs or fees. It does not include any adjustment for income obtained where a prescription charge is paid at the time the prescription is dispensed or where the patient has purchased a pre-payment certificate.

## AGRICULTURE, FISHERIES AND FOOD

### Bovine TB

**Mr. Drew:** To ask the Minister of Agriculture, Fisheries and Food what proposals he has to increase understanding of the risk factors underlying outbreaks of TB in cattle in the light of recommendations in the Krebs report. [48531]

**Mr. Rooker:** In order better to understand the relative importance of badgers and other factors contributing to TB incidents in herds, Professor Krebs recommended that high priority should be given to a multivariate analysis of risk factors. Research proposals to assess correlates of risk, to be financed from April next year, were invited in the Ministry's research requirements document published on 20 April, copies of which have been placed in the Library of the House.

However, in view of the importance which both Professor Kreb's group and the Ministry attach to research in this area, we are also inviting proposals for a retrospective analysis of data collected during previous investigations. This will start this autumn, in advance of the main research programme. Notices calling for proposals will appear in the relevant scientific journals shortly.

### Milk

**Charlotte Atkins:** To ask the Minister of Agriculture, Fisheries and Food how much milk was imported from France during the years *(a)* 1993–94, *(b)* 1994–95, *(c)* 1995–96 and *(d)* 1996–97; and how much of the milk was (i) UHT, (ii) raw and (iii) pasteurised. [48259]

**Mr. Rooker:** Imports of milk from France are shown in the table. Overseas Trade Statistics do not distinguish between UHT, raw or pasteurised milk.

| Year: April-March | Tonnes |
|---|---|
| 1993–94 | 4,624 |
| 1994–95 | 9,079 |
| 1995–96 | 26,789 |
| 1996–97 | 16,990 |

**Charlotte Atkins:** To ask the Minister of Agriculture, Fisheries and Food how much milk was imported from the Irish Republic during *(a)* 1993–94, *(b)* 1994–95, *(c)* 1995–96 and *(d)* 1996–97; and how much of the milk was (i) UHT, (ii) raw and (iii) pasteurised. [48258]

**Mr. Rooker:** Imports of milk from the Irish Republic are shown in the table. Overseas Trade Statistics do not distinguish between UHT, raw or pasteurised milk.

| Year: April-March | Tonnes |
|---|---|
| 1993–94 | 51,219 |
| 1994–95 | 106,182 |
| 1995–96 | 77,075 |
| 1996–97 | 67,843 |

### Beef Labelling Scheme

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food what the implementation date is of the beef labelling scheme. [47853]

**Dr. John Cunningham:** EU rules on beef labelling come into force on 1 July 1998.

### BSE

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the economic impact on the UK livestock industry of BSE, excluding the effect of public funds deployed during the BSE crisis to compensate farmers for its effects. [47852]

**Dr. John Cunningham:** In March 1997, UK Agriculture Departments and HM Treasury commissioned an independent study from DTZ Pieda Consulting to assess the economic impact of BSE on the UK economy. The study was completed in March of this year and a copy of the published report has been placed in the Library of the House.

## EDUCATION AND EMPLOYMENT

### Schools (Division of Responsibilities)

**Mr. Laurence Robertson:** To ask the Secretary of State for Education and Employment if he will publish information in similar format to that in "School Governors: A Guide to the Law", showing for each type of school proposed by the School Standards and Framework Bill the division of responsibilities between the local education authority, the head teacher and the governing body, assuming the implementation of the proposals in the Bill. [47859]

**Mr. Byers:** My right hon. Friend the Secretary of State for Education and Employment plans to issue guidance on the new provisions set out in the School Standards and Framework Bill. Guidance on individual aspects of the Bill will take care to explain what actions need to be taken by the various parties. Revised versions of "School Governors: A Guide to the Law" will be issued in 1999 to reflect the new school framework which will apply from 1 September 1999.

### Post-16 Education

**Mr. Levitt:** To ask the Secretary of State for Education and Employment what new initiatives he is taking to promote the delivery of post-16 education in rural areas. [48257]

**Dr. Howells:** We aim to maximise the participation and achievement of 16 to 18 year olds in all areas through our Investing in Young People strategy. All providers of post-16 education and training will contribute towards these goals. In addition my right hon. Friend the Chancellor of the Exchequer announced in his Budget statement on 17 March 1998, *Official Report,* columns *1097–1112,* an extra £50 million of funding for rural transport services—mainly additional bus services—which will enable more young people in rural communities to access post-16 provision.

### University Research (West Midlands)

**Mr. Jim Cunningham:** To ask the Secretary of State for Education and Employment what research funding was allocated in each of the last five years to *(a)* Warwick University, *(b)* Coventry University and *(c)* United Kingdom universities. [48015]

**Dr. Howells:** The figures for research funding allocated in each of the last five years to Warwick University, Coventry University and United Kingdom universities by the higher education funding bodies are set out in the table.

*Research funding 1994–95 to 1998–99*[1]

£000

| Academic year | Coventry University | University of Warwick | Total for UK |
|---|---|---|---|
| 1994–95 | 2,462 | 14,460 | 802,091 |
| 1995–96 | 2,614 | 14,618 | 814,250 |
| 1996–97 | 2,701 | 14,565 | 814,540 |
| 1997–98 | 1,287 | 15,575 | 866,002 |
| 1998–99 | 1,471 | 17,222 | 1,025,517 |

[1] Changes have been made in the basis of allocations from year to year, and so figures may not be strictly comparable between years

These figures do not include research allocated by the Research Councils, which are the responsibility of my right hon. Friend the President of the Board of Trade and Secretary of State for Trade and Industry.

**Mr. Jim Cunningham:** To ask the Secretary of State for Education and Employment what research contracts his Department has awarded to Warwick University in the past three years. [48016]

**Dr. Howells:** The Department has awarded nine research contracts, with a total value of £379,282, to the University of Warwick in the past three years. It has also provided £31,665 to a project commissioned by the Government Office for the West Midlands, entitled Partnership Degree in Engineering technology with Engineering Business Management.

The Employment Service have also awarded one contract, to the Institute for Employment Research, to identify and review the available evidence concerning the factors associated with becoming long-term unemployed. The total cost of this study was £3,000.

Details of the projects directly commissioned by the Department are listed:

University of Warwick, Centre for Educational Development Appraisal and Research (CEDAR):

- Evaluation of Development projects for the University for Industry (Stage 1): £44,191.00

University of Warwick, Institute for Employment Research,

- International Baseline Project Part 2: £54,079.09
- Evaluation of Modern Apprenticeships—The Effect On Employers' Training Practices and The Availability of NVQ Training: £96,731.70
- Research To Compare Funding For Providers Of Youth Training And Further Education: £27,217.00
- Employers' Net Costs of Training to NVQ Level 2: £63,081.00
- Assessing the size and nature of the demand for HE in England: £40,438.00
- A Review of Recent Literature on Intermediate Labour Markets: £10,894.00

University of Warwick, Industrial Relations Research Unit

- Mentoring and School Students Attainment: £10,001.00

University of Warwick, Professor Robinson

- Assistance for the National Advisory Committee on Creative and Cultural Education (NACCCE): £32,650.

Details of all the projects funded by the Department's central research budget are available in the Annual Report on Research. The next edition is due for publication in July 1998, priced at £4.95.

### New Deal

**Mr. Laurence Robertson:** To ask the Secretary of State for Education and Employment what services are provided under the New Deal to *(a)* those over the age of 25 years and *(b)* those who have been unemployed for (i) under two years and (ii) over two years; and if he will make a statement. [47856]

**Mr. Andrew Smith:** The New Deal for long-term unemployed people aged over 25 provides a much better deal for this age group. People who have been unemployed for two years or more will:

- receive tailored guidance from an ES New Deal Personal Adviser to help them get a job;
- have the chance, where it is appropriate to them, to benefit from a subsidised job with an employer or to improve their skills and employability through a period of full time education and training;
- benefit from further individual advice to build on the progress they have made during their time on the New Deal.

Some unemployed people who have been claiming JSA continuously for a year or more will also be able to enter the New Deal early at the discretion of the ES New Deal adviser. These include people:

- who have problems with reading, writing or numeracy;
- who are disabled;
- whose first language is not English, Welsh or Gaelic.

For those who do not enter early and have been unemployed for less than two years a full range of existing ES and TEC services will continue to be available. These include:

- Travel to Interview
- Training for Work
- Work Trials
- Starting your own business.

### Schools Funding

**Mr. Laurence Robertson:** To ask the Secretary of State for Education and Employment if he will publish information showing the effect in *(a)* Gloucestershire, *(b)* Hackney, *(c)* the Isle of Wight and *(d)* Surrey, in the most recent year for which the information is available, of the implementation of the proposals in his consultation document, "Fair Funding: Improving Delegation to Schools" stating per pupil (i) education standard spending assessment, (ii) education spending, (iii) the general schools budget, (iv) spending on service strategy and regulation, (v) grant maintained related expenditure, (vi) the potential schools budget, (vii) the aggregate schools budget under the current arrangements, (viii) the local schools budget and (ix) the individual schools budget under the proposed arrangements. [47891]

**Mr. Byers:** The effect of the proposals set out in the consultation paper cannot be quantified in the manner envisaged by the hon. Member, because the budget and outturn information currently provided by LEAs is not categorised in a way which enables the local and individual schools budgets to be estimated with sufficient accuracy.

### University for Industry

**Mr. Jim Cunningham:** To ask the Secretary of State for Education and Employment in what ways the University for Industry will complement the role of *(a)* training and enterprise councils and *(b)* other existing training agencies. [48054]

**Dr. Howells:** While the University for Industry will not deliver training directly, it will connect potential learners with a wide range of relevant high quality learning opportunities, taking advantage of developments in information and communication technologies. It will work in partnership with Training and Enterprise Councils and suppliers of education, training and related services to help stimulate demand for lifelong learning and improve accessibility and flexibility of provision.

### Access Courses

**Mr. Levitt:** To ask the Secretary of State for Education and Employment if he will make a statement on the Government's policy on access courses for mature students for higher education. [48256]

**Dr. Howells:** The Government's policy is to ensure that adults with the necessary qualities to benefit from higher education should not be denied places solely on the grounds that they do not have the conventional qualifications for entry. Access Courses provide a recognised route into higher education for such students.

## SOCIAL SECURITY

### Main Streaming

**Jackie Ballard:** To ask the Secretary of State for Social Security what plans she has to present an annual report to Parliament on progress on main streaming. [45795]

**Ms Ruddock:** The Government have launched a new initiative on mainstreaming which will ensure that the needs of all groups, including women, are taken fully into account in the development of policies and the delivery of services.

The Ministers for Women intend to publish an annual report to Parliament setting out progress on mainstreaming the women's perspective into Government policy-making. The first report will be published after the end of this financial year.

### Farmers

**Mr. Charles Kennedy:** To ask the Secretary of State for Social Security (1) how many registered farmers claimed social security benefits in each financial year since May 1997; and if he will make a statement; [46943]

(2) what estimate she has made of the number of farmers who have begun drawing social security benefits since May 1997; and if she will make a statement. [46941]

**Mr. Keith Bradley:** The only available source of data about the number of farmers in receipt of Social Security benefits is the Family Resources Survey (FRS) which asks self-employed respondents whether their job or business includes any commercial farming activity. The latest year for which FRS information is available is 1996–97. For that year, in around half of the cases that responded positively to the question, the individual, or their partner (if they had one), was in receipt of at least one Social Security benefit.

The total number of farmers, partners and directors and members of their family who were working on agricultural and horticultural holdings on 1 June 1997 was 354,406.

*Notes:*

1. Commercial farming is defined as self employment which involves the commercial production of crops and crop products, and animals and animal products.

2. The answer refers to cases where the benefit unit to which the respondent belongs is in receipt of at least one Social Security benefit. It is based on unadjusted sample counts and is subject to sampling error and variability in non response.

3. The total number of farmers was derived from the June 1997 Agricultural and Horticultural census of the Ministry of Agriculture, Fisheries and Food and is not directly comparable with FRS data.

### Child Support

**Ms Stuart:** To ask the Secretary of State for Social Security how many children are affected by the fact that their absent father is not making any maintenance payment. [47226]

**Mr. Keith Bradley:** There are approximately 1.8 million children in lone parent families in receipt of Income Support or Family Credit who have no maintenance paid by their non-resident parent. It is not possible to estimate the numbers of children who are in other lone parent families for whom no maintenance is paid since there is no requirement that such parents with care apply for child support.

*Note:*

This represents a snapshot based on data taken from the August 1997 Income Support and CSA Quarterly Statistical Inquiries, and from August 1997 Family Credit Data. Excludes widowed lone parents who are assumed to form 5 per cent. of the lone parent caseload.

### State Pension

**Mr. Rendel:** To ask the Secretary of State for Social Security if she will estimate the consequent savings in means-tested and other benefit expenditure if all pensioners were entitled to the basic retirement pension regardless of their contribution record. [46961]

**Mr. Denham:** *[holding answer 22 June 1998]:* The information is set out in the table.

*Savings in other benefits from giving full basic state pension of £64.70 to Great Britain residents aged over state pension age*

| | £ billion |
|---|---|
| National Insurance (contributory) benefit offsets | 0.8 |
| Means-tested benefit offsets | 1.1 |
| Cross additional Retirement Pension costs | 6.2 |

*Notes:*

1. Amounts are in 1998/99 prices and are rounded to the nearest £0.1 billion.

2. National Insurance benefit costs and savings have been provided by the Government Actuary's Department.

3. Behavioural changes have not been allowed for, other than moves between National Insurance benefits.

4. Means-tested benefit offsets were calculated using the 1995/96 Family Resources Survey, and the May 1996 Quarterly Statistical Inquiry. Both models are uprated to 1998/99 prices, benefits and earnings levels, and calibrated to the forecasts underlying the 1998 Departmental Report.

### Income Support (Take-up)

**Mr. Webb:** To ask the Secretary of State for Social Security if the current research into non-take up of income support by pensioners will attempt to assess the impact of non-take up on the standard of living of the pensioners concerned. [48071]

**Mr. Denham:** The Department has commissioned research among pensioners to explore their attitudes to claiming Income Support. The research aims to provide a fuller picture of why pensioners apparently entitled to Income Support do not claim it.

The research will collect information on indicators of hardship which will be used to assess whether different groups of pensioner non-claimants experience different living standards. These indicators include material measures relating to food, clothing, heating and consumer durables and details of finances, including savings, debts and loans.

In addition to the research, we are taking immediate practical steps to assist the poorest pensioners by piloting new ways of identifying potential Income Support beneficiaries and then testing how best to encourage them to claim.

# Written Answers to Questions

*Thursday 2 July 1998*

## NORTHERN IRELAND

### Beef Exports

**Mr. Evans:** To ask the Secretary of State for Northern Ireland what quantity of beef has been exported from Northern Ireland since the lifting of the beef export ban in respect of Northern Ireland; and how much of this was in carcase form. [47389]

**Mr. Paul Murphy:** Only one consignment of beef comprising 45 cartons of boneless beef weighing 1,108.7 kgs has been exported from Northern Ireland since the lifting of the beef export ban. Exports of bone-in beef remains banned and therefore no exports in carcase form have taken place.

**Mr. Evans:** To ask the Secretary of State for Northern Ireland what quantities of *(a)* sides of beef, *(b)* tongues, *(c)* cheeks and *(d)* tails have been exported since the lifting of the beef export ban in Northern Ireland. [47390]

**Mr. Paul Murphy:** There have been no exports of beef sides, tongues, cheeks or tails since the lifting of the beef export ban in Northern Ireland.

### Electoral Registration

**Mr. Barnes:** To ask the Secretary of State for Northern Ireland if she will list the latest available estimates of those aged 17 years and over, plus 63 per cent. of those aged 16 years, for each parliamentary constituency in Northern Ireland together, in each case, with the equivalent electoral registration figures expressed as a percentage of these figures. [47711]

**Mr. Paul Murphy:** Mid-year estimates of the population of Northern Ireland broken down by age are available for Health Board areas only. Consequently, the population counts for parliamentary constituencies shown in the tables are taken from the 1991 Census of Population.

Northern Ireland parliamentary constituency boundaries were redrawn in 1996. Table 1 details the population aged 17 and over plus 63 per cent. of the 16 year old population at the time of the 1991 Census of Population in each of the current parliamentary constituencies. Table 2 details the most up-to-date information on their respective electorates. Information on the number of registered voters in each constituency prior to 1996 is not available. Therefore, because the two sets of data shown here relate to different time points, it is not appropriate to determine the ratio of the number of registered voters to the population count.

*Table 1: Post-1996 parliamentary constituencies, ordered by population*

| *Parliamentary constituency (post-1996)* | *1991 census population aged 17 and over plus 63 per cent. of population aged 16 years* |
|---|---|
| Mid Ulster | 55,895 |
| East Antrim | 56,103 |
| West Tyrone | 57,160 |
| East Londonderry | 58,609 |
| Fermanagh and South Tyrone | 61,566 |
| Belfast West | 61,647 |
| North Down | 61,846 |
| Belfast East | 64,638 |
| Strangford | 64,641 |
| Foyle | 64,643 |
| Newry and Armagh | 68,014 |
| South Down | 68,368 |
| Upper Bann | 68,424 |
| Belfast North | 68,542 |
| South Antrim | 68,570 |
| Belfast South | 69,110 |
| Lagan Valley | 69,787 |
| North Antrim | 71,097 |
| Northern Ireland | 1,158,660 |

*Table 2: Post-1996 parliamentary constituencies, ordered by number of electors*

| *Parliamentary constituency (post-1996)* | *1998 registered electors* |
|---|---|
| West Tyrone | 59,709 |
| East Antrim | 59,721 |
| East Londonderry | 59,843 |
| Mid Ulster | 60,657 |
| Belfast East | 60,852 |
| Belfast West | 61,079 |
| Belfast South | 61,404 |
| Belfast North | 62,933 |
| North Down | 63,349 |
| Fermanagh and South Tyrone | 65,996 |
| Foyle | 69,533 |
| South Antrim | 69,971 |
| Upper Bann | 71,369 |
| Strangford | 71,395 |
| South Down | 71,726 |
| Lagan Valley | 72,205 |
| Newry and Armagh | 72,351 |
| North Antrim | 73,941 |
| Northern Ireland | 1,188,034 |

### Rate Collection Agency

**Ms Moran:** To ask the Secretary of State for Northern Ireland what performance targets have been set for the Rate Collection Agency in 1998–99. [48962]

**Marjorie Mowlam:** For 1998–99, the following performance targets have been set for RCA.

*Collection and Recovery of Rates*

To collect 97.50 per cent. of the gross domestic collectable rate, (excluding late assessments) by 31 March 1998.

To collect 98.75 per cent. of the gross non-domestic collectable rate (excluding late assessments) by 31 March 1998.

To achieve a reduction of 1 per cent. in the real value of the unit costs of collecting rates per hereditament.

To generate refunds to 98 per cent. of ratepayers so entitled within 14 days of credits being identified.

*Housing Benefit Administration*

To process by 31 March 1999, 96 per cent. of applications for the incoming year received from Housing Benefit recipients before 15 March 1999.

To achieve a reduction of 1 per cent. in the real value of unit costs or processing Housing Benefit cases.

To assess 97 per cent. of Housing Benefit claims free of error.

### Statistics and Research Agency

**Mr. Quinn:** To ask the Secretary of State for Northern Ireland what performance targets have been set for the Northern Ireland Statistics and Research Agency in 1998–99. [49068]

**Mr. Paul Murphy:** For 1998–99 the following key performance targets have been set for the Agency:

95–100 per cent. of key Government users of the Agency surveyed rating its overall service as satisfactory or better, with 50–55 per cent. rating it as very satisfactory.

95–100 per cent. of registered non-Government users of the Agency surveyed rating its overall service as satisfactory or better, with 55–60 per cent. rating it as very satisfactory.

To produce no fewer than 52 statistical publications and 15 ad hoc research publications during 1998–99.

95–100 per cent. of NISRA readers rating key publications as satisfactory or better, with 40–45 per cent. rating them as very satisfactory.

To process 98 per cent. of postal and personal applications for General Register Office certificates within 8 and 3 working days respectively.

To reduce by 2 per cent. the unit cost of producing civil registration certificates.

To achieve a minimum of 3 per cent. efficiency saving.

Full details are set out in the Agency's Corporate and Business Plans, copies of which will be placed in the library.

## HOUSE OF COMMONS

### Officers of the House

**Mrs. Golding:** To ask the Chairman of the Accommodation and Works Committee if he will list the officers of the House who are provided with residential accommodation. [48020]

**Sir Sydney Chapman:** Certain officers of the House are required to reside in the precincts when the House is in session. It is not the practice to give details of the conditions of service of individual staff.

### Divisions

**Sir Teddy Taylor:** To ask the President of the Council how many divisions in the House have occurred before 8 pm since 1 May 1997. [48451]

**Mrs. Ann Taylor:** 129 of the 317 divisions held between 1 May 1997 and 29 June 1998 occurred before 8 pm.

## SCOTLAND

### Hypothermia

**Ms Roseanna Cunningham:** To ask the Secretary of State for Scotland if he will list for each of the years 1986 to 1996 inclusive the number of deaths in Scotland as a result of hypothermia. [47970]

**Mr. McLeish:** The information requested is given in the table.

*Deaths with any mention of hypothermia on the death certificate. Scotland, 1986–1996*

| *Year* | *Number* |
|---|---|
| 1986 | 208 |
| 1987 | 153 |
| 1988 | 138 |
| 1989 | 150 |
| 1990 | 136 |
| 1991 | 99 |
| 1992 | 115 |
| 1993 | 141 |
| 1994 | 136 |
| 1995 | 123 |
| 1996 | 125 |

### Carbeth Hutters

**Ms Roseanna Cunningham:** To ask the Secretary of State for Scotland, pursuant to the decision by Sheriff Penman at Stirling on 23 June in the case of Graham *v* Sommerville, what plans he has to reform the law on landlord and tenant regarding the protection afforded by the Rent Acts to the Carbeth Hutters in respect of *(a)* security of tenure and *(b)* protection against uncontrolled rises in rent or other charges levied by the landlord. [48072]

**Mr. Macdonald** *[holding answer 1 July 1998]:* My right hon. Friend has noted with concern recent developments affecting the Carbeth Hutters. However, any proposals for new legislation would need to be considered carefully to ensure that the possible wider implications were fully addressed—including, for example, for holiday accommodation, for the management of camping and caravan sites, and for the application of existing legislation to privately rented houses occupied as a main residence.

The Government are therefore not at present in a position to amend the law on landlord and tenant in these respects, although it would of course be open to the Scottish Parliament to consider any proposals for new legislation in due course.

### Borders Economy

**Mr. Kirkwood:** To ask the Secretary of State for Scotland what further measures he will take to develop the economy in the Scottish Borders. [49133]

**Mr. Wilson:** In recognition of the problems being experienced in the Scottish Borders economy, most recently with the redundancy announcement by Dawson International this week, I have today announced a package of support to help the economy diversify and modernise. This includes an additional £1 million for Scottish Borders Enterprise's budget this year, a rise of 12 per cent.; the

setting up of a new Rural Inward Investment Team within Locate in Scotland to help attract investment to areas like the Borders; a commitment to consider providing the Borders with a reallocation of unused EC structural funds; a commitment to best endeavours to find additional funding if Scottish Borders Enterprise can bring forward further viable projects; and a commitment to keep discussions with Dawsons open and to assist them in their redevelopment. These measures are in addition to on-going assistance to the Borders, including the recent designation of Hawick as a Property Employment Support Programme (PESP) area, which allows greater flexibility to the local enterprise company to assist property projects in areas of social deprivation. The recently announced expansion of the telecoms infrastructure in the Borders will also provide an important selling point for the area.

In response to the call for a South of Scotland Convention I will bring together in the near future the elected members and other relevant bodies to meet on a one-off basis to discuss further the area's economy and needs. The future requirement for such a forum must however be a matter for the Scottish Parliament.

### University Students

**Mr. Wells:** To ask the Secretary of State for Scotland if he will list the number of students at Scottish universities whose permanent place of residence is in Hertfordshire. [48503]

**Mr. Wilson:** In 1996–97 there were 459 students at Scottish higher education institution whose permanent place of residence is in Hertfordshire.

### Dounreay

**Mr. Llew Smith:** To ask the Secretary of State for Scotland which individuals and institutions provided the information and analysis underlying his decision to reprocess existing nuclear materials at Dounreay as part of the decommissioning programme; and if he will place copies of each of the documents provided to his Department on that subject in the Library. [45451]

**Mr. Battle:** I have been asked to reply.

The Government announced on 5 June 1998, *Official Report*, columns 385–86, that Dounreay would accept no new contracts for commercial reprocessing, and that UKAEA was planning to complete reprocessing of its own liabilities and of material subject to existing commercial contracts. This announcement was informed by advice from the UKAEA. I have therefore written to the Chairman of the UKAEA requesting him to prepare the information requested and to seek the agreement of UKAEA's committed customers for its publication. His reply will be placed in the Library of the House.

Reprocessing at Dounreay has now been stopped pending the outcome of the safety audit of the site by the Health and Safety Executive and the Scottish Environment Protection Agency. Decisions on completing the reprocessing of existing commitments will be made in the light of the outcome of that audit and, in particular, on the basis of UKAEA's recommendations of what, if any, new investments may be required.

## ENVIRONMENT, TRANSPORT AND THE REGIONS

### Opencast Coal

**Mr. Peter Bradley:** To ask the Secretary of State for the Environment, Transport and the Regions what are the estimated tonnages of coal extractable by opencasting from *(a)* contaminated land, *(b)* derelict land, *(c)* other brownfield sites and *(d)* greenfield sites. [48260]

**Mr. Caborn:** This information is not held centrally.

### Civil Aviation Authority Pensioners

**Mr. Brady:** To ask the Secretary of State for the Environment, Transport and the Regions what arrangements he proposes to protect pension benefits of existing CAA pensioners following privatisation of the National Air Traffic Services. [48061]

**Ms Glenda Jackson:** Details of the proposed public/private partnership for National Air Traffic Services Ltd. are still to be determined. The Government and the CAA will give very careful consideration to future pensions arrangements, and the details will be announced as soon as possible.

### Air Misses

**Dr. Cable:** To ask the Secretary of State for the Environment, Transport and the Regions how many near misses have been recorded over Surrey by aircraft departing from or arriving at *(a)* Gatwick and *(b)* Heathrow in each of the last 10 years. [47992]

**Ms Glenda Jackson:** The information is not available as requested, but National Air Traffic Services Limited, which is responsible for air traffic services at Gatwick and Heathrow, has been able to provide figures for the number of airprox ("near miss") reports filed by air traffic controllers and pilots in each of the last 10 years within a radius of 25 miles of the village of Effingham in the centre of Surrey, as follows:

| | *Gatwick* | | *Heathrow* | |
|---|---|---|---|---|
| *Year* | *Airprox P*[1] | *Airprox C*[2] | *Airprox P*[1] | *Airprox C*[2] |
| 1988 | 4 | n/a | 2 | n/a |
| 1989 | 2 | n/a | 0 | n/a |
| 1990 | [3]2 | 1 | [3]3 | 0 |
| 1991 | 0 | [3]3 | [3]3 | [3]4 |
| 1992 | [3]1 | 2 | 2 | 2 |
| 1993 | 0 | 1 | 2 | 2 |
| 1994 | 0 | 0 | 4 | 3 |
| 1995 | 0 | 0 | 6 | 1 |
| 1996 | 3 | 2 | 4 | 0 |
| 1997 | [3]3 | [3]2 | [3]4 | [3]1 |

[1] Airprox P are incidents reported by pilots and Airprox C are incidents reported by air traffic controllers

[2] Airprox C data are available only from 1 January 1990

[3] Indicates double counting where incidents involved both Heathrow and Gatwick Traffic

*Note:*

No breakdown is available as to which of the above airproxes were assessed by the independent panels as being risk-bearing

### Traffic Accidents

**Mr. Kidney:** To ask the Secretary of State for the Environment, Transport and the Regions how many

*(a)* HGV occupants, *(b)* LGV occupants, *(c)* car occupants, *(d)* motorcyclists and *(e)* pedal cyclists were killed, seriously injured and slightly injured in impacts where the first point of impact of their vehicle was (i) the front, (ii) the rear, (iii) the nearside, (iv) the offside and (v) unknown for the latest year for which data are available. [48155]

**Ms Glenda Jackson:** The information requested is shown in the table.

*Casualties by road user type and severity by first point of impact: GB: 1997*

| | Severity of casualty | | | |
|---|---|---|---|---|
| *First point of impact* | *Fatal* | *Serious* | *Slight* | *All casualties* |
| *HGV occupant* | | | | |
| Front | 32 | 329 | 1,528 | 1,889 |
| Back | 2 | 39 | 332 | 373 |
| Offside | 6 | 65 | 408 | 479 |
| Nearside | 4 | 65 | 359 | 428 |
| Unknown | 0 | 2 | 11 | 13 |
| Total[1] | 45 | 528 | 2,728 | 3,301 |
| *LGV occupant* | | | | |
| Front | 40 | 578 | 3,382 | 4,000 |
| Back | 2 | 75 | 1,512 | 1,589 |
| Offside | 13 | 96 | 842 | 951 |
| Nearside | 8 | 78 | 626 | 712 |
| Unknown | 0 | 3 | 55 | 58 |
| Total[1] | 64 | 864 | 6,544 | 7,742 |
| *Car occupant* | | | | |
| Front | 1,057 | 14,078 | 93,771 | 108,906 |
| Back | 72 | 1,857 | 51,455 | 53,384 |
| Offside | 360 | 2,831 | 22,976 | 26,167 |
| Nearside | 278 | 2,126 | 16,735 | 19,139 |
| Unknown | 6 | 198 | 1,177 | 1,381 |
| Total[1] | 1,795 | 21,394 | 188,203 | 211,392 |
| *Motorcyclists*[2] | | | | |
| Front | 383 | 3,912 | 10,456 | 14,751 |
| Back | 12 | 169 | 1,169 | 1,350 |
| Offside | 50 | 761 | 2,300 | 3,111 |
| Nearside | 49 | 810 | 2,771 | 3,630 |
| Unknown | 6 | 83 | 385 | 474 |
| Total[1] | 509 | 5,934 | 17,977 | 24,420 |
| *Pedal cyclists* | | | | |
| Front | 53 | 1,823 | 11,790 | 13,666 |
| Back | 51 | 406 | 2,597 | 3,054 |
| Offside | 48 | 589 | 3,178 | 3,815 |
| Nearside | 22 | 362 | 2,348 | 2,732 |
| Unknown | 6 | 79 | 405 | 490 |
| Total[1] | 183 | 3,405 | 20,997 | 24,585 |

[1] Total includes casualties in vehicles which did not impact
[2] Includes riders and passengers of all two-wheeled motor vehicles

## Rail Freight

**Mr. Brake:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the impact of the introduction of 44 tonne lorries on rail freight. [47974]

**Ms Glenda Jackson:** The issue of the possible wider use of 44 tonne, 6 axle lorries, including the possible effects on rail freight, will be discussed in the forthcoming White Paper on integrated transport.

## Single Vehicle Approval Scheme

**Mr. Chope:** To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to the oral statement by the Minister for Small Firms, Trade and Industry on 19 June 1998, *Official Report*, column 676, on the review of the single vehicle approval scheme, if enforcement of the Motor Vehicles (Approval) (Amendment) Regulations 1998 will be suspended pending the outcome of the review; and if he will make a statement. [48170]

**Dr. Strang** *[holding answer 30 June 1998]:* No. The Motor Vehicles (Approval) (Amendment) Regulations 1998 came into force on 30 April. The forthcoming review will examine how to permit access to SVA without undermining EC Whole Vehicle Type Approval—in particular, changes to the current Very Low Volume limits of 50 vehicles a year and 100 over 5 years. There is no question of lowering any of the existing SVA safety and environmental standards.

## Railtrack

**Mr. Rowe:** To ask the Secretary of State for the Environment, Transport and the Regions what steps he will take to give effect to the Rail Regulator's statement that diversification by Railtrack beyond its core regulated activity of managing the domestic rail network would be properly ring-fenced and would have no impact on access charges levied by Railtrack plc. [48263]

**Ms Glenda Jackson:** The Rail Regulator has stated that he wants to ensure that the licensed activities of Railtrack PLC are ringfenced and that the other activities of Railtrack Group PLC will not have any impact on the level of access charges that he will set as a result of his current periodic review. The Government support this aim and will consider whether any further action is necessary.

## Cycle Lanes

**Mr. Cox:** To ask the Secretary of State for the Environment, Transport and the Regions what is the average cost of the provision of one mile of cycle lane. [48326]

**Ms Glenda Jackson:** Average costs are not available, but since cycle lanes use the existing carriageway of a road and are identified by markings and signs, costs are not high. The limitation in providing more cycle lanes on the carriageway will often be lack of sufficient roadspace.

We are encouraging all local authorities to improve facilities for cyclists, including more cycle lanes on the carriageway.

## Freight

**Mr. Jenkin:** To ask the Secretary of State for the Environment, Transport and the Regions how many billion tonne-kilometres of freight are moved annually within the United Kingdom. [48273]

**Ms Glenda Jackson** *[holding answer 1 July 1998]:* 241 billion tonne-kilometres of freight were moved within the United Kingdom in 1996, the latest year for which figures are available.

## Roads

**Mr. Jenkin:** To ask the Secretary of State for the Environment, Transport and the Regions what percentage of incidents of road congestion are related to road maintenance. [48278]

**Ms Glenda Jackson** *[holding answer 1 July 1998]:* Recent research commissioned by the Highways Agency suggested that, during the study period, roadworks were responsible for approximately 15 per cent. of incidents of congestion. This project examined the causes of congestion on most of the motorway network and a small number of all-purpose trunk roads.

**Mr. Jenkin:** To ask the Secretary of State for the Environment, Transport and the Regions how many kilometres of *(a)* motorways, *(b)* trunk roads and *(c)* major local authority roads have less than four years life remaining and require urgent maintenance. [48280]

**Ms Glenda Jackson** *[holding answer 1 July 1998]:* Details of surveys of the residual life of motorways, trunk roads and principal local authority roads are published in the National Road Maintenance Condition Survey. The report on the 1997 survey gives information about residual life of roads for England and Wales:

| *Road class* | *Motorway* | *Trunk* | *Principal* |
|---|---|---|---|
| Lane kms surveyed | 4,538 | 13,259 | 32,818 |
| *Residual life years:* | | | |
| Less than 0 | 5.7 | 8.1 | 15.4 |
| 0–4 | 9.4 | 6.9 | 9.3 |
| 5–9 | 11.9 | 9.0 | 9.2 |
| 10–14 | 12.7 | 10.4 | 8.3 |
| 15–19 | 22.5 | 14.7 | 10.1 |
| Greater than 19 | 37.8 | 50.9 | 47.7 |
| All | 100 | 100 | 100 |
| Coverage of eligible network percentages | 99 | 85 | 59 |

Most of these roads do not require immediate maintenance. Residual life is a projection of the structural condition of the road on a statistical basis. Below zero residual life does not indicate that the road is no longer serviceable.

**Mr. Jenkin:** To ask the Secretary of State for the Environment, Transport and the Regions how many kilometres of non-motorway roads fall under central Government control. [48279]

**Ms Glenda Jackson** *[holding answer 1 July 1998]:* Statistics for 1996 show that in Great Britain 12,359 kilometres of non-motorway roads fall under central Government control.

**Mr. Jenkin:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to charge utilities for their occupation of the highway during roadworks. [48555]

**Ms Glenda Jackson:** None at present, though the issue is kept under review.

## Fuel Consumption

**Mr. Jenkin:** To ask the Secretary of State for the Environment, Transport and the Regions what were the average fuel consumption figures of a new car in *(a)* 1984 and *(b)* 1998. [48271]

**Dr. Strang** *[holding answer 1 July 1998]:* The average new car's fuel consumption was 37.11mpg in 1984 and 37.97mpg in 1996, which is the latest year for which data are available. These figures underline the need for further improvement in the fuel consumption in new cars, though recent improvements are encouraging.

## Disabled People

**Mr. Chope:** To ask the Secretary of State for the Environment, Transport and the Regions if he will publish and place in the Library a copy of the report of the Working Group of the Disabled Persons Transport Advisory Committee into the needs of disabled people in the context of proposals to discourage increasing unnecessary car use. [48507]

**Ms Glenda Jackson:** The Disabled Persons Transport Advisory Committee presented a report on Restrictions on Personal Vehicular Transport to me on 6 May. I understand that the Committee will be meeting in August to decide whether or not to publish the report. If the report is published I will arrange for copies to be placed in the Library.

## Telecommunications Masts

**Mr. Prior:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the recent decision by One-2-One to stop using fast-track planning procedures under the General Permitted Development Order for the development of new masts; and if he will require all telecommunications operators to submit full planning applications for all proposed new masts. [48056]

**Mr. Caborn:** Local planning authorities have the opportunity to exercise control over the siting of individual mast developments, whether that be through the consideration of a full planning application or the determination of a full planning application or the determination of a "prior approval" application under the Town and Country Planning (General Permitted Development) Order 1995. The permission for telecommunications masts granted by the Order is subject to certain conditions, one of which is that the developer should make a "prior approval" application to the local planning authority. The developer may accept the conditions and take advantage of the Order permission. If, however, the developer is not prepared to accept a condition, the Order permission is self-evidently not available, and it is open to him to make a planning application to the local planning authority in the ordinary way. Currently we have no plans to make all mast development subject to a full planning application.

## Local Authority Transport Schemes

**Mr. Matthew Taylor:** To ask the Secretary of State for the Environment, Transport and the Regions how much central Government money was used in each of the

past five years to help local authorities develop PFI deals for *(a)* road schemes and *(b)* other transport services; and if he will list the schemes. [48914]

**Ms Glenda Jackson:** In 1993–94 a final grant payment of £13,279 was made as part of assistance given to West Midlands Passenger Transport Authority to assist with the development of a concession agreement for the West Midlands Metro line 1. Since that time no local authority has been allocated resources tied specifically to the development of a deal in the transport sector which involves private finance.

A considerable number of authorities do, however, receive funding for local transport packages and some package resources may have been used by authorities to support their expenditure in developing PFI cases. This is most likely in the case of light rail proposals but might also occur for other kinds of infrastructure where a major development forms part of the local package strategy.

### Hedgerows

**Mr. Singh:** To ask the Secretary of State for the Environment, Transport and the Regions when he will publish the results of the Review of the Hedgerows Regulations 1997. [49069]

**Mr. Meacher:** I have today published the report of the group set up to review how the Hedgerows Regulations 1997 might be strengthened. Copies have been placed in the House Library.

The agreed report of the review group demonstrates a thorough investigation of the issues, careful analysis of possible options and puts forward proposals which are sensible and balanced. They include simpler criteria representing the landscape, historic and wildlife importance of hedgerows; and increasing the extra time for local planning authorities to consider hedgerow removal notices from six to eight weeks.

Before these proposals can be worked up into revised draft Hedgerows Regulations, we will commission research into the group's proposed criteria defining important hedgerows. This should provide an estimate of the percentage of hedgerows they would be likely to protect. We will also reflect on their suggestion that, in the longer term, further consideration be given to altering the Environment Act 1995 so that local authorities—rather than Ministers—can determine which hedgerows in their area are important and worthy of protection.

### Packaging

**Mr. Singh:** To ask the Secretary of State for the Environment, Transport and the Regions if he has received the report of the Advisory Committee on Packaging on the Review of Packaging Regulations; and if he will make a statement. [49070]

**Mr. Meacher:** I am today placing in the Library a copy of the Advisory Committee on Packaging's Report on the operation of the Producer Responsibility (Packaging Waste) Obligations Regulations 1997.

The Committee's principal conclusion is that adjustments to the Packaging Regulations should be kept to the minimum in view of the very short timescale for achieving the Directive targets set for 2001, the costs to business and the need to encourage investment in the expansion of recycling and collection capacity. Sir Peter Parker's report includes specific recommendations on the PRN system: in particular, that the PRN mechanism should be more transparent to assure all parties that the funds raised are deployed effectively to increase collection and reprocessing capacity; and that the PRNs should be issued to obligated producers or their representatives only. The report recommends the development of a national packaging planning framework to give the parties involved greater confidence in planning on the achievement of the packaging waste recovery targets, and to contribute to the national Waste Strategy. The Committee also recommends that there should be mechanisms developed to promote cost pass through by the various sectors, but that, where this fails, "hardship criteria" should be established to determine where a case merited review.

Clearly this is still a relatively early point in the operation of these Regulations which are based on an inter-sectoral industry agreement, and I am keen that the Government should continue to have the benefit of the Advisory Committee's views on such issues as may arise in this challenging period as we seek to double the UK's packaging recycling activity. I will be discussing with Sir Peter how the Committee can continue in this valuable role.

### Humber Bridge

**Shona McIsaac:** To ask the Secretary of State for the Environment, Transport and the Regions when decisions will be reached on the treatment of the debts of the Humber Bridge. [49132]

**Dr. Strang:** A new loan agreement between the Secretary of State and the Humber Bridge Board has been signed. In accordance with that agreement, and with effect from 1 April this year, some £62m of debts owed by the Board to the Public Works Loan Board will be written off and interest payments due on debts of £359m owed to the Secretary of State for Transport will initially be reduced to about a fifth of what they would otherwise have been.

The agreement provides that fixed rate interest charges will be broadly aligned with current rates and that, initially, interest charges on £240m of the debt will be suspended. Over the next 16 years suspended debt will be reactivated by instalments starting with the sum of £11m in the next financial year and, in succeeding years, by additional amounts increased by 4 per cent. per annum. All the debt owed to the Secretary of State is to be repaid within the next 40 years.

These arrangements are to be implemented, with the approval of Parliament, through an Order under the Humber Bridge (Debts) Act 1996 which I will lay before Parliament shortly. They should not result in any increase in the real value of the tolls charged at the Humber Bridge. But they should provide the solution to the problem of the unrealistic escalation of the Humber Bridge debt that has long been promised.

### TECs and Business Links

**Mr. Harvey:** To ask the Secretary of State for the Environment, Transport and the Regions if he will establish a pilot programme in an English region under

which the operation of *(a)* TECs and *(b)* Business Links would be the responsibility of the relevant RDA; and if he will make a statement. [46950]

**Dr. Howells:** I have been asked to reply to this question.

As mentioned in the Government's response to the Education and Employment Select Committee's recent report into the relationship between TECs and the proposed Regional Development Agencies (RDAs), we consider that it would be inappropriate to introduce a project piloting alternative methods of contracting with TECs before the current review of the future role of TECs has been completed. The Government will review the situation when the review of TECs is completed.

We are currently considering ways of ensuring that, as mentioned in the Government's White Paper on RDAs ('Building Partnerships for Prosperity'), RDAs will work closely with TECs and Business Links to make sure that their services match more closely the needs of their region and contribute to regional economic objectives.

## TRADE AND INDUSTRY

### Wind Farms

**Mr. Maclean:** To ask the President of the Board of Trade what research her Department has *(a)* commissioned and *(b)* evaluated into the feasibility of off-shore wind farms. [45666]

**Mr. Battle:** An appraisal of the prospects for, and constraints on, the development of both onshore and offshore wind was published as 'An Assessment of Renewable Energy in the UK' by HMSO in 1994. Since then my Department's New and Renewable Energy Programme has supported a wide range of research projects related to wind energy and geared mainly towards onshore deployment, stimulated by successive Orders under the Non-Fossil Fuel Obligation. Current work, however, includes monitoring the development of the first offshore wind NFFO project at Blythe, and assessing the commercial opportunities for UK manufacturing industry within the offshore wind arena. Total DTI expenditure on wind energy projects in 1997/98 was £1.5 million.

My current review of renewable energy, including onshore and offshore wind energy, is considering the contribution each source could make, the barriers to deployment and the measures which may be necessary to overcome them, and the need for research, development, demonstration, and dissemination. I expect to make an announcement about the Review later this year.

### Trade Statistics (Pakistan)

**Mr. Barnes:** To ask the President of the Board of Trade what is the total value of *(a)* exports to and *(b)* imports from Pakistan for each of the last five years for which records are available; what are the major categories of exports and imports; and if she will make a statement. [48182]

**Mrs. Roche:** The information is given in the following tables:

*UK trade with Pakistan*

*£ million, current prices*

| *UK* | *UK exports* | *Total imports* | *Total trade* |
|---|---|---|---|
| *Goods and Services* | | | |
| 1992 | 464 | 393 | 837 |
| 1993 | 499 | 460 | 959 |
| 1994 | 531 | 511 | 1,042 |
| 1995 | 556 | 525 | 1,081 |
| 1996 | 589 | 566 | 1,155 |
| 1997 | n/a | n/a | n/a |
| *Goods* | | | |
| 1992 | 312 | 273 | 585 |
| 1993 | 330 | 324 | 654 |
| 1994 | 354 | 360 | 714 |
| 1995 | 340 | 364 | 704 |
| 1996 | 344 | 391 | 735 |
| 1997 | 269 | 380 | 649 |
| *Services* | | | |
| 1992 | 152 | 120 | 272 |
| 1993 | 169 | 136 | 305 |
| 1994 | 177 | 151 | 328 |
| 1995 | 216 | 161 | 377 |
| 1996 | 245 | 175 | 420 |
| 1997 | n/a | n/a | n/a |

*Note:*
Figures for trade in goods are on an Overseas Trade Statistics (OTS) basis. Figures for trade in services are on a Balance of Payments (BOP) basis

*UK-Pakistan trade in goods 1997*

| *Main commodities traded* | *£ million* |
|---|---|
| *Top 5 UK exports to Pakistan* | |
| Specialised industrial machinery | 35.2 |
| Power generating machinery | 25.2 |
| General industrial machinery | 24.0 |
| Medicinal and pharmaceutical products | 19.1 |
| Chemical materials and products, n.e.s.[1] | 17.8 |
| *Top 5 UK imports from Pakistan* | |
| Textile yarn, fabrics, made-up articles, n.e.s.[1] | 166.6 |
| Articles of apparel and clothing accessories | 110.7 |
| Fish, crustaceans etc. | 16.4 |
| Power generating machinery | 15.9 |
| Textile fibres | 12.4 |

[1] Not elsewhere specified within the Standard International Trade Classification

*Note:*
Figures for trade in goods are on an Overseas Trade Statistics (OTS) basis

*Sources:*
United Kingdom Balance of Payments, The Pink Book, 1997, ONS
Monthly review of External Trade Statistics (MRETS), ONS
Overseas Trade Statistics of the United Kingdom, HM Customs and Excise

### Carbon Dioxide Emissions

**Mr. Gummer:** To ask the President of the Board of Trade what is her Department's policy on the Government's target to reduce emissions of carbon dioxide by 20 per cent. by the year 2010. [46234]

**Mrs. Beckett:** The Government plan to publish a consultation paper on climate change this summer. This will focus on policy options for meeting our legally binding target from Kyoto, but also look at measures that

would move beyond that towards our aim of a 20 per cent. reduction in $CO_2$ emissions. We are inviting views from all sectors throughout this consultation process.

As part of the process, we are committed to a new and strong drive to develop renewable energy sources. We inherited a figure of 2 per cent. renewables contribution to UK electricity supplies. This is expected to rise to 5 per cent. by about 2003. On 6 June 1997, *Official Report,* column *273,* my hon. Friend the Minister for Science, Energy and Industry, announced a review of our renewable policy of what would be necessary and practical to meet our target of 10 per cent. of UK electricity supplies from renewables by 2010. I hope to announce the results of that review shortly.

### Government Policies

**Mr. Fabricant:** To ask the President of the Board of Trade if she will list the projects undertaken by her Department since 1 May 1997 to research public reaction to *(a)* Government policies and *(b)* potential new policies; and if she will place the results of the research in the Library. [46682]

**Mrs. Beckett** *[holding answer 30 June 1998]:* The Department has carried out the following surveys into current policies and potential new policies since 1 May 1997:

- Biotechnology Means Business Evaluation
- Business Links Baseline Tracking Study
- Competitiveness Analysis of UK Downstream Gas Industry
- Degradation of Materials in Aggressive Environments
- Design Council Evaluation and Tracking Study
- Environmental Technology Best Practice Programme (Series of ad hoc surveys)
- Evaluation of Regional Supply Network
- Evaluation of Export Market Research Scheme*
- Evaluation of Design of High Speed Machinery Programme
- Evaluation of Small Firms Loan Guarantee Scheme*
- Evaluation of RETEX Initiative
- Evaluation of KONVER Initiative
- Evaluation of Industry '96
- Future Market Potential for Photovoltaic Products
- Interim Evaluation of DTI's Biotechnology Means Business Initiative*
- Materials Measurement Evaluation Survey*
- Mid-term Review of BNSC Applications Demonstration Programme
- Review of European Supported Networks
- South-east Asia "Lands of Opportunity" Campaign
- Support for Overseas Trade Fairs & Seminars Study
- Survey as part of an Evaluation of OSO Support for Innovation*
- Survey of Machinery Exporters concerning Single Market Barriers to Trade*
- UK Business Potential for Virtual Reality*
- Workplace Employee Relations Survey*.

The distinction between current and potential policies is not one the Department uses, since evaluations of current policy will shape future policy.

Where the results of these surveys are not already in the Library of the House, arrangements are being made for them to be placed there. The only exception is the report of the Mid-term Review of BNSC Applications Demonstration Programme, which is classified 'Commercial in Confidence'.

Those surveys marked with an asterisk have not yet been completed. Copies of the reports on these surveys will be placed in the Library of the House when completed.

I have also placed in the Library a list of all significant public consultation exercises carried out by my Department since 1 May 1997.

### Manufacturing Industry (East Asian Economic Crisis)

**Mr. Hoyle:** To ask the President of the Board of Trade if he will make a statement on the effects of the East Asian economic crisis on employment in the UK manufacturing sector. [48494]

**Mr. Battle:** The economic situation in East Asia is still evolving and the Government are monitoring it carefully. Adverse developments in the region are not good news in the short term for UK exporters with a significant presence there. Obviously, the prospects for manufacturing employment in the UK over the long term depend on the underlying competitiveness of British manufacturers, and that is an agenda which DTI is specifically addressing.

### Mirror Group

**Mr. Chope:** To ask the President of the Board of Trade if she will publish the report of the investigation into the 1991 flotation of the Mirror Group; and if she will make a statement. [48558]

**Mr. Nigel Griffiths:** The inspectors have not yet reported to the Secretary of State.

### European Structural Funds

**Mr. Wigley:** To ask the President of the Board of Trade if she will make a statement on her Department's role in discussions relating to the European structural funds for the period 2000 to 2006. [48774]

**Mrs. Roche:** The Department of Trade & Industry is the lead Department on the reform of the European Structural and Cohesion Funds. Our responsibility is to co-ordinate UK policy on the reform for all Government Departments including Welsh, Scottish, and Northern Ireland Offices.

Discussions have started on the proposed regulations by Member States at working group level. Officials of the Department of Trade & Industry attend on behalf of the UK, supported by other interested departments.

## CULTURE, MEDIA AND SPORT

### Concessionary Admission Charges

**Mr. Kidney:** To ask the Secretary of State for Culture, Media and Sport what initiatives his Department is supporting for pensioners' concessionary admission charges at arts, leisure and tourist venues. [47678]

**Mr. Fisher:** One of my Department's key objectives is to widen access to arts, leisure and tourist venues for all groups, including older people. Whilst pricing policies are at the discretion of the governing bodies of individual arts, leisure and tourist organisations to decide, the Department has a number of initiatives in place.

We recently announced a £5 million New Audiences fund which will be used to discover the most effective ways to increase access to the arts for all age groups.

All the national museums and galleries that charge for admission offer concessionary rates for older people. In addition, our Code of Good Access Practice, which we have issued for consultation to the wider museums and galleries sector, asks for views on whether there should be a standard group of concessions, including senior citizens. We hope to publish the final Code in the summer.

Our new Sport for All policy will ensure that sporting opportunities are available to older people.

One of the Tourism Forum Working Groups has been considering widening access for older people. The Group's report will feed into the new tourism strategy which should be published later this year.

New Policy Directions issued on 1 June to Lottery distributors emphasised the importance of access for all. We are also encouraging local authorities to develop and publish leisure strategies to improve planning and policy making on issues such as widening access.

### 2006 World Cup

**Mr. Hoyle:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on progress in England's bid to host the 2006 World Cup. [47607]

**Mr. Banks** *[holding answer 29 June 1998]:* The Government are providing the fullest diplomatic and promotional support for the FA's bid to stage the 2006 World Cup. It is an excellent bid which, I believe, stands a very good chance of success. I hold regular meetings with the FA Campaign Team, and have joined FA delegations at meetings with several members of the FIFA Executive Committee, either here in London or in their home countries, to promote the merits of the bid. I intend to accompany FA delegations on future visits to promote the bid, as Parliamentary business allows. I have written to hon. Members urging them to use every opportunity to support the bid and have been heartened by the positive response I have received.

**Mr. Hoyle:** To ask the Secretary of State for Culture, Media and Sport which stadiums he has evaluated in the planning of the bid to host the 2006 World Cup. [47604]

**Mr. Banks** *[holding answer 29 June 1998]:* This is a matter for the Football Association which need to meet the FIFA bid requirements which are due to be published at the end of 1998. Our stadia are amongst the best in the world, and were instrumental in making Euro 96 such a success. The FA will have many excellent stadia from which to choose.

### UK Sports Institute

**Mr. Spring:** To ask the Secretary of State for Culture, Media and Sport what representations he has received from *(a)* sporting bodies and *(b)* sporting individuals in (i) Northern Ireland, (ii) Scotland and (iii) Wales in respect of their access to the UK Sports Institute network; and if he will make a statement. [47795]

**Mr. Banks** *[holding answer 30 June 1998]:* No representations have been received in my Department from sporting bodies or sporting individuals in Northern Ireland, Scotland and Wales in respect of their access to the UK Sports Institute. Such individuals and bodies are, of course, welcome to discuss access to the UK Sports Institute network with the UK Sports Council.

**Mr. Spring:** To ask the Secretary of State for Culture, Media and Sport if he will list the measures his Department has taken to invite sports to participate in the UK Sports Institute. [47796]

**Mr. Banks** *[holding answer 30 June 1998]:* Eight Sports Governing Bodies took up an invitation to have a statement of their potential requirements for training and related facilities added at the shortlisting stage of the bidding process for the UK Sports Institute Headquarters. Discussions are taking place at UK and Home Country level with Governing Bodies to establish the extent of their participation in the UK Sports Institute network, in terms of facilities, and in respect of their World Class Performance Plans.

**Mr. Spring:** To ask the Secretary of State for Culture, Media and Sport what progress has been made in respect of the provision of *(a)* sports medicine, *(b)* sports science, *(c)* sports research, *(d)* talent identification and *(e)* the setting of standards within the UK Sports Institute. [47794]

**Mr. Banks** *[holding answer 30 June 1998]:* The UK Sports Council has set up a sports science/sports medicine technical committee with representatives from each discipline to develop the approach to these services for the UK Sports Institute. The Institute will play a key role in sports research. The UK Sports Council is taking a lead in discussions with interested parties to establish systems to help identify sporting talent. The UK Sports Institute Headquarters will be responsible for accrediting the UK Sports Institute network to standards laid down by the UK Sports Council.

**Mr. Spring:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the nature of the sports research to be undertaken by the UK Sports Institute. [47793]

**Mr. Banks** *[holding answer 30 June 1998]:* The nature of the sports research to be undertaken by the UK Sports Institute has not yet been defined but will complement the provision of services and training facilities to our top sportsmen and women. I understand that the hon. Member will be meeting the UKSI Project Team at the UK Sports Council next month and he will be able to get further reassurance on this and a range of related issues.

### UK Sports Council

**Mr. Jim Cunningham:** To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the support provided to the United Kingdom's top sportsmen and women by the UK Sports Council; and if he will make a statement. [48906]

**Mr. Chris Smith:** Our top sportsmen and women need more support from Government and they will get it when the present arrangements for excellence in UK sport are

strengthened and streamlined. Devolution offers the opportunity to be much clearer in future about who provides help for what aspects of sport. The arrangements I am announcing today will ensure that sport in England, Scotland, Wales and Northern Ireland develops in line with what is wanted in each of those parts of the United Kingdom, and that we combine our strengths on the international stage.

I have agreed with my colleagues that we will radically change the United Kingdom Sports Council, which we inherited from the previous Government. Our new strategy will give strong national direction and the powers to implement it. To support sport at UK level there will in future be:

A "Sports Cabinet", chaired by me and bringing together the Sports Ministers of the four parts of the UK and others who are closely involved in the development of sport; and

a stronger United Kingdom Sports Council to provide supports to our top athletes.

The Sports Cabinet will meet several times a year and will give the joint political direction which was lacking in the current arrangements. The group will bring together the Ministers responsible for sport in the four parts of the UK under my Chairmanship. As the Scottish Parliament and the Assemblies in Wales and Northern Ireland come into being the foremost member responsible for sport in each will take the place of the Government Minister for that part of the UK. The arm's length principle which we continue to hold important will be preserved, but the Cabinet will fill the policy vacuum which would exist if there were no opportunity for the collective political discussion of the most strategic priorities for UK sport.

The strengthened UK Sports Council will coordinate: support to sports which compete internationally as the UK; combating drug misuse; international relations; major events; and development work on the UK Sports Institute. The Council will continue to operate at arm's length from Government. It will receive public funding from me and that funding will be subject to an agreement about key priorities. I would therefore expect the Sports Cabinet to exercise considerable influence over the affairs of the UK Sports Council.

The Council will, for the first time, have direct control over Lottery funding which it will exercise independently. The funds will be allocated from the share Parliament has already allocated to the good cause of Sport. I will bring forward in the new session a negative resolution Order establishing the UKSC as a distributor and reallocating the sports good cause share between the five Councils. I estimate the UKSC will need about 5 per cent. (or £15 million) of the sports fund each year as well as a transfer to meet the commitment to building and running the Headquarters of the UK Sports Institute in Sheffield.

I am commissioning today the detailed work to put these arrangements in place. Working with the Councils we will define clearly what is the remit of each distributor, bring forward any amendments to the Royal Charters which may be necessary and prepare the policy and financial directions.

The Council also needs strong leadership. I have decided it is essential it has its own Chair, a person of standing in sport, who would not be the Chair of one of the Home Country Sports Councils. I have also decided there should be at least seven independent Members including athletes and lay people with an enthusiasm for top class sport.

I am today announcing that Sir Rodney Walker will leave the English Sports Council (ESC) and become Chair of the UKSC after the ESC's meeting next Monday. I have also indicated to the Council that I would be pleased if Craig Reedie became Sir Rodney's named deputy, to reflect the fact that the Olympic sports must compete as Great Britain and the role the British Olympic Association is expected to play in the UK Sports Institute. I am also pleased to announced that Trevor Brooking the Current Vice Chairman of the ESC, has agreed to become Acting Chairman of that Council. The Chair at the ESC and new UKSC members will be appointed in accordance with the guidance of the Commissioner for Public Appointments.

I have agreed with the new Chairman that from 13 July the new Chief Executive of the UKSC should be David Chesterton, a senior civil servant on secondment from my Department. He will replace Howard Wells, who resigned recently.

### Football Task Force

**Mr. Spring:** To ask the Secretary of State for Culture, Media and Sport when the Football Task Force report on ticketing will be published; and if he will make a statement. [47893]

**Mr. Banks** *[holding answer 1 July 1998]:* The Task Force is due to publish its report on ticketing, marketing and other commercial aspects of the game by the end of the year.

## TREASURY

### Private Finance Initiative

**Mr. Cousins:** To ask the Chancellor of the Exchequer what representations he has made to the Accounting Standards Board on the proper presentation of risks and liabilities of Private Finance Initiative schemes. [44719]

**Mr. Gibb:** To ask the Chancellor of the Exchequer if he will make a statement on his discussions with the Accounting Standards Board regarding exposure draft FRS 5 on Accounting for the Substance of Transactions. [46375]

**Mr. Geoffrey Robinson** *[holding answers 10 and 18 June 1998]:* In December 1997 the Accounting Standards Board (ASB) issued for comment an Exposure Draft on the accounting treatment of Private Finance Initiative transactions. HM Treasury submitted its formal response to the ASB on 3 March 1998 and we are continuing to have discussions with ASB representatives on this subject.

**Mr. Gibb:** To ask the Chancellor of the Exchequer if the Treasury will be bound by the terms of the exposure draft FRS 5. [46857]

**Mr. Geoffrey Robinson** *[holding answer 22 June 1998]:* The proposed Application Note to FRS5 on the accounting treatment of Private Finance Initiative transactions is still in draft form and we are continuing to

have discussions with representatives of the Accounting Standards Board (ASB). The Treasury will consider the Application Note when it is published in final form.

### Unemployment

**Mr. Redwood:** To ask the Chancellor of the Exchequer what estimate he has made of the impact on unemployment of a one per cent. increase in average earnings unmatched by any increase in productivity. [48556]

**Mrs. Liddell:** Pay in all sectors, and at all levels, must be related to what can be afforded. Excessive wage growth would tend to raise unemployment, but the precise effect would depend upon why wages increased, and how employers and employees reacted to the increase.

## HOME DEPARTMENT

### Prisoners (Self-harm)

**Mr. Clappison:** To ask the Secretary of State for the Home Department if he will estimate the number of incidents of self-harm by *(a)* 15 and 16 year olds on remand in adult prisons and *(b)* other offenders aged under 21 years in custody which go unreported. [43835]

**Ms Quin:** I will write to the hon. Member.

### Correspondence

**Miss McIntosh:** To ask the Secretary of State for the Home Department what was the volume of correspondence sent to and received from hon. Members by the Secretary of State for the Home Department in the periods of *(a)* 1 January to 26 March 1994 and *(b)* 1 January to 26 March 1998. [47690]

**Mr. Straw:** The volume of correspondence sent to, and received from, hon. Members by my Department between the dates in question was as follows:

| | *Sent* | *Received* |
|---|---|---|
| 1 January–26 March 1994 | 4,821 | 6,146 |
| 1 January–26 March 1998 | 4,980 | 5,855 |

### Medway Training Centre

**Mr. Beith:** To ask the Secretary of State for the Home Department on what occasions mail sent to a child at the Medway Training Centre has been withheld. [48161]

**Mr. Michael:** I am told that no such mail has been withheld.

**Mr. Beith:** To ask the Secretary of State for the Home Department how many incidents of *(a)* self-harm and *(b)* attempted suicide by children have taken place at the Medway Training Centre. [48160]

**Mr. Michael:** There has been one incident of self-harm, in which the trainee scratched his arm. He was seen by medical staff but no treatment was required. No trainee has attempted suicide.

**Mr. Beith:** To ask the Secretary of State for the Home Department which Home Office monitor is assigned to the Medway Training Centre; and if he will indicate their experience of working with institutions for children. [48162]

**Mr. Michael:** Brett Robinson, a Home Office official, is currently the Monitor for Medway Secure Training Centre, and he has a statutory duty to report to the Secretary of State on how the STC is being run. He has not had direct experience of working within an institution for children, but his training for the post included periods at local authority secure units. The Monitor has a wide range of experience which fits him for the role of monitoring the performance of the contractor in delivering the service required at the STC, including compliance with the Statutory Rules.

**Mr. Beith:** To ask the Secretary of State for the Home Department what costs have been incurred by the public sector for unfilled places at the Medway Training Centre since its opening. [48159]

**Mr. Michael:** The contract price is determined by the availability of places and the quality of service provided. There is a fixed daily price for the first 30 places available, irrespective of whether they are occupied or not, and a lower daily rate for the final 10 places if these are used.

**Mr. Beith:** To ask the Secretary of State for the Home Department how many employees at the Medway Training Centre have previous experience of working with children with a history of offending. [48158]

**Mr. Michael:** We understand that around 30 per cent. of the staff who work directly with trainees at Medway Secure Training Centre have previously worked with young people with a history of offending. All staff have received training in understanding and dealing with disturbed adolescents.

**Mr. Beith:** To ask the Secretary of State for the Home Department what is the average weekly cost of keeping a child at the Medway Training Centre. [48157]

**Mr. Michael:** The average cost of a place at Medway is £2,400 per week excluding capital costs. This compares with the average cost in local authority secure accommodation for 1997–98 of £2,570.

**Mr. Beith:** To ask the Secretary of State for the Home Department how many family or social visits to a child held at the Medway Training Centre have been stopped since its opening. [48156]

**Mr. Michael:** None.

### Drug Users

**Mrs. Gilroy:** To ask the Secretary of State for the Home Department what recent assessment he has made of the funding of the South and West Devon fast track diversion and stabilisation scheme for drug users. [48145]

**Mr. George Howarth:** I am aware that the scheme is currently facing some funding difficulties, and am consulting my hon. Friend the Minister for Public Health on how these difficulties might be resolved.

**Mrs. Gilroy:** To ask the Secretary of State for the Home Department what discussions he has had about the South and West Devon fast track diversion and stabilisation scheme for drug users. [48149]

**Mr. George Howarth:** On 15 June, I met the Chief Probation Officer of Devon Probation Service and His Honour Judge William Taylor, the Liaison Judge on the Probation Committee, to discuss the funding of the scheme.

### Criminal Injuries Compensation Board

**Mrs. Lait:** To ask the Secretary of State for the Home Department how many Criminal Injuries Compensation Board claims are currently being processed by their Complaints Board; what percentage this constitutes of total claims; and how many complaints relate to claims originating in each year since 1990. [47978]

**Mr. Michael:** It is assumed that the Question relates to appeals and other hearings cases still to be resolved by the Criminal Injuries Compensation Board (CICB) under the 1990 scheme, effective for claims received to 31 March 1996.

At 26 June 1998, there were 17,736 such cases, forming 85 per cent. of the residual work outstanding under the 1990 scheme. The distribution according to the year in which the original claim was received is as follows:

| *Year of receipt of original claim* | *Appeals/hearings cases to be resolved* |
|---|---|
| Pre-1990 | 352 |
| 1990 | 206 |
| 1991 | 425 |
| 1992 | 630 |
| 1993 | 1,055 |
| 1994 | 3,338 |
| 1995 | 8,063 |
| To 31 March 1996 | 3,667 |
| Total | 17,736 |

The total includes a number of cases resolved in previous years, but re-opened on medical grounds.

For claims received under the 1990 scheme between 1990 and 31 March 1996, the percentage in which an application for, or referral to, an oral hearing was subsequently made averaged 20 per cent. (range 16 to 22 per cent.).

For claims received on or after 1 April 1996 under the tariff-based scheme (in which CICB has no role), for decisions made by the Criminal Injuries Compensation Authority are open to review by the Authority, and reviewed decisions are open to appeal before the Criminal Injuries Compensation Appeals Panel. Present indications are that the percentage of full appeals cases is less than 10 per cent. of total claims received. The new scheme is designed to offer a faster service to victims at all stages.

### Edgar Fernandes

**Mr. Vaz:** To ask the Secretary of State for the Home Department (1) if he will send a British police officer to Turkey to assist in the Edgar Fernandes murder inquiry; [47840]

(2) what steps he has taken since 25 June on the case of Edgar Fernandes; [48244]

(3) what steps are being taken to monitor the Edgar Fernandes murder investigation in Turkey; and if he will make a statement; [47838]

(4) what factors led to the decision to send Scotland Yard officers to *(a)* Cambodia to investigate the case of Christopher House and *(b)* to the South China Sea to investigate the case of Sea Captain Sir John Bashforth; [47841]

(5) if he will make a statement on the level of co-operation between British and Turkish police forces in the investigation into the death of Edgar Fernandes; and what pressure is being put on the Turkish police to speed up their investigations into the circumstances of Edgar Fernandes's death. [47839]

**Mr. Michael:** Although the Home Office and the Foreign and Commonwealth Office have closely followed developments in the case of Edgar Fernandes, the murder investigation and any subsequent prosecution are matters for the Turkish authorities. The Turkish authorities have not requested any specific assistance from the United Kingdom in connection with the investigation, although the exchange of relevant information has taken place both through police channels, via Interpol, and via diplomatic channels, through our Consular Division here and Diplomatic Posts overseas.

On 11 May, Interpol London was advised that a person suspected of committing the murder had been arrested in Malta. The Turkish authorities are currently applying for his extradition from Malta to face prosecution in Turkey. The Turkish Ministry of Justice sent the translated extradition request to the Turkish Ministry of Foreign Affairs on 10 June. There may be a delay in its arrival in Malta because Turkey does not have diplomatic representation in Malta and it is understood that the paperwork will have to be processed via the Turkish Embassy in Rome.

The level of co-operation between the British and Turkish police forces during the investigation, conducted via Interpol channels, has been generally good, although there have been some delays in information being provided to the British police by the Turkish authorities, partly because Turkey has chosen to send some responses via diplomatic channels rather than via Interpol where the British request originated. Both the British police and the Consular Division have been in regular contact with their Turkish counterparts to obtain information concerning developments, and will continue their efforts. It would probably be unhelpful, and possibly counter-productive, to go further than this, as undue pressure is likely to antagonise the Turkish authorities who are pursuing the investigation according to their national procedures. The situation is complicated by the fact that the murder suspect is in a third country and will have to be extradited to face prosecution, building in unavoidable delays.

The Turkish authorities have not requested the presence of a British police officer in Turkey to assist with the investigation. A British police officer would have no jurisdiction to investigate the case in Turkey and his presence there would have to be authorised by the Turkish authorities. The Coroner at St. Pancras has made a request

to the Attorney General in Malta to allow a Metropolitan Police officer to interview the detained suspect in Malta to assist the inquest proceedings in Britain. The inquest has been opened and adjourned in Britain and a reply to the request is currently awaited from the Attorney General in Malta.

The cases of Christopher Howes and Captain John Bashforth were both different from the present case. Mr. Howes was kidnapped and British police officers, trained in negotiation skills, went to Cambodia to assist with negotiations and in establishing Mr. Howes' whereabouts. British police made a number of visits to Cambodia and their involvement there concluded once the fates of Mr. Howes and the other hostage were discovered. The murder investigations then became a matter for the Cambodian authorities.

British police officers did not go to Indonesia in 1996 to investigate the murder in 1992 of Captain Bashforth, but rather to review the investigation of the murder by the Indonesian police. The perpetrators of the murder have never been caught.

The police and the Foreign and Commonwealth Office will continue to monitor developments in the case of Edgar Fernandes, in consultation with the relevant authorities in Turkey and Malta. In this regard, Interpol London are currently pursuing with their Maltese counterparts the question of the visit by a Metropolitan Police officer to facilitate the inquest being held in Britain.

### Asylum Seekers

**Mr. Burstow:** To ask the Secretary of State for the Home Department if he will list the criteria on the basis of which asylum seekers detained under the immigration acts are classified as Category C status. [48306]

**Mr. Mike O'Brien:** Detainees held under sole Immigration Act powers are not classified in accordance with Prison Service categorisation. The only exception would be where someone was held for reasons of national security.

Most detainees are held in Immigration Service detention accommodation (which is not categorised according to Prison Service specifications), or the discrete centres at Rochester and Haslar. Those held in other Prison Service establishments are usually accommodated with remand prisoners and are therefore held in local prisons or remand centres which are category B security standard because of the wide range of offenders.

## INTERNATIONAL DEVELOPMENT

### Gender Impact Assessments

**Jackie Ballard:** To ask the Secretary of State for International Development if he will place in the Library copies of gender impact assessments which have been undertaken in respect of legislation introduced in this Parliament; if he will make it his policy to do so in respect of future legislation; and if he will make a statement. [47019]

**Clare Short:** The Department for International Development assesses all its policies and programmes for their gender impact. This is in line with the way the issue is being addressed through the cross-Departmental mainstreaming initiative.

I refer to the answer given by my hon. Friend the Under-Secretary of State for Women on 24 June 1998, *Official Report*, columns *557–58*.

### Government Policies

**Mr. Fabricant:** To ask the Secretary of State for International Development if she will list the projects undertaken by her Department since 1 May 1997 to research public reaction to *(a)* Government policies and *(b)* potential new policies; and if she will place the results of the research in the Library. [46675]

**Clare Short:** The Department regularly consults the public, interested parties and client groups by way of consultation papers, discussion groups and any other methods such as the recent White Paper on International Development.

In addition, and in line with practice under the previous administration, and at similar cost, research was also carried out by Opinion Leader Research Ltd. shortly after this government took office to evaluate knowledge and opinions about development assistance. Copies of this research has been placed in the Library of both Houses.

### Reproductive and Sexual Health

**Mr. Martyn Jones:** To ask the Secretary of State for International Development if she will make representations to the European Commission to set up a contracted-out expert network of advisers in reproductive and sexual health. [48262]

**Clare Short:** A network of external advisers in reproductive health, population and HIV/AIDS was created by Directorates General VIII and Ib of the Commission in February 1998, following an open tender competition. Expert advice is being provided by a consortium of four groups: International Health Services (Ghent), Deloitte and Touche and two UK-based groups, Liverpool Associates in Tropical Health and the Futures Group UK.

**Mr. Martyn Jones:** To ask the Secretary of State for International Development if she will make representations to the European Commission to spend 300 million ecu on reproductive health issues as committed following the Cairo conference. [48261]

**Clare Short:** We maintain regular dialogue with the Commission on investments in reproductive health in developing countries. The Commission has exceeded its target of committing 300 million ecu in reproductive health assistance in the five years following the 1994 International Conference on Population and Development. We will do all we can to help ensure that this money is spent effectively.

### Multilateral Agreement on Investment

**Ms Walley:** To ask the Secretary of State for International Development what plans she has to

commission further reviews of the implications for development of proposed Multilateral Agreement on Investment; and if she will make a statement. [48058]

**Clare Short:** The Multilateral Agreement on Investment (MAI) Negotiating Group has tasked the Secretariat of the Organisation for Economic Cooperation and Development (OECD) with carrying out further analytical work on the development implications of the MAI. We expect to receive the Secretariat's initial proposals for this research shortly. We welcome the fact that the research is being taken forward by the Secretariat on behalf of the Negotiating Group as a whole. This indicates that there is now a broad interest among MAI negotiators in the development implications of the MAI. My Department will continue to keep in close touch with the Secretariat as their proposals develop and the research moves forward.

## HEALTH

### Gender Impact Assessments

**Jackie Ballard:** To ask the Secretary of State for Health if he will place in the Library copies of gender impact assessments which have been undertaken in respect of legislation introduced in this Parliament; if he will make it his policy to do so in respect of future legislation; and if he will make a statement. [47016]

**Ms Jowell:** I refer the hon. Member to the reply given by my hon. Friend the Under-Secretary of State for Women on 24 June 1998, *Official Report*, columns *557–58*.

### Human Embryos

**Mr. Amess:** To ask the Secretary of State for Health how many human embryos have been used in research projects since March 1991. [47902]

**Ms Jowell:** This information is not available in the form requested. The latest figures provided by the Human Fertilisation and Embryology Authority (HFEA) show that 36,930 embryos created during the course of in vitro fertilisation treatments were donated to research projects between 1 August 1991 and 31 March 1996.

In addition, a number of embryos are created for diagnostic purposes in treatments involving gamete intra-fallopian transfer—a procedure not governed by the Human Fertilisation and Embryology Act 1990—which, together with embryos created using supernumerary eggs produced in the course of that procedure, may be donated to research. It may also be possible for research embryos to be created using eggs donated for treatment but which are not, in the event, used for that purpose. The HFEA licenses about 2 or 3 research projects each year which may involve the creation of embryos. This will be only where such use is an essential requirement for the research project, for example in order to examine the viability of eggs which have been frozen, or the use of immature sperm for treatment purposes.

Research on human embryos is subject to very strict controls under the terms of the Human Fertilisation and Embryology Act 1990. Such research may be carried out only if effective consent, as defined in the Act, is given by the egg and sperm providers.

### Overseas Adoptions

**Mrs. Golding:** To ask the Secretary of State for Health how many children from abroad have been adopted in the UK in each of the last 12 years. [48010]

**Mr. Boateng:** The Department does not hold information about the number of children adopted from abroad, only about the number of intercountry adoption applications processed since 1992. These will account for the majority of such adoptions since then and are set out in the table:

| *Year* | *Number of intercountry adoption applications processed by the Department of Health* |
|---|---|
| 1992 | 48 |
| 1993 | 99 |
| 1994 | 113 |
| 1995 | 150 |
| 1996 | 310 |
| 1997 | 221 |
| January-June 1998 | 125 |
| Total | 1,066 |

### Pharmacists

**Mr. McWalter:** To ask the Secretary of State for Health (1) what plans he has to enhance the role of pharmacists in the delivery of primary care; [48235]

(2) what plans he has to involve community pharmacists in promoting health advice to men over 40 years of age. [48236]

**Mr. Milburn:** We propose to publish a policy document in the autumn setting out proposals for the future role of community pharmacists within the National Health Service.

**Mr. McWalter:** To ask the Secretary of State for Health what assessment he has made of the number of consultations general practitioners carry out which could be effectively dealt with by *(a)* a pharmacist and *(b)* another member of a primary health care team. [48237]

**Mr. Milburn:** We are aware of a range of research and experience which suggests that some tasks currently undertaken by general practitioners could be carried out appropriately by pharmacists and other health professionals.

## WALES

### Gwent Tertiary College

**Mr. Evans:** To ask the Secretary of State for Wales (1) what meetings he has held over the past 12 months concerning the spending of European funds at Gwent Tertiary College; [48197]

(2) what discussions he has had with personnel of Gwent Tertiary College over the past 12 months relating to the spending of European funds at the college; [48184]

(3) what representations he has received over the past 12 months concerning the spending of European funds at Gwent Tertiary College. [48198]

**Mr. Hain:** I have had a number of meetings, and discussions. Officials from the Welsh Office and the Department for Education and Employment (DfEE) have been in regular contact with the College concerning European funding. As the hon. Member is no doubt aware, the Fraud Inspection Unit of DfEE and the Gwent Constabulary are currently investigating the receipt and allocation of European Social Funding by the College in 1995 and 1996.

### Phase Separations Company

**Mr. Barry Jones:** To ask the Secretary of State for Wales if he will make a statement on the closure of the Phase Separations Company on Deeside Industrial Park indicating the number of jobs lost and the areas in which they have been relocated. [47905]

**Mr. Hain:** The closure of any company with its associated loss of jobs is always regrettable. I understand that 28 jobs will be lost and that the company plans to transfer manufacturing to Ireland, distribution to Holland and administration to Watford. The local TEC is liaising with the Employment Service to see what help can be given to those employees made redundant.

### Tree Planting

**Mr. Barry Jones:** To ask the Secretary of State for Wales what steps he is taking to ensure that more deciduous trees will be planted; and if he will make a statement. [47914]

**Mr. Win Griffiths:** We are fully committed to increasing the area of woodland in Wales, including deciduous woodland. Our grant-aid encourages the planting of deciduous trees and over 80 per cent. of the new woodland created in Wales in the past five years is deciduous. Moreover, the UK Forestry Standard, which we launched earlier this year, specifies that any new conifer woodland should include a proportion of deciduous trees. In addition, we have recently announced Challenge Funds for creating woodlands on bracken land and for new native woodlands in National Parks. In both cases, initial responses have been encouraging and much of the woodland planted under these initiatives will be deciduous.

### Development Assistance

**Mr. Barry Jones:** To ask the Secretary of State for Wales what is his estimate of the impact upon North East Wales of the Objective 1 status granted to Merseyside with regard to *(a)* the preparation of industrial infrastructure and *(b)* inward investment; and if he will make a statement. [47910]

**Mr. Hain:** I have no evidence to suggest that the designation of Merseyside as an Objective 1 area has had a detrimental effect on North East Wales. Indeed, the unemployment rate in Flintshire decreased from 4.5 per cent. in May 1997 to 3.9 per cent. in May 1998. Similarly in Wrexham, where the rate dropped from 4.7 per cent. in 1997 to 4 per cent. in 1998.

**Mr. Barry Jones:** To ask the Secretary of State for Wales what are the prospects for the restoration of Objective 2 status in North East Wales; and if he will make a statement. [47907]

**Mr. Hain:** The Commission's draft regulations for the Structural and Cohesion Funds which are part of the Agenda 2000 package were published on the 18 March. The Regulations must now be agreed by all fifteen Member States and approved where appropriate by the European Parliament.

Our overriding concern in the long negotiations ahead is to ensure that these draft Regulations are fair, affordable and durable, particularly to the UK and its regions. We do not expect the Regulations for the Structural and Cohesion Funds to be adopted until early 1999. It would therefore be premature to speculate on which areas might qualify or on the amount of any aid which they might receive once the new Regulations come into effect.

### Genetically Modified Organisms

**Mr. Barry Jones:** To ask the Secretary of State for Wales if he will estimate the likely percentage of crops to be grown in Wales in 2008, which will be genetically modified; and if he will make a statement. [47913]

**Mr. Win Griffiths:** There is no basis for making such an estimate as it is unlikely that commercially grown genetically modified crops will be harvested in the UK before next year. The Government will continue to monitor the situation.

### Steel Industry

**Mr. Barry Jones:** To ask the Secretary of State for Wales what assessment he has made of the impact of the current rate of sterling on the steel industry in Wales; and if he will make a statement. [47904]

**Mr. Hain:** We fully recognise the worries of exporters and manufacturers about the current level of sterling. The Government's aim is a stable and competitive pound of the medium term. The most important thing is to deliver a stable economic environment—with sustained growth, less inflation and sound public finances—whilst at the same time introducing policies to promote enterprise and investment and raise the economy's sustainable rate of growth. The Government are determined to take a long-term view and not be diverted from this cause by short-term pressures.

### Cancer Treatment

**Mr. Barry Jones:** To ask the Secretary of State for Wales what measures he has taken to improve access to cancer treatment in North Wales; and if he will make a statement. [47911]

**Mr. Win Griffiths:** Improving cancer services is a priority for the Government and I am pleased to say that I am making available over £20 million to fund the building of a new cancer centre for North Wales based at Ysbyty Glan Clwyd. I laid the foundation stone a few weeks ago and the new centre should open in June 2000. The centre will provide high-quality cancer services to people from North Wales and will save seriously ill patients making long journeys to English centres.

### Waiting Times

**Mr. Öpik:** To ask the Secretary of State for Wales how many patients in each health authority area were waiting for treatment on the NHS at January for each year since 1992 broken down by medical specialty. [48081]

**Mr. Win Griffiths:** Due to the volume of data requested, I will write to the hon. Member and place a copy of my reply in the Library of the House.

### National Assembly

**Mr. Evans:** To ask the Secretary of State for Wales how much public money will be used to publicise the Welsh Assembly elections. [48445]

**Mr. Ron Davies:** I refer the hon. Member to the answer I gave to my hon. Friend the Member for Birmingham, Erdington (Mr. Corbett) on 23 June 1998, *Official Report*, column *45*.

### Millennium Compliance

**Mr. David Atkinson:** To ask the Secretary of State for Wales what contingency plans his Department is making in the event of the failure of computer systems to recognise the year 2000; when he expects them to be in place, and tested; and if he will make a statement. [48843]

**Mr. Ron Davies:** My right hon. Friend the Chancellor of the Duchy of Lancaster presents quarterly reviews to Parliament of progress on tackling all issues relating to the Millennium date change problem across central Government. His last Report was made on 8 June. At the same time, copies of all Departmental plans are placed in the Libraries of both Houses of Parliament and published on the Internet. At this time, I have nothing to add to the Welsh Office's recently published plans.

### Cardiff Bay Barrage

**Mr. Rhodri Morgan:** To ask the Secretary of State for Wales what consultations he has had with the Chairman of the Cardiff Bay Development Corporation concerning the adjudication by the Parliamentary Commissioner into the Friends of the Earth complaint regarding refusal of information on the Gwent Levels mitigating works and bird reserve; and if he will make a statement. [48624]

**Mr. Ron Davies:** None.

**Mr. Rhodri Morgan:** To ask the Secretary of State for Wales (1) if his review of the Cardiff Bay Barrage is based on the principle of retaining the 1994 cap and economising on ancillary projects; [48622]

(2) on what date he commenced his review of the total costs of the Cardiff Bay Barrage; when he expects to complete his review of the barrage cost cap; and if he will place a copy of the completed review in the Library; [48623]

(3) what provision he has made for increasing the grant-in-aid to the Cardiff Bay Development Corporation in association with the completion of his costs cap review; what increased barrage project costs he has already approved; and what increases in costs have been submitted for approval. [48625]

**Mr. Ron Davies:** The Corporation made available to my Department in February a confidential internal review on the costs of the Barrage project. That review has since been the subject of discussion with the Corporation. On 29 June, I reaffirmed my guidance to the Board that tight control should be exercised over these costs to contain them within the total of £191m announced to Parliament, including provision of £8.8m for the Bird Reserve.

I have asked the Corporation to prepare an update of the review document, excluding commercially confidential material, as soon as possible. I shall arrange for a copy of that document to be placed in the Library of the House.

## SOCIAL SECURITY

### Public Registers

**Mr. Cohen:** To ask the Secretary of State for Social Security if she will list the public registers which her Department has responsibility for. [47347]

**Mr. Field** *[holding answer 29 June 1998]:* This Department does not maintain any public registers. However, the Registrar of Occupational and Personal Pensions maintains a register of occupational and personal pensions pursuant to regulation 2 of the Register of Occupational and Personal Pension Schemes Regulations 1997 (S.I. 1997/371). The Registrar is an independent statutory office-holder appointed by my right hon. Friend the Secretary of State.

### Disabled People

**Mr. Prior:** To ask the Secretary of State for Social Security (1) if she will make a statement on the training given to officers of her Department in dealing with disabled people; [48000]

(2) what guidance has been issued to offices of her Department on the treatment of disabled people when double checking benefits claims through interviews. [47996]

**Mr. Denham:** The administration of Disability Benefits is a matter for Peter Mathison, the Chief Executive of the Benefits Agency. He will write to the hon. Gentleman.

*Letter from Alexis Cleveland to Mr. David Prior, dated 1 July 1998:*

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Questions concerning the training given to officers in respect of dealing with disabled people and the guidance issued to offices on the treatment of disabled people when double checking benefit claims through interviews. As Mr. Mathison is on annual leave, I am replying.

The Benefits Agency (BA) aims to ensure that all our customers have equal access to the benefits system, and that wherever possible, our services can accommodate their individual needs. BA staff are trained in dealing with people with disabilities. The Agency recognises the need to develop appreciation of all equal opportunity issues, and as such, provides training in serving the needs of the community. It is our policy to work in partnership with organisations from the voluntary sector to identify areas where improvements could be made.

An example of this partnership is the Disability Awareness Training that was undertaken with the Disability Income Group, to enable the Benefit Integrity Project (BIP) visiting officers to understand the needs of disabled people. Refresher training for BIP visiting officers began on 18 May 1998 and was completed on 5 June 1998. This training addressed such issues as the improvements to the project, customer relations and again it concluded input from the Disability Income Group.

The BA operates a dedicated telephone helpline to meet the special needs of people with disabilities. Staff on the Benefit Enquiry Line (BEL) provide advice and information about social security benefits and how to claim them. They can also provide help and assistance with the completion of disability claim forms. In addition to the full range of social security benefits, the initial training for the operators includes disability awareness. This is supported by ongoing workshops which concentrate on the individual needs of customers suffering from a wide range of disabilities. Most recently this has included awareness training on the problems encountered by people with Mental Health problems.

All managers are responsible for providing training which will help staff to meet the needs of their customers. We actively encourage them to use the expertise and support available from local public and private sector organisations and the voluntary sector. To assist managers, we have provided them with information on the awareness programmes and services available from a range of organisations.

I hope you find this reply helpful.

### Widowers

**Mr. Rhodri Morgan:** To ask the Secretary of State for Social Security what estimate her Department has made of the numbers of widowers who would be entitled to a widow's pension if the current scheme for women were to be extended to men; what estimate she has made of the numbers of children of widowers who would benefit from equal treatment being extended to their fathers; and if she will make a statement. [48621]

**Mr. Denham:** The number of widowers who would be entitled to a Widow's Pension or Widowed Mother's Allowance if the current scheme for women were extended to men is estimated to be up to 100,000.

It is estimated that up to 30,000 children would be covered by the extension of equal treatment to their fathers.

*Notes:*

1. Figures are rounded to the nearest 10,000.

2. Figures should be treated with caution due to weaknesses in the available data.

3. Due to lack of data, the number of children in families where the parent is a widowed father is assumed to be the same as the number of children in families where the parent is a widowed mother.

4. Widow's pension has been interpreted to mean those widowers entitled to either Widow's Pension or Widowed Mother's Allowance.

*Source:*

Government Actuary Department (pre-1991 data).

### Motability

**Mr. O'Hara:** To ask the Secretary of State for Social Security, pursuant to her answers of 25 June 1998, *Official Report*, columns *624–25*, on Motability, if she will hold meetings with hon. Members who have a constituency interest, and with representatives of the motor manufacturing industry, to discuss the implications of the paper, Motability: MFL's Maintenance and Residual Value Proposals, before these proposals are implemented. [48594]

**Mr. Denham:** My noble Friend the Baroness Hollis of Heigham will be discussing the implications of the paper Motability: MFL's Maintenance and Residual Value Proposals with representatives of Ford Motor Company Ltd, the Disabled Driver's Association, colleagues from the Department of Trade and Industry and Motability, in the near future. Motability have advised that they would be happy to arrange to discuss this issue in detail with hon. Members who have an interest.

### Armed Forces Personnel

**Mr. Rendel:** To ask the Secretary of State for Social Security how many armed forces personnel are currently claiming benefits. [48559]

**Mr. Keith Bradley:** The only available source of data about the number of armed forces personnel in receipt of Social Security benefits is the Family Resources Survey (FRS). This asks respondents in private households in Great Britain for a job description, and therefore includes only armed forces services personnel living at private addresses in Ministry of Defence (MOD) establishments. The latest year for which FRS information is available is 1996–97. For that year, in around half the cases where the respondent was identified as being in the armed forces, the individual, or their partner (if they had one) was in receipt of at least one Social Security benefit. Almost exclusively, the only benefit in payment was Child Benefit.

On 1 April 1997, there were the full-time equivalent of 212,800 UK armed forces services personnel resident in the United Kingdom. Published MOD statistics do not identify within this number servicemen living at private addresses.

*Note:*

The answer refers to cases where the benefit unit to which the respondent belongs is in receipt of at least one Social Security benefit. It is based on a sample and is therefore subject to sampling error and variability in non-response.

## DUCHY OF LANCASTER

### Public Registers

**Mr. Cohen:** To ask the Chancellor of the Duchy of Lancaster if he will list the public registers which his Department has responsibility for. [47357]

**Dr. David Clark** *[holding answer 29 June 1998]:* The only register that my Department is required to hold and publish by law is a register of all Statutory Instruments which have been made. The Queen's Printer is required under the Statutory Instruments Act to ensure publication of a list of the Statutory Instruments which have been registered, and this is currently undertaken by The Stationery Office Limited.

## MINISTER WITHOUT PORTFOLIO

### Millennium Dome (Sponsors)

**Mr. Mitchell:** To ask the Minister without Portfolio if each zone in the Millennium Dome has a sponsor; and if he will list each committed sponsor to each zone and the amount of the sponsorship contribution. [45137]

**Mr. Mandelson:** Five zones have confirmed Founding Partner sponsors:

Work ("Licensed to Skill")—Manpower

Learn ("Learning Curve")—Tesco

Play ("Serious Play")—BSkyB

Talk ("Time to Talk")—BT

National Identity (UK@now)—Marks and Spencer (part sponsor).

The New Millennium Experience Company is in advanced discussions with sponsors of a further five zones. Over £100m of sponsorship support has been identified. Further announcements will be made shortly.

### Millennium Dome (Human Figure)

**Mr. Peter Ainsworth:** To ask the Minister without Portfolio what representations he has received on the sex of the giant human figure in the Millennium Dome. [47280]

**Mr. Mandelson** *[holding answer 23 June 1998]:* The New Millennium Experience Company and I have received a few letters from members of the public about the figure. The Company have tried wherever possible to take into account the views expressed in drawing up the detailed design brief.

### Millennium Dome (Air-conditioning)

**Mr. Pickthall:** To ask the Minister without Portfolio what representations he has received about the use of HFCs in the proposed air-conditioning for the Millennium Dome. [48073]

**Mr. Mandelson** *[holding answer 1 July 1998]:* I have received representations about the air-conditioning system within the Dome from a number of individuals and organisations, both for and against the system chosen.

## DEFENCE

### RAF Rudloe Manor

**Mr. Matthew Taylor:** To ask the Secretary of State for Defence what functions are carried out at RAF Rudloe Manor; and which organisations are based there. [46840]

**Dr. Reid:** RAF Rudloe Manor is an administrative establishment providing accommodation and support for a number of defence organisations. The following units are located there:

| *Unit* | *Function* |
|---|---|
| RAF Provost and Security Services | Security support, criminal investigations and provost operations assistance to the RAF |
| Provost and Security Services (Western Region) | Specialist police and security support to all RAF establishments within the West Midlands, the West Country and Mid Wales |
| Defence Vetting Agency (RAF) | Security clearances for RAF military and civilian personnel, and defence industry employees. |
| Defence Communication Services Agency | The Services Management Centre of the Agency, including the Primary Network Control Centre of the Defence Fixed Telecommunications Service |
| Detachment of 1001 Signals Unit, RAF | Participation in the operation of the UK military communications satellite system |

## ATTORNEY-GENERAL

### Restricted Enforcement Unit

33. **Mr. David Heath:** To ask the Attorney-General what contribution his Department makes to the work of the restricted enforcement unit. [47150]

**The Attorney-General:** None.

### International and Organised Crime

34. **Mr. Kidney:** To ask the Attorney-General how the Crown Prosecution Service is joining with the national crime squad to fight international and organised crime. [47151]

**The Attorney-General:** The nature of the work of the National Crime Squad means that in many cases there will be an ongoing requirement for specialist legal advice from the earliest stage right through the investigation. The CPS and the National Crime Squad are working together to ensure that need is met.

### Barristers' Fees

35. **Mr. Pickthall:** To ask the Attorney-General what representations he has received about the monitoring and assessment of barristers' fees. [47152]

**The Attorney-General:** No specific representations have been received about monitoring barristers' fees. Concerns have been expressed by the Bar about the disparity between prosecution and defence fees in the Crown Court.

### Crown Prosecution Service

36. **Mr. Bercow:** To ask the Attorney-General when he last discussed the future of the Crown Prosecution Service with *(a)* the Home Secretary and *(b)* a chief officer of police in England and Wales. [47153]

**The Attorney-General:** I frequently discuss matters of mutual interest with Ministerial colleagues including my right hon. Friend the Home Secretary. Officials from the Crown Prosecution Service likewise have frequent discussions with representatives of the Association of Chief Police Officers. These discussions promote co-operation and effective joint working between agencies in the criminal justice system and are a key feature of the Government's commitment to improving the efficiency and effectiveness of the Criminal Justice System generally.

**Mr. Spring:** To ask the Attorney-General if he will make a statement on reform of the Crown Prosecution Service. [47155]

**The Attorney-General:** I published the report of the Review of the Crown Prosecution Service (the Glidewell Review) on 1 June 1998. Its main thrust, which we accept, lies in proposals for reordering CPS priorities to focus more on the core business of prosecuting, greater separation of management from legal work, greater autonomy for the areas and better prospects for staff.

We immediately accepted the recommendation for the appointment of a Chief Executive and work is already underway within the CPS and other Departments to consider the recommendations. I expect to provide the House with a progress report in the Autumn.

## EDUCATION AND EMPLOYMENT

### Swimming

**Mr. Kidney:** To ask the Secretary of State for Education and Employment what plans he has to review the range and quality of swimming instruction in primary schools; and if he will make a statement. [41848]

**Ms Estelle Morris:** Her Majesty's Chief Inspector of Schools reports annually to my right hon. Friend the Secretary of State for Education and Employment on the standards and quality of physical education, including swimming, and other subjects taught in schools. For 1996–97 he reported that achievement in swimming was generally good in primary schools.

**Mr. Gareth Thomas:** To ask the Secretary of State for Education and Employment if he will ensure that swimming and water safety are a statutory requirement of the core curriculum within the National Curriculum at Key Stages 1 and 2. [41449]

**Ms Estelle Morris:** My right hon. Friend the Secretary of State for Education and Employment believes it is important that children learn how to swim. This is a safety measure and will remain part of the primary curriculum.

**Mr. Gareth Thomas:** To ask the Secretary of State for Education and Employment if he will ensure that funding given by his Department for swimming and water safety is used solely for those purposes. [41445]

**Ms Estelle Morris:** The Department allocates no funding specifically for swimming and water safety. Primary schools must ensure that they teach swimming as part of the National Curriculum for physical education.

**Mr. Jim Cunningham:** To ask the Secretary of State for Education and Employment what proportion of primary schools in Coventry provide teaching in swimming and water safety; and what was the level of LEA funding for this purpose in *(a)* Coventry and *(b)* the West Midlands in each of the last five years. [40944]

**Ms Estelle Morris** *[holding answer 8 May 1998]:* The Department does not collect information centrally on the provision and funding of teaching in swimming and water safety. Funding for swimming tuition, the care and maintenance of swimming pools, and transport and admission to swimming pools is usually included within schools' delegated budgets.

**Mr. Jim Cunningham:** To ask the Secretary of State for Education and Employment what proportion of primary schools in the UK currently provide swimming and water safety skills; and what is the figure for other European Union countries. [40943]

**Ms Estelle Morris** *[holding answer 8 May 1998]:* All primary schools in England are required to teach swimming, including the principles and skills of water safety and survival, as part of the National Curriculum for physical education. They will continue to be required to do so.

Questions about teaching in Northern Ireland, Scotland and Wales are matters for my right hon. Friends the Secretaries of State for Northern Ireland, for Scotland and for Wales.

The Department does not collect information about provision for the teaching of swimming or water safety skills in other European Union countries.

### GCSE/GNVQ Scores

**Mr. Don Foster:** To ask the Secretary of State for Education and Employment what were the average GCSE/GNVQ point scores in 1997 of each equal twentieth group of *(a)* male, *(b)* female and *(c)* all 15 year old pupils when all such pupils are ranked by their total GCSE/GNVQ points scores, assuming that GNVQ grades are assigned points such that at intermediate level a distinction equals 7.5 points, a merit equals 6 points, and a pass equals 5 points, and at foundation level a distinction equals 4 points, a merit equals 3 points, and a pass equals 1.5 points; if he will list the number of pupils in each group, the average number of GCSEs entered per pupil in each group and the proportions of pupils in each group who took (i) an intermediate GNVQ and (ii) a foundation GNVQ; and if he will indicate the numbers gaining each grade. [44956]

**Dr. Howells** *[holding answer 9 June 1998]:* The information requested in respect of average GCSE/GNVQ point scores is shown in the following table. However, information on the proportion of pupils in each group who took GNVQs is not available.

*GCSE achievements of 15 year old pupils[1] in all schools, by each twentieth group of pupils ranked according to their GCSE/GNVQ point score for all subjects*

| *(a) Male* | | | *(b) Female* | | | *(c) All 15 year old pupils* | | |
|---|---|---|---|---|---|---|---|---|
| *Number of 15 year olds* | *Average No. of GCSE entries per pupil* | *Average point score per 15 year old pupil in all subjects* | *Number of 15 year olds* | *Average No. of GCSE entries per pupil* | *Average point score per 15 year old pupil in all subjects* | *Number of 15 year olds* | *Average No. of GCSE entries per pupil* | *Average point score per 15 year old pupil in all subjects* |
| 14,975 | 0.0 | 0.0 | 14,363 | 0.0 | 0.0 | 29,338 | 0.0 | 0.0 |
| 14,976 | 2.0 | 0.4 | 14,363 | 4.0 | 3.1 | 29,339 | 2.9 | 1.3 |
| 14,975 | 4.7 | 5.8 | 14,363 | 6.5 | 11.5 | 29,338 | 5.4 | 8.1 |
| 14,976 | 6.5 | 11.4 | 14,362 | 7.7 | 17.9 | 29,338 | 7.1 | 14.3 |

*GCSE achievements of 15 year old pupils[1] in all schools, by each twentieth group of pupils ranked according to their GCSE/GNVQ point score for all subjects*

| (a) Male | | | (b) Female | | | (c) All 15 year old pupils | | |
|---|---|---|---|---|---|---|---|---|
| Number of 15 year olds | Average No. of GCSE entries per pupil | Average point score per 15 year old pupil in all subjects | Number of 15 year olds | Average No. of GCSE entries per pupil | Average point score per 15 year old pupil in all subjects | Number of 15 year olds | Average No. of GCSE entries per pupil | Average point score per 15 year old pupil in all subjects |
| 14,975 | 7.4 | 16.1 | 14,363 | 8.3 | 22.9 | 29,339 | 7.8 | 19.1 |
| 14,976 | 7.9 | 20.1 | 14,363 | 8.6 | 26.9 | 29,338 | 8.3 | 23.2 |
| 14,975 | 8.3 | 23.6 | 14,363 | 8.8 | 30.4 | 29,338 | 8.6 | 26.8 |
| 14,976 | 8.6 | 26.9 | 14,363 | 8.9 | 33.5 | 29,338 | 8.7 | 30.1 |
| 14,975 | 8.7 | 30.0 | 14,363 | 9.0 | 36.4 | 29,339 | 8.9 | 33.2 |
| 14,976 | 8.9 | 33.0 | 14,363 | 9.1 | 39.1 | 29,338 | 9.0 | 36.1 |
| 14,975 | 9.0 | 36.0 | 14,362 | 9.2 | 41.9 | 29,338 | 9.1 | 39.0 |
| 14,975 | 9.1 | 38.8 | 14,363 | 9.2 | 44.4 | 29,339 | 9.2 | 41.7 |
| 14,976 | 9.2 | 41.7 | 14,363 | 9.3 | 47.0 | 29,338 | 9.2 | 44.4 |
| 14,975 | 9.2 | 44.5 | 14,363 | 9.3 | 49.4 | 29,338 | 9.3 | 47.1 |
| 14,976 | 9.3 | 47.3 | 14,363 | 9.4 | 52.0 | 29,339 | 9.4 | 49.8 |
| 14,975 | 9.4 | 50.3 | 14,363 | 9.5 | 54.7 | 29,338 | 9.4 | 52.6 |
| 14,976 | 9.5 | 53.6 | 14,362 | 9.5 | 57.5 | 29,338 | 9.5 | 55.7 |
| 14,975 | 9.6 | 57.4 | 14,363 | 9.6 | 60.8 | 29,338 | 9.6 | 59.3 |
| 14,976 | 9.8 | 62.3 | 14,363 | 9.7 | 64.9 | 29,339 | 9.7 | 63.8 |
| 14,975 | 10.2 | 71.6 | 14,363 | 10.2 | 72.7 | 29,338 | 10.2 | 72.2 |
| 299,509 (Total) | [2]7.9 | [2]33.5 | Total 287,257 | [2]8.3 | [2]38.4 | Total 586,766 | [2]8.1 | [2]35.9 |

[1] Those pupils aged 15 at 31 August 1996
[2] Overall average

## Drama Students

**Mr. Nigel Jones:** To ask the Secretary of State for Education and Employment how many students in each of the last 10 years for which records are available attended drama schools accredited by the Conference of Drama Schools; how many of those students were in receipt of discretionary grants from local education authorities; what was the average value of those grants; and how many of those students received a student loan. [46510]

**Dr. Howells:** Of the 19 schools which are members of the Conference of Drama Schools, the Department has data on only those five which are publicly funded, namely, the Central School of Speech and Drama, the Rose Bruford College, Queen Margaret College, the Royal Scottish Academy of Music and Drama and the Welsh College of Music and Drama. Figures for the last 10 years for these five establishments are given in the table.

*Further and higher education student enrolments*

| Year | Number |
|---|---|
| 1988/89[1] | 903 |
| 1989/90[1] | 943 |
| 1990/91 | 1,498 |
| 1991/92 | 1,747 |
| 1992/93 | 2,005 |
| 1993/94 | 2,233 |
| 1994/95[2] | 2,021 |
| 1995/96 | 2,236 |
| 1996/97 | 2,534 |
| 1997/98 | 2,757 |

[1] Excludes figures for the Royal Scottish Academy of Music and Drama and Queen Margaret College for 1988–89 and 1989–90
[2] A change in data collection in 1994–95 means that figures are not directly comparable. Available information on student awards and loans does not distinguish subject of study or institution attended

## Non-core Curriculum Subjects

**Mr. Spring:** To ask the Secretary of State for Education and Employment what statutory requirements relating to the six non-core curriculum subjects for 5 to 11 year olds in maintained schools will be lifted in September. [46099]

**Ms Estelle Morris:** From September 1998 we are relaxing the requirement for schools to follow the full Key Stage 1 and 2 programmes of study in geography, history, music, art, design and technology and physical education. Schools must still provide a balanced and broadly based curriculum and must continue to teach each of these subjects, but they will no longer have to teach the subject's full programme of study. It will be for schools themselves to review their current provision and use the new flexibility to decide what changes, if any, might be appropriate. Swimming must remain part of the PE curriculum in all primary schools. This is a safety measure.

## Physical Education

**Mr. Spring:** To ask the Secretary of State for Education and Employment what is the current statutory curriculum requirement to provide physical education to 5 to 11 year olds in maintained schools; and what it will be from September. [46103]

**Ms Estelle Morris** *[holding answer 18 June 1998]:* All schools must teach physical education as part of their broad and balanced curriculum.

For two years from September 1998 primary schools must continue to teach physical education, but will no longer have to teach the full programme of study. Swimming must remain part of all primary schools' physical education curriculum.

**Mr. Jim Cunningham:** To ask the Secretary of State for Education and Employment how many schools failed to meet the curriculum requirements for physical activity in *(a)* Coventry, *(b)* the West Midlands and *(c)* England for the last three years. [46862]

**Ms Estelle Morris** *[holding answer 24 June 1998]:* The evidence from Ofsted inspections of non-compliance of schools with the National Curriculum for physical education is as follows.

| | *Number of schools* |
|---|---|
| *(a) Coventry* | |
| Primary schools 1996–97 | 0 |
| Primary schools summer term 1995–96 | 1 |
| Secondary schools 1996–97 | 0 |
| Secondary schools summer term 1995–96 | 0 |
| *(b) West Midlands* | |
| Primary schools 1996–97 | 9 |
| Primary schools summer term 1995–96 | 6 |
| Secondary schools 1996–97 | 4 |
| Secondary schools summer term 1995–96 | 3 |
| *(c) England* | |
| Primary schools 1996–97 | 255 |
| Primary schools summer term 1995–96 | 76 |
| Secondary schools 1996–97 | 82 |
| Secondary schools summer term 1995–96 | 28 |

Changes in the Framework for Inspection mean that no information is available prior to the summer term of the 1995–96 school year.

**Mr. Jim Cunningham:** To ask the Secretary of State for Education and Employment how schools are monitored to ensure that they meet the minimum curriculum requirements for physical activity. [46861]

**Ms Estelle Morris** *[holding answer 24 June 1998]:* Physical Education will remain compulsory for all schools.

Ofsted inspections report on individual schools' compliance with the National Curriculum, which includes physical education. At a national level, Her Majesty's Chief Inspector of Schools reports to my right hon. Friend the Secretary of State.

## Political Advisers

**Mrs. May:** To ask the Secretary of State for Education and Employment how many political advisers have been appointed since 1 May 1997; and if he will list the position held in his Department by each. [46718]

**Dr. Howells** *[holding answer 19 June 1998]:* There are three full-time equivalent political adviser posts in the Department for Education and Employment. The additional post was agreed by the Prime Minister to provide support to my right hon. Friend in dealing with written material, reflecting the particular circumstances he faces in undertaking his job on equal terms with other ministerial colleagues.

## Headship Qualification

**Mr. Sawford:** To ask the Secretary of State for Education and Employment how many people are currently taking part in the new professional headship qualification; and how many have dropped out of it to date. [46842]

**Ms Estelle Morris:** Approximately 3,000 teachers were taking part on National Professional Qualifications for Headship courses during 1997–98. An estimate of the number who have left the courses is not yet available.

## Training

**Mr. Cotter:** To ask the Secretary of State for Education and Employment what steps his Department has taken to measure the success of training in terms of its contribution to the securing of permanent employment. [47041]

**Dr. Howells:** Training is an important part of the Department's plans to help people move from welfare into work. It is used as a means to improve employability so that unemployed people can enter and remain in productive work. All training interventions have monitoring and evaluation strategies. These measure how trainees fare after training, and, where possible, compare the experiences of trainees with people who do not receive training, so that the effect of training can be identified.

## Music Teachers

**Mr. Woolas:** To ask the Secretary of State for Education and Employment what is his Department's policy on the future provision and funding of music teachers in primary schools. [47071]

**Mr. Byers:** Funding for the teaching of music in the primary school curriculum will continue to be included in schools' budget shares. Initial teacher training courses for music teachers will continue to be funded through the Teacher Training Agency.

Our requirements for initial teacher training, which we announced in June 1997, will allow trainees to specialise across the 7–11 age range. From this September primary teachers will be able to specialise in music as part of their course. The new standards for Qualified Teacher Status, which all trainees will be required to achieve, will ensure that they are equipped with appropriate subject knowledge, understanding and skills.

Instrumental music tuition by external teachers may be purchased by schools, but as announced in the recent consultation paper "Fair Funding: Improving Delegation to Schools", the Government are considering the scope to offer protection for LEA music services through the Standards Fund.

## Remploy

**Mr. Rooney:** To ask the Secretary of State for Education and Employment what plans he has to appoint worker directors to the board of Remploy. [46994]

**Mr. Alan Howarth** *[holding answer 22 June 1998]:* My right hon. Friend the Secretary of State has no plans to appoint worker directors to Remploy's Board.

## School Meetings

**Mr. Lock:** To ask the Secretary of State for Education and Employment what estimate he has made of the

administrative cost to schools to *(a)* prepare for, *(b)* publicise and *(c)* hold annual school meetings in respect of (i) primary schools and (ii) secondary schools. [47402]

**Ms Estelle Morris:** My right hon. Friend the Secretary of State for Education and Employment has made no such estimate.

**Mr. Lock:** To ask the Secretary of State for Education and Employment what was the average percentage attendance by parents at annual school meetings of *(a)* primary schools and *(b)* secondary schools in the last year for which figures are available. [47403]

**Ms Estelle Morris:** The information requested is not held centrally.

### Access Committee for England

**Mr. Drew:** To ask the Secretary of State for Education and Employment if he will *(a)* place in the Library and *(b)* issue to the Access Committee for England a copy of the review which was carried out jointly by the Department of Health, Department of the Environment, Transport and the Regions and Department for Education and Employment of ACE's performance. [47738]

**Mr. Alan Howarth** *[holding answer 29 June 1998]:* I have considered this question in relation to the guidance in the Code of Practice on Access to Government Information. The review of the funding arrangements for the Access Committee for England (ACE) that was completed in March reflects internal discussion and advice—one of the categories of information exempt from the commitments to provide information—and I have concluded that it would not be appropriate to publish the submission that was made to me. I have, however, explained the decision to Mr. Peter Lainson, Chairman of ACE, in writing. I have also agreed to meet him to discuss the decision and his concerns.

There have been two reviews in connection with ACE. A review in 1996 examined their role and functions, taking into account their performance. It established new and different terms of reference for ACE. Mr. Alistair Burt, then a Department of Social Security Minister, also put in place funding arrangements, secure until 31 March 1998, to give ACE time to adapt to its new role.

The review concluded earlier this year looked at the funding arrangements that had been agreed to help ACE in that transitional period. The conclusion was that, in accordance with a general policy of moving away from core funding to funding for specific projects, funding under s64 of the Health Services and Public Health Act 1968 for ACE's central administrative costs should cease. ACE are free to bid competitively for specific projects.

### Village Schools

**Mr. Laurence Robertson:** To ask the Secretary of State for Education and Employment if, under the new policy on village school closures, an amalgamation of village schools is to be treated the same as a closure of a village school; if such amalgamations have to be proposed by the LEA to the Secretary of State for approval; and if he will make a statement. [47997]

**Mr. Byers** *[holding answer 30 June 1998]:* The closure of any school requires the publication of statutory proposals, irrespective of whether the school is to be amalgamated with another school. In the case of a rural school, any such proposals will be called in for decision by the Secretary of State. The presumption will be against closure, although all cases will be considered on their merits, taking into account all relevant factors.

### Key Stage 2

**Mr. Chope:** To ask the Secretary of State for Education and Employment for what reasons Key Stage 2 assessment reports were not made available for pupils at schools in Dorset during the week commencing 22 June; and if he will make a statement. [48506]

**Ms Estelle Morris:** I understand from the Qualifications and Curriculum Authority (QCA) that the contractor employed to process and notify Key Stage 2 and 3 test results to schools this year has experienced technical problems with this work. We regret this delay and will be looking with QCA at how this problem occurred and can be avoided in the future.

**Mr. Chope:** To ask the Secretary of State for Education and Employment when he expects all outstanding Key Stage 2 assessment reports to be completed; and if he will make a statement. [48505]

**Ms Estelle Morris:** We regret the delay that schools have experienced in receiving their Key Stage 2 test results this year. We have asked the Qualifications and Curriculum Authority to do all they can to keep this delay to a minimum. We are taking a close interest in ensuring that schools receive their results at the earliest opportunity.

## FOREIGN AND COMMONWEALTH AFFAIRS

### British Council

**Mr. Baldry:** To ask the Secretary of State for Foreign and Commonwealth Affairs what estimate he has made of the value of exports generated by the British Council. [47984]

**Mr. Fatchett:** It is difficult to ascribe a value to UK exports resulting from British Council activity. All its activities enhance the image of the UK and much of what it does leads directly to export benefits. The Council works closely with the FCO, DfEE, DCMS and DTI in promoting the use of British goods and services in education and training and the creative industries. Exports in these sectors were recently estimated at £15 billion. The Council's role is particularly important in student recruitment: the number of overseas students in the UK has doubled over the last six years. In 1997–98, 203,000 overseas students enrolled in UK higher education and it is estimated that the value of this to the economy is in excess of £1 billion annually.

In the cultural field the Council mounts over 2,700 events per year overseas presenting the best of British creativity in the performing arts, literature, fashion and design. The showcase of British theatre which it organised at the Edinburgh Festival in 1997, attended by 220 theatre producers from around the world, has already resulted in over 40 weeks of touring bookings. More than £1 million

of income was generated by nine Scottish record labels which were part of the British presence at the Cannes Music Industry Fair in January this year.

The Council's role in support of the Government's export promotion policies will continue to grow through new initiatives such as the formation of the Creative Industries Export Promotion Advisory Group, a public/private partnership aimed at co-ordinating activities and developing an export strategy in this sector.

### India and Pakistan

**Mr. Llew Smith:** To ask the Secretary of State for Foreign and Commonwealth Affairs what Commonwealth initiatives have been taken to persuade the Indian and Pakistan Governments to discontinue their nuclear weapons programmes. [47879]

**Mr. Fatchett:** The Commonwealth Secretary-General has written to the Prime Ministers of India and Pakistan. At a press conference in Johannesburg on 3 June, he also made clear the Commonwealth Secretariat's readiness to help ease tension between the two countries.

### Edgar Fernandes

**Mr. Vaz:** To ask the Secretary of State for Foreign and Commonwealth Affairs what action has been taken since the meeting on 8 May, on the case of Edgar Fernandes. [48246]

**Mr. Fatchett:** My noble Friend the Parliamentary Under-Secretary of State met representatives of the Fernandes family on 27 May to discuss the police investigation and the way forward. Diplomatic Notes have been sent to the Foreign Ministries in Ankara and Valletta to remind them of our continuing interest in this case. Our missions in Ankara and Valletta continue to monitor the progress on request by the Turkish Ministry of Justice for Mr. Mohamed Abdal Monem Abbas Aly to be extradited from Malta to Turkey to stand trial for the murder of Mr. Fernandes.

**Mr. Vaz:** To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer to the hon. Member for Edmonton (Mr. Love) of 19 June 1998, *Official Report*, column *327*, if he discussed the case of Edgar Fernandes during his visit to Ankara. [47873]

**Mr. Fatchett:** My right hon. Friend the Foreign Secretary did not discuss the case of Edgar Fernandes during his recent visit to Ankara.

### Turkey

**Mr. Vaz:** To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 7 May 1998, *Official Report*, column *488*, if he will provide a breakdown, by ethnic origin, of the 174 disappearances of British citizens in Turkey. [48245]

**Mr. Fatchett:** No. We do not keep details of ethnic origin in these cases. All cases are dealt with on their merits regardless of ethnic origin.

### FCO Recruitment

**Mr. Vaz:** To ask the Secretary of State for Foreign and Commonwealth Affairs what publicity was given to the Foreign and Commonwealth Office recruitment event held on 17 June, aimed at attracting ethnic minority and disabled graduates; what criteria were used for selecting invitees; and which *(a)* members of the Press and *(b)* Press organisations, were informed in advance of the event. [47865]

**Mr. Tony Lloyd:** Following consultations between Recruitment Section and Mr. Spencer, our Minority Ethnic Liaison Officer, a strategy was devised to ensure that publicity for the FCO Recruitment Fair was directed at our target audiences—those undergraduates or graduates with disabilities, or who were from minority ethnic groups. At the Afro-Caribbean Finance forum in February, partly financed by the Foreign and Commonwealth Office, all visitors to the FCO stand were invited to apply for invitations. "Advertorials" in the March editions of Eastern Eye, Asian Times, the Caribbean Times and New Nation advised readers to contact the FCO Recruitment Section for invitations. We approached 3 organisations—Windsor Fellowship, Workable and Project Fullemploy—to advise their members of the fair and to supply Recruitment Section with details of people to whom w could send invitations. In addition the Presidents of Asian and Afro-Caribbean Student Societies at British Universities were sent invitations which also asked them to bring up to 4 of their colleagues with them. The FCO also publicised the Fair at Community Forum events at Enfield, Peterborough, Walsall, Huddersfield, Preston, Durham, Redbridge, Nottingham, Tameside and Rugby.

In addition to the four publications in which we placed "advertorials" in March, the FCO invited to attend the fair all the UK national written and broadcast media and a wide range of media specialising in minority ethnic and disabled issues.

Over 2,000 invitations were issued and over 700 people attended the fair. Feedback on the day was very positive.

### BBC World Service

**Mr. Hesford:** To ask the Secretary of State for Foreign and Commonwealth Affairs what plans the Government have to *(a)* maintain and *(b)* enhance the BBC World Service. [48266]

**Mr. Fatchett:** The Government are committed to the maintenance of the World Service's reputation for objective news and comment and pre-eminence among international broadcasters. Financial support for the World Service, along with other commitments, is currently being examined as part of the Government's Comprehensive Spending Review.

**Mr. Hesford:** To ask the Secretary of State for Foreign and Commonwealth Affairs what plans the Government have to assist the BBC World Service in retaining its Chinese Service. [48265]

**Mr. Fatchett:** Broadcasting in vernacular languages is an important element in the World Service's ability to reach its target audiences. The Chinese service is one of the World Service's key language services. We support the priority which the World Service gives to the Chinese Service.

### Venezuela

**Mr. Laurence Robertson:** To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the Government of Venezuela regarding the protection of rainforests. [47751]

**Mr. Tony Lloyd** *[holding answer 30 June 1998]:* Our Ambassador in Venezuela raised the protection of Venezuela's rainforest with the Venezuelan Vice-Minister of the Interior in March 1998. They discussed the actions being taken by the Venezuelan Government to tackle the forest fires on the border with Brazil, and the impact of development on the fragile rainforest ecosystem and indigenous cultures.

In January 1998, I wrote to the Venezuelan Ambassador in London to ask what action was being taken by the Venezuelan Government to protect areas of rainforest inhabited by the Yanomami people from illegal miners and loggers. The Venezuelan Secretary of State for the Environment replied in June outlining the national strategies being adopted to address the problem.

### Ottawa Convention

**Mr. Howard:** To ask the Secretary of State for Foreign and Commonwealth Affairs when instructions were given to parliamentary counsel to commence drafting the Bill to enable the Government to ratify the Ottawa Convention. [48281]

**Mr. Tony Lloyd** *[holding answer 1 July 1998]:* Work on the text of the Bill began in February and, after comprehensive consultation with interested Whitehall Departments, instructions were sent to parliamentary counsel on 9 June. Final drafting procedures are now complete and the Bill is due to be published tomorrow.

### Saudi Arabia (Prisoners)

**Mr. Laurence Robertson:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make representations to the Saudi Arabian Government about the arrests of the Filipinos Ariel Ordona, Ruben Aguire, Angelito Sizon and Juanito Manalili; if he will ask where they are being held and what charges are being brought against them; if he will seek assurances about their safety; and if he will make a statement. [48018]

**Mr. Fatchett** *[holding answer 1 July 1998]:* We are in close touch with the Philippines embassy in Riyadh about these arrests, and have also discussed them with the Saudi Arabian government. We believe that Juanito Manalili has been released, but details of the whereabouts of the other detainees and what charges they face remain unclear. The Saudi authorities are aware of our views on the need for greater freedom of worship for non-Muslims in Saudi Arabia.

### European Council

**Ms Stuart:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will specify the forthcoming business in the Council of the European Union for July; and if he will list the major European Union events for the next six months. [49162]

**Mr. Doug Henderson:** The information requested is as follows.

*European Calendar: July-December 1998*

| *Date* | *Venue* | *Event* |
|---|---|---|
| *July 1998* | | |
| 1–2 | Brussels | European Parliament Plenary |
| 6 | Brussels | ECOFIN Council |
| 6–7 | Vienna | Political Committee |
| 8–10 | Innsbruck | Employment/Social Affairs/Women (Informal) |
| 13 | Brussels | Political Committee |
| 13–14 | Brussels | General Affairs Council |
| 13–17 | Strasbourg | European Parliament Plenary |
| 17 | Brussels | Budget Council |
| 17–19 | Graz, Austria | Environment Council (Informal) |
| 20–21 | Brussels | Agriculture Council |
| 23 | Brussels | Political Committee |
| *August 1998* | | |
| There are no Councils scheduled for this month. | | |
| *September 1998* | | |
| 3 | Brussels | Political Committee |
| 5–6 | Salzburg | Foreign Ministers (Informal) |
| 7–8 | Brussels | Special Committee on Agriculture |
| 10–11 | Linz | Culture Council |
| 14–18 | Strasbourg | European Parliament Plenary |
| 15–16 | Bregenz | Transport Council (Informal) |
| 21 | New York | Political Committee |
| 19–22 | St. Wolfgang Austria | Agriculture Council (Informal) |
| 24 | Brussels | Justice and Home Affairs |
| 24 | Brussels | Internal Market |
| 25–27 | Brussels | ECOFIN Council (Informal) |
| 28–29 | Brussels | Agriculture Council |
| *October 1998* | | |
| Date to be confirmed | Vienna | Meeting of Heads of State and Government |
| 1–2 | Luxembourg | Transport Council |
| 2–3 | Luxembourg | Industry/Research and Technology Council (Informal) |
| 5 | Luxembourg | Work and Social Affairs Council |
| 5 | Luxembourg | Political Committee |
| 5–6 | Luxembourg | General Affairs Council |
| 5–9 | Strasbourg | European Parliament Plenary |
| 6 | Luxembourg | Environment Council |
| 12 | Luxembourg | ECOFIN Council |
| 13 | Luxembourg | Research Council |
| 13 | Brussels | Political Committee |
| 19–20 | Luxembourg | Agriculture Council |
| 19–23 | Strasbourg | European Parliament Plenary |
| 22 | Luxembourg | Fisheries Council |
| 23–24 | Luxembourg | Education Council (Informal) |
| 26 | Luxembourg | Political Committee |
| 26–27 | Luxembourg | General Affairs Council |
| 28–29 | Luxembourg | Transport Council |
| 29–30 | Vienna | Justice and Home Affairs Council (Informal) |
| *November* | | |
| 4–5 | Brussels | European Parliament Plenary |
| 9 | Brussels | Political Committee |
| 9 | Brussels | Internal Market Council |
| 9–10 | Brussels | General Affairs Council |
| 12 | Brussels | Health Council |
| 16 | Brussels | Industry Council |
| 16–20 | Strasbourg | European Parliament Plenary |
| 17 | Brussels | Culture Council |
| 20 | Brussels | Budget Council |
| 23 | Brussels | ECOFIN Council |
| 23–24 | Brussels | Agriculture Council |
| 25 | Brussels | Telecommunications Council |

*European Calendar: July-December 1998*

| *Date* | *Venue* | *Event* |
|---|---|---|
| 26 | Brussels | Youth Council |
| 26 | Brussels | Political Committee |
| 30 | Brussels | Development Council |
| 30–1 December | Brussels | Transport Council |
| *December* | | |
| 1 | Brussels | ECOFIN Council |
| 1–2 | Brussels | Work and Social Affairs Council |
| 2–3 | Brussels | European Parliament Plenary |
| 3–4 | Brussels | Justice and Home Affairs |
| 4 | Brussels | Education Council |
| 7 | Brussels | Political Committee |
| 7–8 | Brussels | Environment Council |
| 7–8 | Brussels | General Affairs Council |
| 10 | Brussels | Research Council |
| 11 | Vienna | Political Committee |
| 11–12 | Vienna | European Council |
| 14–16 | Brussels | Agriculture Council |
| 14–18 | Strasbourg | European Parliament Plenary |
| 15 | Brussels | Energy Council |
| 17–18 | Brussels | Fisheries Council |

*Note:*
This calendar is primarily concerned with European Union matters, but certain other relevant events are also included. Events and dates quoted are based on the information available on the date of issue.

*Monthly Forecast of Business for July 1998*

The following Councils are scheduled:

| *Date* | *Venue* | *Event* |
|---|---|---|
| *July 1998* | | |
| 6 | Brussels | ECOFIN Council |
| 8–10 | Innsbruck | Employment/Social Affairs/Women (Informal) |
| 13–14 | Brussels | General Affairs Council |
| 17 | Brussels | Budget Council |
| 17–19 | Brussels | Environment Council (Informal) |
| 20–21 | Brussels | Agriculture Council |

The following subjects are likely to be discussed:

*July 6: ECOFIN Council*

Approval of the provisional agenda.

Approval of the list of A items.

Work programme of Austrian Presidency: Open debate.

European Council in Cardiff: Follow up.

Preparation of Stage 3 of EMU.

Commission proposals for Council Regulations on the harmonised Index of Consumer Prices (possible item).

Electronic Commerce: Draft Council conclusions on the indirect taxation aspects.

Code of Conduct Group: Establishment of sub-groups (possible item).

Services of general economic interest in the banking sector:

Presentation of report by the Commission.

Any other business.

*July 8–10: Employment/Social Affairs/Women (Informal)*

No formal agenda.

*July 13–14: General Affairs Council*

Agenda 2000: Work programme.

Moldova: Establishment of EU position for the 1st session of the Co-operation Council.

Tunisia: Establishment of EU position for the 1st session of the Association Council EC/Tunisia.

Mexico: Establishment of EU position for the session of the Joint Council with Mexico.

Albania: Preparation for the Conference on 21 July (possible item).

Mediterranean policy (possible item).

Switzerland (possible item).

Western Balkans.

Iran (possible item).

Middle East Peace Process.

Belarus (possible item).

Euro XI.

South Africa (possible item).

Schengen (possible item).

Co-operation Council with Moldova.

Association Council with EU/Tunisia.

Mexico Joint Council (possible item).

*July 17: Budget Council*

Draft 1999 budget.

[other items may be added later].

*July 17–19: Environment Council (informal)*

No formal agenda.

*July 20–21: Agriculture Council*

Agenda not yet available.

## General Affairs Council

**Ms Stuart:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will report on the outcome of the General Affairs Council in Luxembourg on 29 June. [49163]

**Mr. Doug Henderson:** The Council approved the A Points in document 9835/98. The Council also noted the European Parliament Resolutions, Decisions and Opinions of its part sessions of 27–28 May, listed in document 8462/98. Copies of both documents will be placed in the Library as soon as they become available.

The Council agreed a EU mandate for the negotiations on a new Lomé Convention due to open in September. It authorised the Commission to carry out the negotiations. All UK national objectives have been met including: making poverty eradication the primary objective; renewing the EU-ACP—African, Caribbean and Pacific Countries—partnership; streamlining development assistance to make it more efficient; and new trade arrangements which will be World Trade Organisation compatible and help ACP countries integrate into the world trading system. The Council agreed that Cuba should be accorded observer status in the negotiation process subject to strict political conditionality.

The Council expressed concern about the tension on the ground in Kosovo. It called for full and immediate implementation of the undertakings given by President Milosevic to President Yeltsin on 16 June. The Council regretted Belgrade's refusal to accept an increase in the size of the European Community Monitoring Mission presence in Kosovo and reaffirmed its determination to provide an increased monitoring presence.

The Council voiced its strong disappointment that the commitments made by President Milosevic in Moscow did not cover all the requirements set out in the Cardiff

Declaration, in particular the withdrawal of security units used for civilian repression; and that the conditions had not been created for rapid progress in the political dialogue with the Kosovar Albanian leadership, with international involvement.

The Council reaffirmed the demand for the withdrawal by Belgrade of the security forces from Kosovo. All those in a leadership role in the Kosovar Albanian community should unite responsibly in making clear their commitment to dialogue and a peaceful resolution of the problems of Kosovo, and their rejection of violence and acts of terrorism. The EU remains firmly opposed to independence: it continues to support a special status, including a large degree of autonomy for Kosovo, within the Federal Republic of Yugoslavia.

The Council welcomed the recent adoption by the Croatian parliament of a plan for return of refugees. It re-emphasised the EU's expectation that the Plan would be implemented immediately and in full. The Council confirmed the EU's willingness to participate in conference on reconstruction and development organised by the Croatian Government in the light of such implementation.

The Council welcomed the positive reception in Bosnia and elsewhere for the 8 June Declaration and the launch of the EU/Bosnia Consultative Task Force (CTF). It looked forward to the first Sarajevo meeting of the CTF on 30 June, and to its contributing to the development of modern Bosnia.

Ministers discussed the role of the General Affairs Council in preparing for the informal meeting of Heads of State and Government planned for the autumn. It was agreed that Ministers would discuss this in more detail in September. There was also a wide-ranging discussion of the need to review the working methods of the Council, and the overall coordinating role of the GAC, in particular in the context of Agenda 2000.

The Council discussed the mandate for opening negotiations with Norway and Iceland over their future association with Schengen after the entry into force of the Amsterdam Treaty. Good progress was made. Some points still remain to be settled; but agreement was reached on the main principles which should guide the EU in negotiations.

On the bilateral negotiations between the EU and Switzerland, Ministers noted with satisfaction the Commission's assessment that significant progress had been made recently, particularly on the issues of free movement of people and agriculture. However, Ministers also noted that further work was needed to conclude a balanced overall agreement covering all the sectors under negotiation.

Ministers discussed the situation in Belarus. They expressed strong disapproval of Belarusian action in removing Ambassadors from their residences at Drozdy. The EU stands ready to resume a dialogue with the Belarusian Government when the latter is ready to respect its international obligations. Further possible measures will be considered in response to the position taken by the Belarusian Government.

The Council reiterated its full support for the current US efforts in the Middle East Peace Process, while underlining the need for early action to bring them to fruition. It welcomed Palestinian acceptance of US ideas for relaunching negotiations on the Palestinian track, and called on Israel to give a clear and positive response to these ideas.

The Council reiterated its deep concern at the Israeli Government's endorsement of plans which would extend the administrative boundaries and alter the demographic balance in the Jerusalem area. Unilateral acts only complicate the peace process at a very sensitive time. The EU's position is that the final status of Jerusalem should be determined in final status talks and that neither side should pre-empt this.

The Council also adopted Conclusions on the recent Commission Communications on EC/Israel trade and regional cumulation of origin. The Council encouraged the Commission to pursue its technical talks with Israel on the problems identified in the first of these Communications, stressing that these should lead to concrete results. The Council recognised the contribution which the establishment of cumulation could play in promoting regional economic development and regional integration.

The Council discussed the provision of extra project aid to Azerbaijan. Ministers agreed that increased aid should be provided using existing instruments.

The Council welcomed progress at the first session of Burundi peace talks in Arusha. It urged all parties to return to the negotiations in July and hoped there would be sufficient progress in the negotiations for regional leaders to re-examine the sanctions they imposed in 1996.

The Council reiterated its concern at the humanitarian situation in Sudan. It noted the substantial assistance provided by the EU over recent years, but noted also the urgent need for humanitarian assistance.

The Council reaffirmed its support for efforts by the Inter-Governmental Authority on Development (IGAD) to promote long term peace through a negotiated settlement. The council welcomed the proposal that the IGAD Partnership Forum (IPF) send a mission at Ministerial level to Khartoum and Nairobi to explore the possibility of securing a break in the fighting in the areas most affected by hunger to allow for the provision of humanitarian aid.

The Council expressed concern about the situation in Guinea Bissau. It called on both sides to reach a peaceful solution. It expressed support for mediation efforts undertaken by the Foreign Ministers of Portugal and Angola. It welcomed the efforts of ECHO and International organisations to provide humanitarian assistance and urged all concerned to allow humanitarian assistance to reach those who need it.

Over dinner, the Troika and Commission debriefed Ministers from the Central European applicant countries and Cyprus on the discussions at the Cardiff European Council.

## AGRICULTURE, FISHERIES AND FOOD

### Genetically Modified Organisms

12. **Mr. Baker:** To ask the Minister of Agriculture, Fisheries and Food what estimate he has of the percentage of crops grown in England in 2008 which will be genetically manipulated. [47168]

**Dr. John Cunningham:** It is too early to predict the extent to which such crops will be grown in England by the year 2008.

28. **Dr. Gibson:** To ask the Minister of Agriculture, Fisheries and Food what plans he has to undertake a consultation exercise on the introduction of genetically modified organisms. [47184]

**Mr. Rooker:** The Government are planning a public consultation over the next few months to explore the views of the public about genetic modification in more detail. The results from this will be carefully analysed and used to inform future policy in this area.

### Common Agricultural Policy

13. **Mr. Evans:** To ask the Minister of Agriculture, Fisheries and Food what discussions he has recently had concerning proposals for CAP reform. [47169]

**Dr. John Cunningham:** As President of the EU Agriculture Council, I chaired on 2 June a seminar on environmental and consumer aspects of the CAP. On 22–25 June, I chaired the Agriculture Council which reached decisions on reforms to the olive oil, tobacco and the banana regimes. More generally, we have succeeded in successive Councils under the UK Presidency in mapping out a clear way forward on the Commission's wider Agenda 2000 proposals on CAP reform. Unanimous conclusions to this effect were agreed in May and endorsed by the Cardiff European Council.

14. **Mr. Leigh:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the role of set aside in a reformed CAP. [47170]

**Mr. Morley:** The Government wish to see compulsory set-aside abolished as a means of controlling cereals production. However, we can support the continuation of voluntary set-aside, which can have environmental advantages.

17. **Mr. David Taylor:** To ask the Minister of Agriculture, Fisheries and Food when he next expects to meet farmers in north-west Leicestershire to discuss the progress achieved in CAP reform. [47174]

**Mr. Morley:** I have no plans at present to visit north-west Leicestershire.

I regularly meet farmers' representatives from the regions to discuss all aspects of agricultural policy.

23. **Mr. Borrow:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the progress made at the Agriculture Council on 25 and 26 May with regard to the reform of the common agricultural policy. [47180]

**Mr. Rooker:** The May Council agreed interim conclusions on the Commission's Agenda 2000 reform proposals which recognised the need for reform and set out the framework for the continuing negotiations.

**Mrs. Organ:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement about the outcome of the 26 May Council in respect of CAP reform and Agenda 2000. [47166]

**Dr. John Cunningham:** The May Council adopted interim conclusions on the Agenda 2000 proposals which accepted the need for CAP reform and set out the framework for the continuing negotiations on the Commission's proposals.

### Beef Ban

15. **Mr. Thompson:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the date-based scheme associated with the lifting of the beef ban. [47172]

**Dr. John Cunningham:** The European Commission issued its proposal for a Date-based Export Scheme on 10 June. This proposal was discussed by the Standing Veterinary Committee on 12 and 18 June. I expect the Standing Veterinary Committee to discuss the proposal again on 7 July.

16. **Mr. Todd:** To ask the Minister of Agriculture, Fisheries and Food what steps he will take to assist the UK beef industry to regain former export markets once the ban has been lifted. [47173]

**Mr. Rooker:** Once the ban is lifted, I and colleagues in MAFF and other Government Departments will take all possible steps to encourage the rebuilding of our beef export industry. It will be for the industry to spearhead the drive, but it will do so with full Ministerial participation.

19. **Mr. Hanson:** To ask the Minister of Agriculture, Fisheries and Food when he expects it to be possible to resume exports of beef. [47176]

26. **Mr. Ainger:** To ask the Minister of Agriculture, Fisheries and Food what progress is being made on the lifting of the EU ban on the export of British beef. [47182]

**Mr. Rooker:** Exports of Northern Ireland Export Certified Herds Scheme beef have been permitted since 1 June. The Northern Ireland industry, in conjunction with the Government, have been working hard to regain former customers, as well as attracting new ones. The European Commission proposal for a Date-based Export Scheme, for the whole of the UK, is currently being considered by the Standing Veterinary Committee.

### Gangmasters

18. **Shona McIsaac:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on gangmasters. [47175]

**Mr. Rooker:** Further to my reply to my hon. Friend the Member for Newark (Mrs. Jones) on 9 June 1998, *Official Report*, columns *527–29*, the drive to combat exploitative gangmasters continues. Joint enforcement operations are taking place and infringements found in operational visits are being investigated. The comprehensive leaflets on employment rights and obligations have been well received.

### Prices

20. **Miss McIntosh:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on prices for agricultural products for 1998–99. [47177]

**Mr. Morley:** Monthly Agricultural Price Indices and an Agricultural Market Report containing weekly prices are available in the Library of the House. On average, agricultural prices for the first four months of 1998 are 12 per cent. lower than a year earlier. This is due primarily to changing exchange rates and developments in the commodity markets.

### Animal Welfare

21. **Mr. Canavan:** To ask the Minister of Agriculture, Fisheries and Food what steps his Department is taking to improve standards of animal welfare. [47178]

**Mr. Morley:** We continue to work to improve standards at EU and national level. In Europe, we gave priority under our Presidency to advancing negotiations on welfare standards for livestock on farms, and achieved agreement on an important new Directive at the June Agriculture Council: we also prevailed on the Commission to bring forward its overdue proposal on the welfare of laying hens, and wasted no time in opening negotiations on it. At home, we have various initiatives in hand and planned, including a forthcoming review of our rules on the welfare of livestock in transit and at market, now that our new transit rules have been in operation for a year.

### French Beef

22. **Mr. Laurence Robertson:** To ask the Minister of Agriculture, Fisheries and Food what discussions he has had with the French Minister for Agriculture about the quality and safety of French beef. [47179]

**Dr. John Cunningham:** I chaired the Agriculture Council on 31 March when proposals for Community-wide controls on Specified Risk Materials were discussed and it was agreed to defer the introduction of the provisions of Decision 97/534 until 1 January 1999 and to invite the Commission to table a proposal after the OIE meeting which took place in May. The UK and France supported the introduction of controls on bovine offals and have, in the absence of agreed Community rules, both introduced national controls on this material in order to protect public and animal health.

### Quarantine

24. **Ms Stuart:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on progress on examining alternatives to the quarantine laws. [47185]

**Gillian Merron:** To ask the Minister of Agriculture, Fisheries and Food what progress he has made in seeking alternatives to quarantine. [47171]

**Mr. Rooker:** The Advisory Group on Quarantine (AGQ) is assessing the risk of the introduction of rabies into the UK under the current policy of quarantine for pet animals and under alternative policies. The Group is expected to report this summer or early autumn. A full public consultation on the options available will then be held.

### Farm Incomes

25. **Mr. Peter Bradley:** To ask the Minister of Agriculture, Fisheries and Food what was the average income of British farmers in the last financial year; and what average percentage of it was received in subsidies. [47181]

**Mr. Morley:** The latest year for which firm figures are available is 1996–97. The average net farm income for all types of full-time farms (excluding horticulture) is £24,600. Of this, an average of 95 per cent. came from direct subsidies.

### Flood Defence (Northampton)

27. **Ms Keeble:** To ask the Minister of Agriculture, Fisheries and Food what plans he has to improve the flood defence and warning system for Northampton. [47183]

**Mr. Morley:** I recognise the severe and continuing effects of the Easter floods on the residents of Northampton, and elsewhere, which I have seen at first hand. On behalf of the Government, I extend my sympathy to all concerned.

The Environment Agency is responsible for flood defence and warning systems. It has commissioned an Independent Review into the Easter floods. The final report of the Review Team is due by the end of September 1998. In the meantime, the Agency is taking a number of initiatives in Northampton. These measures include:

- preliminary works to raise existing defences;
- a detailed review of flood defence standards and identification of options for improvement;
- works to improve river flow and river level monitoring;
- temporary lowering of trigger levels for flood warnings with improved warning and dissemination arrangements, and
- revision of the Northamptonshire Flood Warning Plan.

These initiatives are largely aimed at achieving improvements in advance of the coming winter and are being taken forward in consultation with the police, Borough and County Council and the Residents Associations as appropriate. Further actions may be required as a result of the recommendations in the Independent Review.

### Fish Prices

**Mr. Laurence Robertson:** To ask the Minister of Agriculture, Fisheries and Food if he will investigate the recent increase in the price of fish. [47857]

**Mr. Morley** *[holding answer 1 July 1998]:* On the basis of data collected by the Office for National Statistics, there is no evidence of recent significant rises in retail prices for fresh fish. But with UK processors relying heavily on imported supplies, prices for fish products are susceptible to changes in the supply situation on the world market. One of the key supply areas for cod and haddock for the UK is the Barents Sea, but supplies from this fishery have decreased significantly in 1998. This, together with a temporary reduction in world supplies of other whitefish, appears to be responsible for some

increase in price for processed fish. I do not, however, consider that further investigation is necessary at the moment.

### Fishermen (Landing Declarations)

**Mr. Steen:** To ask the Minister of Agriculture, Fisheries and Food (1) what factors underlie the requirement that fishermen *(a)* complete a landing declaration and *(b)* produce a stamped sales note when landing fish; [48282]

(2) for what reasons he withdrew the concession of submitting stamped sales notes for fishermen in Brixham; [48283]

(3) what assessment he has made of the additional costs arising from the requirement placed on Brixham fishermen regarding landing declarations when landing fish in Brixham as against landing fish in other ports; [48284]

(4) what reasons underlie the requirement that fishermen in Brixham complete a landing declaration. [48285]

**Mr. Morley** *[holding answer 1 July 1998]:* Council Regulation (EEC) No. 2847/93, as amended, requires the master of a Community fishing vessel of 10 metres or more in overall length, or his representative, to submit to the competent authorities within 48 hours of landing a declaration giving, as a minimum, the quantities of each Total Allowable Catch (TAC) or quota species landed and the area where the fish were caught.

Detailed rules for the completion of landing declarations are set out in Commission Regulation (EEC) No. 2807/83, as amended. Article 2 of that Regulation provides that, if a landing takes place in a port of the Member State whose flag the vessel is flying or in which it is registered, another form specified by that Member State may be used provided it contains at least the information set out in Annex III (the landing declaration form). For this purpose, the Department has accepted stamped sales notes submitted on behalf of the master as an alternative to landing declarations.

Recently, an agency responsible for submitting stamped sales notes in respect of landings made into Brixham has advised the Department that it is no longer able to certify that such sales notes represent the full amount of fish landed from any voyage. In view of this, the Department has advised the masters of vessels landing into Brixham that they must complete a landing declaration in the form set out in Commission Regulation (EEC) No. 2807/83.

A Compliance Cost Assessment completed in 1994 on the implementation of Council Regulation (EEC) No. 2847/93 identified the cost of completing and submitting a landing declaration as £3.75.

# Written Answers to Questions

*Friday 3 July 1998*

## NORTHERN IRELAND

### Mater Infirmorum Hospital, Belfast

**Mr. Beggs:** To ask the Secretary of State for Northern Ireland which hospital services the Government are obliged to maintain at the Mater Infirmorum Hospital, Belfast under the terms of the 1971 Deed of Arrangement. [47868]

**Mr. Worthington:** The Mater Infirmorum Hospital entered the health service under the 1971 Deed of Arrangement, which secured the preservation of the Roman Catholic character and association of the hospital. The Deed set out specific requirements for the general administration of the hospital and provided for a review of the internal allocation of beds and facilities and for the preparation of a scheme for the initial reconstruction and modernisation of the hospital's buildings and facilities. The Deed of Arrangement does not require the maintenance of specific services at the hospital.

## ENVIRONMENT, TRANSPORT AND THE REGIONS

### Air Traffic Control

**Mr. Hancock:** To ask the Secretary of State for the Environment, Transport and the Regions what arrangements the Government have to ensure the safe movement of air traffic during the next five years; and if he will make a statement. [48144]

**Ms Glenda Jackson:** The Government have played a full part in ensuring that an appropriate framework of aviation safety regulation is in place both nationally and internationally for the safe operation of air traffic, and will continue to do so. Safety concerns are paramount to both the Government and the Civil Aviation Authority, which is responsible for advising the Secretary of State on all civil aviation matters, including safety.

**Mr. Hoyle:** To ask the Secretary of State for the Environment, Transport and the Regions how many overload reports have been filed at London Area Terminal Control Centre in the period 1 January to 30 June. [48696]

**Ms Glenda Jackson:** I refer my hon. Friend to the oral answers given on 22 June 1998, *Official Report*, columns 365–66. Additionally, there was one overload report filed at the London Area and Terminal Control Centre at West Drayton between 18 and 30 June.

**Mr. Hoyle:** To ask the Secretary of State for the Environment, Transport and the Regions how many overload reports have been filed in each of the last five years at London Area Terminal Control Centre. [48695]

**Ms Glenda Jackson:** National Air Traffic Services Ltd., which is responsible for air traffic services at LATCC, has provided the following figures for overload reports filed in each of the last five years at the centre:

| *Year* | *Overload reports filed at LATCC* |
|---|---|
| 1993 | 18 |
| 1994 | 21 |
| 1995 | 27 |
| 1996 | 21 |
| 1997 | 14 |

### Lead Paint

**Miss Melanie Johnson:** To ask the Secretary of State for the Environment, Transport and the Regions what recent advice has been issued to local authority environmental health officers on the risks of environmental contamination from, and the safe removal of, lead in older painted surfaces. [48038]

**Angela Eagle** *[holding answer 1 July 1998]:* We have today published the Department's revised information leaflet on lead in old paint. Copies have been placed in the Libraries of both Houses.

Although lead has not been widely used in domestic paint in the UK since the 1960s, some UK homes still contain old lead paint. All members of the public should be aware that this may pose a risk and that appropriate precautions need to be taken when redecorating.

The new leaflet therefore seeks to raise awareness of lead in old paint and provide readily assimilated information to the general public on how to take effective safety measures when redecorating.

The leaflet will be sent to local authority environmental health professionals. In addition, arrangements are being made for it to be displayed in DIY stores and sent to associations representing painting and decorating contractors and, in liaison with the Department of Health, General Practitioners.

### Millennium Compliance

**Mr. Ottaway:** To ask the Secretary of State for the Environment, Transport and the Regions what effect his proposals to privatise National Air Traffic Services will have on NATS's work to ensure millennium compliance within the organisation. [48637]

**Ms Glenda Jackson:** None. A copy of NATS' "millennium problem action plan" (26 February 1998) was placed in the Library in March. NATS have not indicated that the action plan will be amended in the light of the Public Private Partnership announcement.

### London Underground

**Mr. Gibb:** To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate the cost to London Underground of adapting ticket machines to take the new £2 coin. [48698]

**Ms Glenda Jackson:** The estimated cost is £1 million.

### "This Common Inheritance"

**Mr. Gray:** To ask the Secretary of State for the Environment, Transport and the Regions for what reasons he has discontinued the annual updates to "This Common Inheritance". [48798]

**Angela Eagle:** "This Common Inheritance" reported on the UK's Sustainable Strategy of 1994, which we are in the process of reviewing and revising in order to reflect changes that have taken place since 1994 and our distinctive approach to sustainable development. As part of the revised Strategy, we shall be announcing new arrangements for regular reporting.

### Traffic Commissioners

**Dr. Marek:** To ask the Secretary of State for the Environment, Transport and the Regions what mechanisms are in place to measure the performance of area traffic commissioners. [48853]

**Ms Glenda Jackson:** Traffic Commissioners are independent quasi-judicial authorities appointed by the Secretary of State for the Environment, Transport and the Regions and are classed as tribunals. Traffic Commissioners' main function is to administer the licensing regime for operators of heavy goods vehicles, buses and coaches. The Commissioners' performance in fulfilling these functions is measured and reported against published service standards. Each Commissioner is required to submit an annual report of his licensing activities to the Secretary of State. These reports are published and copies are available in the Library of the House.

In their capacity as tribunals, Traffic Commissioners are supervised by the independent Council of Tribunals which regularly sits in on Public Inquiries to observe proceedings. Operator licence holders can appeal to the Transport Tribunal against decisions of Traffic Commissioners. Traffic Commissioners and their Deputies held 1,700 Public Inquiries in the year ended 31 March 1998. In the same period, the Transport Tribunal heard 30 appeals, of which 19 were disallowed.

### Rural Sparsity Factors

**Mrs. Shephard:** To ask the Secretary of State for the Environment, Transport and the Regions for what reason different criteria are used to determine rural sparsity factors for standard spending assessments and the support for rural public transport. [48861]

**Ms Glenda Jackson:** To reflect the different purposes of the two schemes. The sparsity factor used for standard spending assessments was one of the options considered for the distribution of rural bus subsidy grant but was rejected for this purpose in favour of a method which reflected more directly the total population in each local authority living in a rural area.

### Rural Bus Challenge

**Mrs. Dean:** To ask the Secretary of State for the Environment, Transport and the Regions when he will bring forward proposals for the rural bus challenge competition. [49241]

**Dr. Strang:** I have announced consultation with the Local Government Association, the Confederation of Passenger Transport and the Rural Development Commission on my proposals for the criteria and arrangements for this new competition. A copy of the consultation paper has been placed in the Library.

### Water Regulations

**Mrs. Fiona Jones:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the progress being made towards introducing the new water regulations; and when he intends to begin the final round of consultation. [49411]

**Mr. Meacher:** I will be launching the consultation exercise on the draft Water Regulations on Monday 6 July. Copies will be placed in the Library of the House.

### Rural White Papers

**Mr. Gray:** To ask the Secretary of State for the Environment, Transport and the Regions (1) for what reasons he has discontinued the annual updates to "Rural England"; [48797]

(2) when he will publish the Rural White Paper. [48799]

**Angela Eagle:** We did not wish to continue to report progress against commitments made by the previous Administration in their White Paper of 1995. We are considering the best way of taking forward and presenting our rural policy.

## CULTURE, MEDIA AND SPORT

### Lottery Funding (Renfrewshire)

**Mr. Alexander:** To ask the Secretary of State for Culture, Media and Sport how much National Lottery funding has been distributed by *(a)* the National Lottery Charities Board (Scotland), *(b)* the Millennium Commission and *(c)* the Heritage Lottery fund for projects in (i) Paisley, South constituency and (ii) Renfrewshire. [48486]

**Mr. Banks:** A breakdown of awards made by the National Lottery Charities Board, the Millennium Commission and the Heritage Lottery Fund in Paisley, South and in Renfrewshire is set out in the table. Information on the National Lottery awards is now available on the Department's website—www.lottery.culture.gov.uk.

| *Distributor* | *Total amount (£)* | *Number of awards* |
|---|---|---|
| *Paisley South* | | |
| NLCB | 817,308 | 27 |
| HLF | 1,000,000 | 1 |
| MC | 0 | 0 |
| *Renfrewshire* | | |
| NLCB | 2,184,170 | 76 |
| HLF | 1,035,200 | 2 |
| MC | 64,714 | 1 |

### UK Sports Institute

**Mr. Spring:** To ask the Secretary of State for Culture, Media and Sport what is the deadline for the home country sports councils to identify prospective regional centres for the UK Sports Institute; and if he will make a statement. [47797]

**Mr. Banks** *[holding answer 30 June 1998]:* We want to progress as quickly as possible, but it is important that detailed work is done so that the regional centres are selected as providing a good regional spread, meeting the needs of the local elite population and harnessing existing facilities and support services. I have received recommendations from the English Sports Council, but they will need careful consideration and discussion before any decision and announcement is made.

## HOME DEPARTMENT

### Prison Population

**Mr. Flynn:** To ask the Secretary of State for the Home Department, pursuant to his answer of 24 June 1998, *Official Report*, column *519*, what estimate he has made of the cost of the increase in prison population for each of the next 10 years. [48264]

**Ms Quin:** The Government are reviewing Prison Service spending after 1998–99, including the long-term need for additional accommodation to meet the projected rise in the prison population, as part of the Comprehensive Spending Review.

### Government Policies

**Mr. Fabricant:** To ask the Secretary of State for the Home Department if he will list the projects undertaken by his Department since 1 May 1997 to research public reaction to *(a)* Government policies and *(b)* potential new policies; and if he will place the results of the research in the Library. [46684]

**Mr. Straw** *[holding answer 30 June 1998]:* In line with the practice of successive administrations, the Department routinely consults the public, interested parties and client groups by way of consultation papers and research projects on a wide range of policies and proposed legislation. It is our normal practice to make the results of such research available to the public, including placing copies in the Library.

I would refer the hon. Member to the answer my hon. Friend the Minister of State gave the hon. Member for Gordon (Mr. Bruce) on 23 February 1998, *Official Report*, column *307*. There is one additional item to add to this list: a study of voter opinion on the possibility of introducing a Belgian style electoral system for elections to the European Parliament. The results from this research were placed in the Library on 2 March.

### Murders (Mentally Ill People)

**Mr. Öpik:** To ask the Secretary of State for the Home Department what plans he has to collect statistics on the number of murders committed by people treated under the care in the community policy; and if he will make a statement. [47436]

**Mr. Michael** *[holding answer 30 June 1998]:* There are no immediate plans for the Home Office to collect this information, but we shall keep the situation under review.

The National Confidential Inquiry into Suicide and Homicide by People with Mental Illness, funded by the Department of Health, is conducting research in this area and published a progress report last December. This showed that 12 per cent. of homicides so far examined by them involved a person who had been in contact with specialist mental health services in the year before the homicide.

Their next report is due for publication in 1999 and will contain additional information in respect of such homicides.

### Prisoners (Incentives and Earned Privileges)

**Mr. Clappison:** To ask the Secretary of State for the Home Department, pursuant to his answer to the hon. Member for Newark (Mrs. Jones) of 1 June 1998, *Official Report*, columns *50–51*, what in-cell television services are currently available for prisoners segregated under rule 43; and what special provision is to be made in respect of such prisoners as a result of the extension of in-cell television. [44607]

**Ms Quin:** Comprehensive information on in-cell television provision to those segregated under Rule 43 is not held centrally. Prisoners are segregated under this Rule for a variety of reasons, including for their own protection. Future, detailed policy is under consideration but, broadly, those segregated for their own protection will normally keep their sets if practicable and those segregated for reasons of good order and discipline will normally lose them.

### Highways Act 1980

**Mr. Corbett:** To ask the Secretary of State for the Home Department how many *(a)* prosecutions and *(b)* convictions there have been in each of the past five years in England and Wales for alleged breaches of section 161 of the Highways Act 1980. [48674]

**Mr. Michael:** Information collected centrally on the Home Office Court Proceedings Database cannot separately identify prosecutions for offences under section 161 of the Highways Act 1980 from other sections of the Act. Available information, including cautions, is given in the table.

*Number of persons cautioned and defendants prosecuted at magistrates' courts and convicted at all courts for offences under sections 161, 162 or 163 of the Highways Act 1980[1], England and Wales, 1992–96*

| Year | Cautions | Prosecutions | Convictions |
|---|---|---|---|
| 1992 | 150 | 126 | 82 |
| 1993 | 100 | 62 | 40 |
| 1994 | 124 | 133 | 87 |
| 1995 | 92 | 122 | 73 |
| 1996 | 81 | 92 | 59 |

[1] Sections 161, 162 and 163 of the Highways Act 1980 cover offences of: causing certain kinds of danger or annoyance to users of highways and streets (section 161); placing rope etc. across highway (section 162) and failing to prevent water falling or flowing on to highway (section 163)

### Ministerial Group on the Family

**Mr. Clappison:** To ask the Secretary of State for the Home Department what work has been carried out by the Ministerial Group on the Family on the institution of marriage; and what new measures have been proposed to promote and strengthen marriage. [48543]

**Mr. Michael:** The Ministerial Group on the Family has identified strengthening marriage as one of the key themes of its work. Proposals are being developed on measures to increase preparedness for marriage and to encourage couples to reflect on the commitment which marriage involves before entering into it.

**Mr. Clappison:** To ask the Secretary of State for the Home Department how many times the Ministerial Group on the Family has met during 1998; when it plans to meet again; and how many times he chaired it. [48545]

**Mr. Michael:** The Ministerial Group has met twice since January 1998, chaired on both occasions by my right hon. Friend the Secretary of State. Its next meeting will be on 13 July.

**Mr. Clappison:** To ask the Secretary of State for the Home Department if the Ministerial Group on the Family has considered changes in the law with respect to pre-nuptial agreements. [48548]

**Mr. Michael:** The Ministerial Group has considered proposals from the Lord Chancellor's Department on whether there should be a reform of the law on ancillary relief. Such a reform might enable couples to make pre-nuptial agreements dealing with matrimonial property which would be legally binding on the courts and the parties to the agreement. No final decision has been taken on this issue.

**Mr. Clappison:** To ask the Secretary of State for the Home Department what work has been carried out by the Ministerial Group on the Family on improvements to the quality of child care within families; and what research has been commissioned on this subject. [48549]

**Mr. Michael:** The Ministerial Group has looked in detail at measures to increase the support available to parents and improve parenting skills. The Government recognise that parents will always have the primary responsibility for the care and well-being of their children. The National Childcare Strategy will ensure that parents have access to services to enable them to make genuine choices about the sort of child care they want for their children, and to develop their own parenting skills.

The Ministerial Group has commissioned no research on the subject, but has made use of existing research.

**Mr. Clappison:** To ask the Secretary of State for the Home Department how many reports have been *(a)* produced and *(b)* published by the Ministerial Group on the Family in 1998. [48544]

**Mr. Michael:** None. The Group's work is still in progress.

### Charities (Elderly People)

**Sir Teddy Taylor:** To ask the Secretary of State for the Home Department what was the total sum of public money provided to (i) Help the Aged and (ii) Age Concern over the most recent 12 month period for which figures are available. [48697]

**Mr. Michael:** The most recent period for which figures held centrally by the Home Office are available is the 12 months to March 1995. In that period, central Government provided funding of £331,906 to Help the Aged and £2,472,980 to Age Concern.

I will write to the hon. Member with more up-to-date figures.

### Altcourse Prison

**Maria Eagle:** To ask the Secretary of State for the Home Department what additional support other than from neighbouring prisons has been required at Altcourse Prison, Fazakerley; and at what public expense. [48335]

**Ms Quin:** No additional support has been provided to Altcourse prison from any public sector prison.

## SCOTLAND

### Cruise Liners

**Dr. Godman:** To ask the Secretary of State for Scotland (1) what guidelines are issued to those local authorities which have responsibilities for maritime matters in relation to the medical and physical wellbeing of passengers on cruise liners; and if he will make a statement; [48560]

(2) what assistance is being given to Inverclyde Council in relation to the inspection and assessment of the water-supply system on board the cruise liner 'Edinburgh Castle'; and if he will make a statement; [48563]

(3) what steps he proposes to take to protect the health of passengers of cruise liners which operate out of, or call at, Scottish ports; and if he will make a statement; [48564]

(4) what plans he has to modify the rules and regulations governing the environmental health role played by local authorities which have responsibilities anent the inspection and quarantining of cruise liners; and if he will make a statement; [48565]

(5) what recent representations he has received anent the outbreak of Legionnaires disease on board cruise liners; and if he will make a statement; [48567]

(6) when his officials were first informed of reports of the existence of Legionnaires disease amongst passengers on board the cruise liner 'Edinburgh Castle'; and if he will make a statement; [48566]

(7) how many outbreaks of Legionnaires disease occurring on board *(a)* cruise liners and *(b)* other vessels whilst in (i) Scottish waters, (ii) berthed in Scottish ports and (iii) calling at Scottish ports have been reported to his officials by maritime local authority environmental health departments in the last 15 years; and if he will make a statement; [48561]

(8) what guidelines or instructions are issued to the owners and masters of cruise liners operating out of, or calling at, Scottish ports in relation to (i) the outbreak of

Legionnaires disease and (ii) other health matters affecting both passengers and crews; and if he will make a statement. [48562]

**Mr. Galbraith:** Information about the possible presence of legionella bacteria on SS Edinburgh Castle was first received by the Scottish Office Department of Health on 18 June. The ship was at that time at sea and due to arrive in Greenock on 21 June. On its arrival at Greenock, officers from the local port authority inspected the ship and took water samples. The analysis, which became available on 24 June, confirmed the presence of the bacteria in the water supply and remedial measures were set in train on the ship, which was by then again at sea. On return to Greenock on 28 June further action was taken to ensure the safety of the water supply on board. The work has been completed and the ship has now left port.

In carrying out its public health responsibilities, Inverclyde Council has had assistance and advice from, among others, the Scottish Centre for Infection and Environment Health, Argyll and Clyde Health Board, the Scottish Legionella Reference Laboratory, the Communicable Disease Surveillance Centre and the Maritime and Coastguard Agency, who inspected the ship in accordance with the Merchant Shipping (Provisions and Water) Regulations 1989.

The importance of maintaining health at sea is taken very seriously and, earlier this year, the Maritime and Coastguard Agency issued a revised Marine Guidance Note to all masters and operators about the risk of contamination of ships' air conditioning systems by legionella bacteria. Advice on other health matters including food hygiene has also been recently updated by the Agency. The Merchant Shipping (Provisions and Water) Regulations 1989 place a responsibility on employers and masters to ensure that ships' provisions and water do not contain anything which is likely to cause sickness or injury to health.

My right hon. Friend has received no recent representations about outbreaks of Legionnaires Disease on cruise liners. Available information indicates that, in addition to the SS Edinburgh Castle, there has been only one previous case, in October 1997, which involved a Spanish trawler.

The Public Health (Ships)(Scotland) Regulations 1971, as amended, which provide for the public health control of ships arriving at or leaving Scottish ports, are being reviewed as part of the general review of public health legislation in Scotland now underway.

## WALES

### Fishing Employment

**Mr. Barry Jones:** To ask the Secretary of State for Wales how many jobs he estimates there are in Wales in the fishing industry. [47912]

**Mr. Win Griffiths:** At 31 March 1997 there were an estimated 1,700 fishermen in Wales, according to the MAFF "Survey on the Number of Fishermen in England and Wales".

In addition, provisional figures from the 1996 Annual Employment Survey indicate there were an estimated 400 employees in the processing, preserving and retail sales of fish (1992 Standard Industrial Classification, Classes 15.21, 15.29 and 52.23).

### Health Service (Waiting Times)

**Mr. Öpik:** To ask the Secretary of State for Wales what is the average length of time patients currently remain on hospital waiting lists in each health authority in Wales; and if he will make a statement. [48188]

**Mr. Win Griffiths:** The most recent information is given in the table for the residents of each health authority.

*Average waiting time in days for people admitted from waiting lists in 1997*[1]

| *Health authority* | |
|---|---|
| Bro Taf | 88 |
| Dyfed Powys | 89 |
| Gwent | 101 |
| Morgannwg | 77 |
| North Wales | 88 |

[1] Welsh residents treated in Welsh hospitals as in-patients or day cases—these figures exclude Welsh residents treated in English hospitals

The combination of the additional £25 million given to the NHS in Wales to reduce waiting lists, and the recently formed Strategy Group which is looking at ways of prioritising those on waiting lists, together with the hard work being undertaken by health authorities and trusts convince me that both the numbers waiting and the time they spend waiting will both reduce in the near future.

### Gwent Tertiary College

**Mr. Llew Smith:** To ask the Secretary of State for Wales (1) what were the qualifications, experience and expertise of the persons from Gwent Tertiary College who undertook the internal investigation of European funding; [48553]

(2) pursuant to the oral answer of 24 June 1998, *Official Report*, column 1033 relating to Gwent Tertiary College, if the investigation referred to will include how budgets were managed and how money was spent after it was received; [48584]

(3) if each of the applications and claims for European funding from Gwent Tertiary College was signed by a senior member of the management team; [48552]

(4) pursuant to the oral answer of 24 June 1998, *Official Report*, column 1033, concerning Gwent Tertiary College, what examination his Department has made of records kept on electronic media. [48583]

**Mr. Hain:** As my hon. Friend knows, an investigation by the Department for Education and Employment's Fraud Investigation Unit started on 24 June. The Gwent Constabulary are also investigating the matter. In these circumstances, no further public statements would be appropriate until these investigations are completed and the findings made public.

## TRADE AND INDUSTRY

### Export Control Orders

**Mr. Cousins:** To ask the President of the Board of Trade (1) how many licences have been issued under each sub-heading of category PL 5001 of the 1996 Export Control Order, for which countries; and for what estimated quantity *(a)* since 1 May 1997 and *(b)* prior to 1 May 1997; [46473]

(2) how many licences, for which countries and in what quantities, were issued under sub-heading C of section ML7 of the 1996 Export Control Order *(a)* before and *(b)* since 1 May 1997. [46472]

**Mrs. Roche:** I will write to my hon. Friend as soon as possible and place a copy of that letter in the Library of the House.

**Mr. Cousins:** To ask the President of the Board of Trade if surveillance equipment exports are controlled under the Export of Goods (Control) Orders. [46480]

**Mrs. Roche:** The export of surveillance systems specially designed for military use and intended for use in fire control and related alerting and warning equipment may be controlled under entry ML5 of the Export of Goods (Control) Order (1994), as amended; that of electronic surveillance equipment specially designed for military use is controlled under entry ML11; and that of specified imaging equipment specially designed for military use under entry ML15. The export of civil imaging equipment may also be controlled under entry 6A002 of Annex I to Council Decision 94/942/CFSP, as amended, that of civil imaging cameras under entry 6A003, that of civil radar equipment under entry 6A008 and that of civil radio surveillance equipment under 5A001.

Other entries in the legislation may also be relevant to other types of surveillance equipment or to surveillance equipment for use in particular circumstances.

Copies of the relevant legislation are available in the Library of the House.

### Minimum Wage

**Mr. Redwood:** To ask the President of the Board of Trade what estimate she has made of the total costs of implementing the minimum wage in the public sector, assuming *(a)* half restoration of differentials, *(b)* three-quarters restoration of differentials and *(c)* full restoration of differentials. [47543]

**Mrs. Beckett** *[holding answer 25 June 1998]:* The national minimum wage is likely to have only a small effect on public sector pay. Therefore, it is unrealistic to assume that there would be any significant demand to restore pay differentials. As the Low Pay Commission made clear,

"at the rate we recommend, restoration of differentials should be limited".

We also agree with the Commission's statement that

"the overall effect on public finances is likely to be broadly neutral".

**Mr. Redwood:** To ask the President of the Board of Trade what forecasts of potential job losses were available to her when deciding on a £3 an hour minimum wage for young persons. [47527]

**Mrs. Beckett** *[holding answer 25 June 1998]:* The Government believe that their proposals for a sensibly set national minimum wage will not have an adverse effect on jobs. The Government, in their evidence to the Low Pay Commission, carefully considered the available evidence and noted that, where international studies have found adverse effects on employment, it has tended to be for younger workers. Hence, the Government propose that a lower rate should be set for young people. This proposal is consistent with our objective to give young people the skills and opportunities they need to progress.

### Export Promotion (Latin America)

**Mr. Baldry:** To ask the President of the Board of Trade for which Latin American countries her Department has export promoters. [47982]

**Mrs. Roche:** Argentina, Brazil, Chile, Mexico, Paraguay, and Uruguay.

### European Single Currency

**Mr. Jim Cunningham:** To ask the President of the Board of Trade what proportion of small firms have made efforts to prepare for the introduction of the European Single Currency; what recent assessment she had made of the adequacy of training within small firms. [48055]

**Mrs. Roche** *[holding answer 1 July 1998]:* A recent survey of small and medium sized enterprises, commissioned by the Treasury's Euro Preparations Unit, found that only 5 per cent. of such companies had made any preparations for the euro. I do not have any specific data on the level of training on the euro within small firms. However, of the preparations that had been made, most were technical (changes to IT systems or opening euro accounts).

The Government are committed to offer information to firms to increase their awareness of the implications of the single currency and to help firms to prepare. The Euro Preparations Unit in the Treasury has recently published the first ten in a series of fact sheets on the euro. Copies can be obtained from the dedicated euro telephone literature line 08456 01 01 99, or from the website http://www.euro.gov.uk.

## FOREIGN AND COMMONWEALTH AFFAIRS

### Turkey

**Mr. Vaz:** To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 7 May 1998, *Official Report*, column *488*, how many of the 174 disappearances of British citizens in Turkey have been actively investigated; how many individuals have been found; how many are still missing; and what procedures and support systems exist for their families. [47864]

**Mr. Fatchett:** I refer my hon. Friend to my answer of 7 May 1998, *Official Report*, column *488*. The prime responsibility for tracing missing persons rests with the UK police. When families report relatives missing they are advised to file a missing persons report with their local police station in the UK. The police then notify the UK National Central Bureau of Interpol who notify the police

in the country where the person has been reported as missing, who institute inquiries. We also pass the families contact details of NGOs who can sometimes help in tracing missing persons.

### Private Military Companies

**Dr. Tonge:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the options under consideration for the national domestic regulation of private military companies. [48904]

**Mr. Tony Lloyd:** We are examining the possibility of regulating the activities of private military companies. As part of that process, the FCO is looking at the measures adopted by other Governments. Detailed Whitehall-wide consideration will be required before any decisions are taken.

## EDUCATION AND EMPLOYMENT

### Mediation UK

**Mr. Cotter:** To ask the Secretary of State for Education and Employment what level of financial and other support his Department plans to provide to Mediation UK in the current financial year. [44950]

**Dr. Howells:** Employer/Employee disputes are a matter for the President of the Board of Trade. My right hon. Friend has informed me that her Department does not plan to provide any financial or other support to Mediation UK in the current financial year.

### New Deal

**Dr. Kumar:** To ask the Secretary of State for Education and Employment if he will list the local authorities participating in the New Deal programme for 18 to 24-year-olds. [46556]

**Mr. Andrew Smith:** All local authorities were invited to participate in the planning stages of New Deal. Subsequently many have become key partners in the local partnerships which have been brought together across the country to ensure that the New Deal fully meets the needs of young people. Many of those who are not key partners are participating through other means, such as providing New Deal vacancies or being represented through one lead local authority.

**Mr. John M. Taylor:** To ask the Secretary of State for Education and Employment on the basis of what formal competitive tendering process Capita won the implementing contract for the pilot New Deal scheme in Solihull; what was the role or task description defined for which bidders were to offer their services; and if the bidders included within their tenders a quantified costing for which those services were offered. [46932]

**Mr. Andrew Smith:** The competition which resulted in a decision to award the contract to the Capita Group Plc to lead and deliver 18–24 New Deal in Solihull was fair and open. It was conducted by Employment Service officials in line with Treasury procurement principles.

In Solihull, as in the other areas where New Deal is to be led by a private sector company, bidders were asked to submit outline proposals for delivery which would be consistent with the requirements contained in the New Deal Design document for 18–24-year-olds. These bids were evaluated against pre-determined criteria covering quality and innovation. The funding arrangements were subsequently discussed with each of the successful bidders within the framework of the unit costs and anticipated client volumes for each delivery unit.

**Mr. John M. Taylor:** To ask the Secretary of State for Education and Employment if the role or task description for the pilot New Deal scheme in Solihull has been altered or re-defined since Capita won the implementing contract for it. [46933]

**Mr. Andrew Smith:** No. The New Deal Design document for 18–24-year-olds formed the specification against which all bidders were invited to respond to the competition to identify private sector organisations to lead the 18–24 New Deal. The overall design and specification of New Deal in Solihull has not changed in the period following the decision to award the contract to Capita.

**Mr. Derek Foster:** To ask the Secretary of State for Education and Employment what is the *(a)* number and *(b)* percentage of New Deal special personal advisers who are from ethnic minorities. [45138]

**Mr. Andrew Smith:** The Employment Service (ES) currently has some 2,000 New Deal Advisers.

ES collects data on the ethnic origin of its employees by pay bands (or grades) rather than by specific jobs such as advisers. The available data show that some 6 per cent. of ES staff in the relevant pay bands are from ethnic minorities. The ES therefore estimate that some 120 are likely to be from ethnic minorities. ES is undertaking a special exercise to obtain more precise data and I will ensure that this information is passed to my right hon. Friend once it is available.

**Mr. Jim Cunningham:** To ask the Secretary of State for Education and Employment how many personal advisers will be recruited to assist small and medium sized enterprises in recruiting under the New Deal; and how much will be allocated to the Employment Service in order to undertake the training of such advisers. [47757]

**Mr. Andrew Smith** *[holding answer 30 June 1998]*: The New Deal personal adviser's primary role is to offer guidance and support to their unemployed clients throughout their time on New Deal. They will, however, monitor the progress of clients who are recruited by employers under the New Deal, and in so doing, offer both them and their employer assistance in relation to New Deal. There are as many as 1,500 Personal Advisers; whilst not recruited specifically to assist small and medium sized enterprises in recruiting under New Deal, all of them will be helping young people towards jobs and enhanced employability, including opportunities with small businesses.

In addition to Personal Advisers, the Employment Service vacancy taking teams advise and assist employers who wish to recruit under New Deal. These teams deal directly and regularly with small and medium enterprises advising them about New Deal and help them in signing up for it. The total amount allocated to the Employment Service for training its staff for the New Deal was £9 million. This includes the commitment for all New

Deal advisers to work towards S/NVQ Level 3 in advice, guidance and counselling. The allocation was not broken down into specific areas of work.

### Teachers (Science and Mathematics)

**Mr. Sawford:** To ask the Secretary of State for Education and Employment what estimate he has made of the number of teachers *(a)* required and *(b)* available to meet future demand in respect of science and mathematics in 1999 to 2005. [46843]

**Ms Estelle Morris:** Estimates of the proportion of teachers working in maintained secondary schools who will be qualified in different subjects are produced as part of the Department for Education and Employment's teacher supply and demand modelling process. A summary of the process can be found in "Teacher Supply and Demand Modelling—an explanatory paper" produced in November 1997, copies of which have been placed in the Library; a fuller technical paper explaining the process will be issued by the Department in July.

The assumptions underlying the targets for recruitment to initial teacher training courses that were issued in November 1997 indicate that the numbers of teachers working in maintained secondary schools in England and Wales who would have science and mathematics as the subject of highest qualification would be approximately as set out in the table.

It is our intention to ensure that enough suitably qualified teachers are available to meet the needs of schools, and the recruitment targets issued were calculated on that basis.

*Estimated numbers of teachers in the maintained secondary school sector with highest qualification in science and mathematics*

| *Year* | *Science* | *Maths* |
|---|---|---|
| 1999 | 35,000 | 21,000 |
| 2000 | 36,000 | 22,000 |
| 2001 | 36,000 | 23,000 |
| 2002 | 37,000 | 23,000 |
| 2003 | 37,000 | 24,000 |
| 2004 | 37,000 | 24,000 |
| 2005 | 37,000 | 24,000 |

### Departmental Reviews

**Mr. Allan:** To ask the Secretary of State for Education and Employment if he will list, for each of the last four years, all departmental inquiries and reviews instigated by ministers which have been chaired by individuals outside his Department; and in each case if he will give the date of establishment and the name of the chairman. [46830]

**Dr. Howells:** In each of the last four years the Department has carried out the following inquiries and reviews:

| *Name* | *Date established* | *Chairman* |
|---|---|---|
| Review of the National Curriculum 1994 | April 1994 | Sir Ron Dearing (now Lord) |
| A short study to investigate the potential of emerging technologies to improve the effectiveness of the learning process for pupils of statutory school age | January 1995 | Peter Seaborne |
| Review of 100 NVQs and SVQs | March 1995 | Gordon Beaumont OBE |
| Review of Qualifications for 16–19 year olds | April 1995 | Sir Ron Dearing (now Lord) |
| The National Committee of Inquiry into Higher Education | May 1996 | Sir Ron Dearing (now Lord) |
| National Record of Achievement Group | May 1996 | Sir Nicholas Goodison |
| The National Advisory Group for Continuing Education and Lifelong Learning (NAGCELL) | May 1997 | Professor Bob Fryer |
| Further Education Student Support Advisory Group | December 1997 | Graham Lane |
| National Skills Task Force | February 1998 | Christopher Humphries |
| National Advisory Committee on Creative and Cultural Education (NACCE) | February 1998 | Professor Ken Robinson |
| The Sustainable Development Education Panel | February 1998 | Sir Geoffrey Holland |
| Review of the National Curriculum 1994 | May 1998 | Bill Stubbs |
| Numeracy Task Force | May 1998 | Professor David Reynolds |
| Working Group to Advise on Effective Post-School Basic Skills Provision | June 1998 | Sir Claus Moser |

### University Research

**Mr. Hancock:** To ask the Secretary of State for Education and Employment what assessment he has made of the effectiveness of the quinquennial research assessment exercises in supporting research infrastructure in universities. [47047]

**Dr. Howells:** Recent consultations undertaken by the higher education funding bodies elicited a strong response in favour of the research assessment exercise. The National Committee of Inquiry into Higher Education under Lord Dearing, the Select Committee on Science and Technology and a number of other bodies including respondents to consultations have made a number of recommendations aimed at improving the effectiveness of the exercise. The higher education funding bodies, which are responsible for the conduct of the exercise, are considering those recommendations.

### Science and Engineering Students

**Dr. Starkey:** To ask the Secretary of State for Education and Employment what financial support his Department has provided, in each of the past five years, to the Engineering Council's WISE programme. [47512]

**Dr. Howells:** WISE receives core funding from the Engineering Council and sponsorship from employers. This Department has not provided financial support in the last 5 years to the WISE programme. DTI has provided some financial support for WISE through its Development Unit for Women in Science, Engineering and Technology and through the Action for Engineering initiative.

**Dr. Starkey:** To ask the Secretary of State for Education and Employment how many *(a)* male and *(b)* female students applied for courses of higher education in (i) biological sciences, (ii) physical and chemical sciences, (iii) medicine, (iv) engineering and (v) other sciences, in each of the last five years; and what percentage of applicants were (1) male and (2) female in each subject area in each year. [47558]

**Dr. Howells:** The available information is in the table, covering applications through the Universities and Colleges Admissions Service (UCAS) for full time first degree, HND and DipHE courses only. Applicant information for part time and postgraduate courses is not available centrally. Data for 1993 and those compiled by the Universities Central Council on Admissions (UCCA) and the Polytechnics Central Admissions System (PCAS) and are available for applications rather than applicants.

*Numbers and percentages of applications/applicants to full time first degree, HND and DipHE courses in Science in UK by gender 1993 to 1997*

| | 1993[1] | | 1994[2] | | 1995[2] | | 1996[2] | | 1997[2] | |
|---|---|---|---|---|---|---|---|---|---|---|
| *Subject* | *Male* | *Female* | *Male* | *Female* | *Male* | *Female* | *Male* | *Female* | *Male* | *Female* |
| *Number* | | | | | | | | | | |
| Biological Sciences | 46,298 | 73,299 | 8,455 | 13,493 | 8,106 | 13,603 | 8,221 | 14,688 | 8,538 | 15,935 |
| Physics and Chemistry | 65,800 | 32,257 | 11,235 | 5,459 | 10,767 | 5,671 | 9,993 | 5,255 | 10,468 | 5,263 |
| Medicine[3] | 31,561 | 30,715 | 6,909 | 6,969 | 7,234 | 6,989 | 7,307 | 7,398 | 7,076 | 7,417 |
| Engineering[4] | 145,302 | 19,248 | 27,204 | 3,366 | 25,096 | 3,244 | 24,199 | 3,207 | 23,104 | 3,375 |
| Other Sciences[5] | 168,575 | 150,519 | 31,693 | 27,006 | 32,855 | 28,664 | 33,768 | 28,947 | 40,756 | 33,565 |
| Total Sciences | 457,535 | 306,039 | 85,496 | 56,293 | 84,058 | 58,171 | 83,579 | 59,404 | 89,942 | 65,555 |
| *Percentage* | | | | | | | | | | |
| Biological Sciences | 39 | 61 | 39 | 61 | 37 | 63 | 36 | 64 | 35 | 65 |
| Physics and Chemistry | 67 | 33 | 67 | 33 | 66 | 34 | 66 | 34 | 67 | 33 |
| Medicine[3] | 51 | 49 | 50 | 50 | 51 | 49 | 50 | 50 | 49 | 51 |
| Engineering[4] | 88 | 12 | 89 | 11 | 89 | 11 | 88 | 12 | 87 | 13 |
| Other Sciences[5] | 53 | 47 | 54 | 46 | 53 | 47 | 54 | 46 | 55 | 45 |
| Total Sciences | 60 | 40 | 60 | 40 | 59 | 41 | 58 | 42 | 58 | 42 |

[1] Figures for 1993 relate to applications made through either the Universities Central Council on Admissions (UCCA) or the Polytechnics Central Admissions System (PCAS)
[2] Figures for 1994 onwards relate to applicants using the Universities and Colleges Admissions Service (UCAS)
[3] Medicine and Dentistry
[4] Engineering and Technology
[5] Subjects Allied to Medicine, Agriculture/Veterinary, Mathematics and Computing, Architecture, Building and Planning and Combined Sciences

**Dr. Starkey:** To ask the Secretary of State for Education and Employment how many *(a)* male and *(b)* female students took up courses of higher education in (i) biological sciences, (ii) physical and chemical sciences, (iii) medicine, (iv) engineering and (v) other sciences, in each of the last five years; and what percentage female students were of students taking up such courses in each subject area in each year. [47541]

**Dr. Howells:** The information covering the five years from 1993–94 to 1997–98, the latest date for which it is available, is given in the table:

*Full time undergraduates in United Kingdom higher education institutions 1993–94 to 1997–98, numbers and percentages by gender*

| | 1993–94 | | 1994–95 | | 1995–96 | | 1996–97 | | 1997–98 | |
|---|---|---|---|---|---|---|---|---|---|---|
| *Subject* | *Male* | *Female* | *Male* | *Female* | *Male* | *Female* | *Male* | *Female* | *Male* | *Female* |
| *Number* | | | | | | | | | | |
| Biological Sciences | 6,435 | 9,301 | 8,210 | 11,766 | 8,403 | 12,188 | 9,077 | 13,060 | 9,807 | 14,685 |
| Physics and Chemistry | 12,426 | 6,317 | 13,043 | 6,765 | 11,748 | 6,523 | 11,150 | 6,385 | 11,489 | 6,268 |
| Medicine[1] | 4,028 | 2,941 | 3,209 | 3,325 | 3,503 | 3,738 | 3,240 | 3,621 | 3,327 | 3,730 |
| Engineering | 34,043 | 6,852 | 34,723 | 5,578 | 32,374 | 5,296 | 30,146 | 4,951 | 29,397 | 4,801 |
| Other Science[2] | 35,194 | 24,938 | 35,111 | 28,571 | 36,661 | 30,505 | 37,138 | 36,029 | 38,625 | 39,830 |
| Total Science | 92,495 | 53,100 | 94,538 | 56,163 | 92,928 | 58,411 | 90,989 | 64,208 | 92,883 | 69,476 |
| *Percentage* | | | | | | | | | | |
| Biological Sciences | 41 | 59 | 41 | 59 | 41 | 59 | 41 | 59 | 40 | 60 |
| Physics and Chemistry | 66 | 34 | 66 | 34 | 64 | 36 | 64 | 36 | 65 | 35 |
| Medicine[1] | 58 | 42 | 49 | 51 | 48 | 52 | 47 | 53 | 47 | 53 |
| Engineering | 83 | 17 | 86 | 14 | 86 | 14 | 86 | 14 | 86 | 14 |
| Other Science[2] | 59 | 41 | 55 | 45 | 55 | 45 | 51 | 49 | 49 | 51 |
| Total Science | 64 | 36 | 63 | 37 | 61 | 39 | 59 | 41 | 57 | 43 |

[1] Medicine and Dentistry
[2] Engineering and Technology
[3] Subjects allied to Medicine, Agriculture/Veterinary, Mathematics and Computing and Architecture, Building and Planning

**Dr. Starkey:** To ask the Secretary of State for Education and Employment what plans his Department has to increase the number of women students entering the professions of science, engineering and technology. [47516]

**Dr. Howells:** Between 1995 and 1996 the number of women studying for science, engineering and technology qualifications at 1st degree, postgraduate level and undergraduate level in the UK rose by 8 per cent. and from 1996 to 1997 by 14 per cent. In 1995–96, 43 per cent. of women graduating with a 1st degree in engineering and technology and 68 per cent. of women with a 1st degree in science went into employment in related occupations. However, women are still significantly under-represented in a number of areas of science, engineering and technology, particularly in engineering.

This Government are committed to encouraging the full participation of women in all areas of life, including non-traditional areas. The Women into Science and Engineering initiative, which began in 1984 with contributory funding from the Manpower Services Commission and continues to be run by the Engineering Council with some contributory funding from Government, encourages young women to consider careers in engineering. We have also been concerned at the under-representation of women in engineering and some technical sectors on Modern Apprenticeships. We have therefore been working closely with the Local Government National Training Organisation to produce a good practice guide to challenge gender stereotyping in Modern Apprenticeships.

## Special Educational Needs

**Dr. Starkey:** To ask the Secretary of State for Education and Employment what was the expenditure by local education authorities on pupils and students with statements of special educational needs for the years *(a)* 1990–91, *(b)* 1991–92, *(c)* 1992–93 and *(d)* 1993–94. [47456]

**Ms Estelle Morris:** Information on local education authority expenditure on pupils with statements of special educational needs was not collected before 1993–1994. The amount spent by LEAs on pupils with statements of special educational needs for that year was £1.13 billion.

**Mr. Wills:** To ask the Secretary of State for Education and Employment (1) if he intends to publish plans for action to improve mainstream provision for children with special educational needs; [47578]

(2) how he will define his objectives for the improvement during the next four years in the performance of children with special educational needs at mainstream schools, with particular reference to literacy and numeracy targets. [47579]

**Ms Estelle Morris:** Following consultation on the Green Paper, "Excellence for all Children", we will publish an action programme in the early autumn. This will set out the steps we shall take to improve the provision for children with SEN, in mainstream and special schools, and to raise the standards they achieve. As one early action point from the Green Paper, we have increased support through the Schools Access Initiative for projects to increase disabled access to mainstream schools, from £4m in 1997–1998 to £11m in 1998–99. We have also announced specific measures to promote literacy and numeracy for children with SEN, including pilot summer literacy schools for pupils with low literacy levels and in special schools; and guidance on the application of the literacy hour for children with SEN.

**Dr. Cable:** To ask the Secretary of State for Education and Employment what studies his Department has evaluated into the placement of children into mainstream or special schools when a care home with education closes. [47887]

**Ms Estelle Morris:** The Department has not commissioned work on this subject specifically. However, good practice in re-integrating looked after children in mainstream schooling is an issue we shall expect to address in new guidance in the next two years on educational provision for these children.

## Action Zones

**Mr. Llwyd:** To ask the Secretary of State for Education and Employment if he will list the initiatives undertaken by his Department since 1 May 1997 which have involved the establishment of *(a)* action zones and *(b)* pilot schemes limited to particular geographical areas, indicating the name of the programme and the action zone or pilot scheme areas covered in each instance. [47061]

**Dr. Howells:** Since 1 May 1997 the Department has established the following action zones and pilot schemes limited to a particular geographical area:

*Action zones*

| *Name* | *Areas* |
|---|---|
| Education Action Zones | Barnsley, Basildon, Birmingham (2 applications), Blackburn with Darwen, Brighton, Croydon, Halifax, Herefordshire, Hull Lambeth, Leicester City, Middlesbrough, Newcastle, Newham, Norfolk, North East Lincolnshire (Grimsby), Nottingham City, Plymouth, Salford and Trafford, Sheffield, North Somerset (Bridgwater), Southwark, South Tyneside, Wigan |
| Employment Zones | Glasgow, Liverpool and Sefton, North West Wales, Plymouth and South Tees |

*Pilot schemes—Education*

| *Name* | *Areas* |
|---|---|
| Action Research Projects | Barnsley, Coventry, Derbyshire, Devon, Dudley, Islington, Lancashire, Leeds, Leicester, Manchester, Portsmouth, Rochdale, Sheffield, Solihull, Southwark, Tower Hamlets, Wakefield, Warwickshire, Wigan, York City |

*Pilot schemes—Education*

| *Name* | *Areas* |
|---|---|
| Funding of Sixth Forms | Barnet, Birmingham, Coventry, Croydon, Devon, Dudley, East Riding of Yorkshire, East Sussex, Gloucestershire, Haringey, Kent, Kirklees, Leeds, Lewisham, Liverpool, North Somerset, North Yorkshire, Sefton, Somerset, St. Helens, Tower Hamlets, Wakefield, Wandsworth, Warwickshire, York City |
| Healthy Schools Initiative | Cornwall, Doncaster Durham, Hounslow, Manchester, Norfolk, Staffordshire and West Sussex |
| Master Classes Pilot Scheme | Blaydon on Tyne, Bradford Corby, Cowes (Isle of Wight), Lancaster, Lincoln, London, Reading, Tyne and Wear, Washington |
| New Deal for Schools Public Private Partnership Pilot Programme | Cornwall, Kirklees, Sheffield, Stoke-on-Trent and Tower Hamlets |
| New Start | Barnsley, Bolton, Bury, Cambridgeshire, Cheshire and Wirral, Darlington Devon and Cornwall, Doncaster and Rotherham, Dudley, Durham, Hampshire, Hereford and Worcester, Hertfordshire, Kent, Merseyside, Northamptonshire, Rochdale and Oldham, Sandwell, Sheffield, South London, South West London, Teesside Wigan, Wolverhampton and Walsall |
| Pilot of the Part One GNVQ | Barking and Dagenham, Barnet, Bexley, Birmingham, Blackburn, Bradford, Brent, Brighton and Hove, Bristol City Council, Bromley, Camden, Coventry, Croydon, Derby City, Ealing, Enfield, Greenwich, Hackney, Halton, Hammersmith and Fulham, Haringey, Hartlepool, Havering, Herefordshire, Hounslow, Isles of Scilly, Islington, Kensington and Chelsea, Kingston-upon-Hull, Knowsley, Lambeth, Leicester City, Lewisham, Liverpool, Luton, Manchester, Merton, Middlesbrough, Newbury, Newcastle, Newham, North Lincolnshire, Nottingham City, Oldham, Peterborough, Plymouth, Poole, Portsmouth, Redbridge, Redcar and Cleveland, Richmond upon Thames, Rochdale, Rutland, Salford, Sandwell, Slough, South Tyneside, Southampton, Southend, Southwark, Sunderland, Thurrock, Tower Hamlets, Waltham Forest, Wandsworth, Westminster, Windsor and Maidenhead, Wirral, Wolverhampton |
| Work Related Learning for 14–16 year olds | Barking, Barnsley, Bexley, Birmingham, Blackburn, Bradford, Brent, Brighton and Hove, Calderdale, Camden, Coventry, Croydon, Cumbria, Darlington, Derby, Devon, Doncaster, Dorset, Dudley, Durham, Ealing, Enfield, Essex, Gateshead, Gloucestershire, Greenwich, Hackney, Haringey, Hartlepool, Havering, Hertfordshire, Hounslow, Kent, Kingston-upon-Hull, Knowsley, Lambeth, Lancashire, Leeds, Leicester, Liverpool, Luton, Manchester, Merton, Middlesbrough, Milton Keynes, Newcastle upon Tyne, Newham, Norfolk, North Tyneside, North West Somerset, North Yorkshire, Northamptonshire, Northumberland, Nottingham City, Nottinghamshire, Oldham, Oxfordshire, Redcar and Cleveland, Rochdale, Salford, Sefton, Sheffield, South Tyneside, Southwark, Staffordshire, Stockport, Stockton-on-Tees, Stoke-on-Trent, Swindon, Tower Hamlets, Walsall, Wandsworth, Warrington, Warwickshire, West Sussex, Westminster, Wigan, Wirral, Wolverhampton, The Wrekin, York |
| Work Related Learning Key Stage 4 Demonstration Projects | Barking and Dagenham, Barnsley, Camden, Cheshire County Council, Cornwall, Milton Keynes, Coventry, Croydon, Gloucestershire, Nottingham, Greenwich, Hereford and Worcester, Humberside, Kirklees, Leicester, Lewisham, Manchester, Merseyside, Merton, Newham, Norfolk, Oldham, Rotherham, Sandwell, Sheffield, Shropshire, Southwark, St. Helens, Stockport, Stoke-on-Trent, Sunderland, Trafford, Tyneside, and Wigan |

*Pilot schemes—Employment*

| *Name* | *Areas* |
|---|---|
| 50 Plus | Leeds |
| Communicator Support | Birmingham South and Shropshire |
| Customer Help and Information Line Pilots | Caerphilly, Stowmarket, Weymouth and Worcester |
| CV Service | Brighton, Hove, Lewes and New Haven |
| Drop in Centre | Ruthin, North Wales |
| Family Caseloading | North West Wales, Bridgend and the Valleys |
| Increasing Jobseeker Flexibility—Gatwick Job Trail | Brighton and Hove |
| Inform Intensive | City of Edinburgh |
| Internet Jobsearch Programme | Somerset |
| Introduction of a Training Inspectorate in England | Birmingham, Bradford, Chester, Coventry and Warwickshire, Dorset Ellesmere Port, Humberside, Lincolnshire, Manchester, North Nottinghamshire, Northumberland, North West London, Oxfordshire, Suffolk, Wigan, Wiltshire, Wirral |
| Introduction to Electronics | Blackwood, Cwmbran, Caerphilly and Blaenau Gwent, Newport |
| Jobseeker's Allowance Workskill Pilots | Avon, Bristol, Burnley, Fylde, Glasgow and Dumbarton, Preston, Somerset and Wiltshire, South and South East and London North and South Cumbria |

*Pilot schemes—Employment*

| *Name* | *Areas* |
|---|---|
| Management Jobnet | Greater Nottingham |
| Marketing/Vacancy Taking Call Centres | Canterbury, North Ayrshire, Oldham and Tameside |
| National Disability Development Initiative | East Midlands Edinburgh, London South West, England, Northern and West Midland Regions, Wales, West Central Scotland, West Yorkshire, Yorkshire and Humber |
| New Deal for Lone Parents | Cardiff and Vale, Clyde Valley, North Surrey, Warwickshire |
| Obtaining Results by Sampling | Bridgeton, Erith, Rutherglen, Woolwich |
| Open Access Kiosks | Manchester South Newcastle, and Wiltshire |
| Positively Young JSA | Walsall |
| Project Work Pilots | Bath, Bolton and Bury, Bradford, Brighton, Bristol, Derby, Dudley and Sandwell, Dundee, Dunfermline, East London, Edinburgh, Grimsby, Hertford and Harlow, Huddersfield, Hull, Lanarkshire, Leicester, Medway and Maidstone, Merthyr and Rhymney, Neath and Port Talbot, Nottingham, North East London, Norwich, Peterborough, Portsmouth, Preston, South Tyneside, Stoke, Swansea, Weston Supermare, Wigan and St. Helens |
| Tesco | Nottingham |
| TOFF | Stockton, Thornaby and Billingham |
| Training Trials | Hampshire |

### Further Education (Hampshire)

**Mr. Hancock:** To ask the Secretary of State for Education and Employment what percentage of further education staff in Hampshire are employed on temporary contracts. [47589]

**Dr. Howells:** Complete data are not available from Hampshire. Seventy-five per cent. of colleges then in the Hampshire Local Authority area had provided information for the latest analysis (1995–96) which indicates that 36 per cent. of those colleges' teaching, and teaching support staff, are employed on temporary contracts.

### Millennium Compliance

**Mr. Levitt:** To ask the Secretary of State for Education and Employment if he will instigate schemes to recruit, train and employ unemployed people with computing skills to help tackle the Millennium Bug. [47700]

**Dr. Howells:** We are already providing £26 million this financial year to help small to medium sized organisations to train at least 20,000 people to tackle the Millennium Bug. The training is intended to help small to medium sized employers. We are encouraging them to work together to deal with the bug problem and it is possible that groups of employers or individual firms may look to recruit and train new staff, including those currently unemployed, to take forward this work.

### Secondary and Further Education (West Midlands)

**Mr. Jenkins:** To ask the Secretary of State for Education and Employment what proportion of 18 year olds leaving *(a)* secondary school and *(b)* further education entered (i) full-time education, (ii) part-time education, (iii) unemployment, (iv) job related training and (v) employment without a training or study element in (1) the West Midlands and (2) Staffordshire in each of the last five years. [46306]

**Dr. Howells** *[holding answer 22 June 1998]:* Data on destinations of pupils leaving school are not available and on students leaving further education are incomplete. Information on participation in education, training and employment of the 18 year old population in England is shown in the following table. It is not possible to indicate how many of these had previously been in further education, post 16 schooling or other routes. Participation of the 18 year old population by local areas could be provided only at disproportionate cost.

*Participation and labour market status of 18 year olds, England, end 1992 to end 1996*

*Percentage*

| | *end 1992* | *end 1993* | *end 1994* | *end 1995* | *end 1996* |
|---|---|---|---|---|---|
| Full-time education[1] | 33 | 37 | 38 | 39 | 38 |
| Part-time education or training: excluding job related training | 8 | 8 | 8 | 8 | 9 |
| Job-related training[2] | 14 | 14 | 13 | 13 | 13 |
| of which full-time education[3] | 0 | 0 | 1 | 1 | 0 |
| of which part-time education | 7 | 6 | 5 | 4 | 4 |
| Employment without training or study | 28 | 26 | 28 | 27 | 28 |
| ILO unemployment without training or study | 12 | 11 | 8 | 9 | 7 |
| Economically inactive without training or study[4] | 5 | 5 | 5 | 4 | 6 |

[1] Includes those in education who are also in job related training, unemployment or inactive. The size of the overlap between education and job related training is shown at footnote 3

[2] Includes all in government supported training and employer funded training; including the overlap with those in full-time education

[3] Also shown in the full-time education category

[4] Those not in employment nor seeking work on the ILO unemployment definition

*Sources:*

Education Censuses, TECs' Management Information Database, the Trainee Databases and the Labour Force Survey

### Further and Higher Education (Environmental Awareness)

**Mr. Kidney:** To ask the Secretary of State for Education and Employment what policies he is pursuing to raise the environmental awareness of further and higher education institutions, with particular regard to sustainable development practices and citizenship initiatives. [48075]

**Dr. Howells:** My right hon. Friend promotes awareness of environmental issues in the further and higher education sectors through the funding councils and sector representative bodies. The Further Education Funding Council has encouraged further education colleges to adopt sound environmental practices: it asks them in formulating their strategic plans to take account of the recommendations of the Toyne Committee on Environmental Responsibility. The Higher Education Funding Council for England has been carrying out environmental audits, in conjunction with the Committee of Vice Chancellors and Principals and the Standing Conference of Principals. In addition, the Sustainable Development Education Panel, an advisory group established by the Government, is considering these issues: we await their recommendations with interest.

### University College Stockton

**Ms Dari Taylor:** To ask the Secretary of State for Education and Employment if he will make a statement on the funding arrangements for *(a)* the Chair and Research Centre in Urban Regeneration and Change and *(b)* the provision of staff and student amenities at University College Stockton. [48269]

**Dr. Howells:** This is a matter for my right hon. Friend the Secretary of State for the Environment, Transport and the Regions whose approval is required for the grants concerned, which were approved by the Board of the Teesside Corporation in March 1998.

### Class Sizes (North Tyneside)

**Mr. Alan Campbell:** To ask the Secretary of State for Education and Employment if he will list the *(a)* first and *(b)* primary schools in North Tyneside which currently have classes of (i) more than and (ii) less than 30 pupils. [48540]

**Mr. Byers:** Information on class sizes for individual schools is not published centrally.

### Student Loans

**Ms Buck:** To ask the Secretary of State for Education and Employment what expenditure he intends to incur in implementing the new income contingent student loan arrangements prior to approval of the Education (Student Support) Regulations 1998; and what parliamentary approval he has sought for this expenditure. [49410]

**Dr. Howells:** Parliamentary approval of this new service will be sought in a Supplementary Estimate for the DfEE Programmes and Central services vote (Class IX Vote 1). Pending that approval, urgent expenditure estimated at £335,000 will be met by repayable advances from the Contingencies Fund.

### Internet (Schools)

**Mr. Webb:** To ask the Secretary of State for Education and Employment when he expects all children in South Gloucestershire schools to have ready access to the Internet; and if he will make a statement. [48777]

**Dr. Howells:** The Government's consultation paper "Connecting the Learning Society" set out a target date of 2002 for the connection of all schools, colleges, universities and libraries and as many community centres as possible to be connected to the National Grid for Learning via the Internet.

The Department is supporting £533,455 of ICT-related expenditure in South Gloucestershire in 1998–99 through Standards Fund Grant for the National Grid for Learning. The grant is to support networking and infrastructure, and is funded equally by the Department and the relevant local education authority.

### Further Education (High Peak)

**Mr. Levitt:** To ask the Secretary of State for Education and Employment what assessment he has made of the effects of the merger between High Peak College and the University of Derby on post-16 education in High Peak. [48628]

**Dr. Howells:** My right hon. Friend the Secretary of State was satisfied that this is a unique development between a university and a further education college to improve post-16 educational opportunities for the High Peak area.

## DEFENCE

### Iraq

**Dr. Tonge:** To ask the Secretary of State for Defence what discussions he has had with his American counterpart concerning the residue of depleted uranium shells in Southern Iraq; and if he will make a statement. [45275]

**Dr. Reid:** I refer the hon. Member to the reply I gave my hon. Friend the Member for Birmingham, Selly Oak (Dr. Jones) on 29 June 1998, *Official Report*, column *73*.

The use of DU-based ammunition in the Gulf, including these specific issues, have been discussed between officials in my Department and their opposite numbers in the US Department of Defense; neither my right hon. Friend Secretary of State for Defence, nor any of my other Ministerial colleagues have discussed this issue with his American counterpart.

### Personnel and Pay Agency

**Mrs. Gilroy:** To ask the Secretary of State for Defence what assessment he has made of the performance of his Department's Personnel and Pay Agency; and how many cases relating to *(a)* grievance and *(b)* disciplinary procedure took (i) six months or more and (ii) 12 months or more to reach a conclusion in (1) 1996–97, (2) 1995–96 and (3) 1994–95. [46494]

**Mr. Spellar:** The Personnel and Pay Agency (PPA) is responsible for providing pay and personnel services for the Ministry of Defence. The Agency is responsible

for the operation of grievance and disciplinary procedures covering its own staff, but not those covering the Ministry of Defence as a whole.

The work and objectives of the PPA are set out in a corporate plan each year. This plan includes a number of key targets for the year which are agreed by Ministers.

Performance against the key targets is recorded in the Agency's Annual Report and Accounts which is presented in Parliament. The PPA was launched on 1 February 1996 and its Annual Report's and Accounts for 1996–97 showed that it largely achieved its targets for service delivery, efficiency, customer satisfaction, quality and information strategy; but that it missed 2 other targets relating to improving IT systems.

Our records indicate that there were no disciplinary or grievance cases which were not dealt with by the Defence Accounts Agency (DDA) (the PPA's predecessor) within 6 months for the year 1994–95 and 1995–96. For 1996–97 all grievance cases were dealt with by the PPA within 6 months.

### Departmental Reviews

**Mr. Allan:** To ask the Secretary of State for Defence if he will list, for each of the last four years, all departmental inquiries and reviews instigated by ministers which have been chaired by individuals outside his Department; and in each case if he will give the date of establishment and the name of the chairman. [46829]

**Dr. Reid:** The information requested is as follows:

| *Committee* | *Date established* | *Chairman* |
|---|---|---|
| Independent Review of Armed Forces' Manpower, Career and Remuneration Structures | April 1994 | Sir Michael Bett |
| Review of Representational Entertainment | October 1994 | Sir Peter Cazalet |

### Russian Navy

**Mr. Hancock:** To ask the Secretary of State for Defence how many times Russian Navy ships have berthed at United Kingdom ports within the last five years. [47587]

**Dr. Reid:** Since June 1993 there have been six visits to United Kingdom ports by Russian Navy ships; these were as follows:

| *Date* | *Port* | *Ship* |
|---|---|---|
| 25 May-1 June 1993 | Liverpool | Sovremenny class destroyer |
| 7–10 October 1993 | Dartmouth | Ugra class training ship |
| 20–25 May 1994 | Portsmouth | Kilo class conventional submarine |
| 27 March-1 April 1995 | Portsmouth | A Survey ship |
| 26 April-2 May 1996 | Portsmouth | Udaloy class destroyer |
| 3–4 May 1996 | Plymouth | |
| 22–26 September 1996 | Portsmouth | Sovremenny class destroyer |

**Mr. Hancock:** To ask the Secretary of State for Defence how many times the Royal Navy has conducted joint exercises with the Russian Navy over the last five years. [48152]

**Dr. Reid:** The Royal Navy exercise with the Russian Federation Navy under both bilateral arrangements and in multinational exercises. The term exercise can cover a wide range of activities and no single tally exists for all RN activities in which the RFN was involved. However, records show that over the past five years the following Royal Navy ships have participated in the following exercises with the Russian Federation Navy:

| *Period of exercise* | | |
|---|---|---|
| August 1993 | HMS Brilliant | Off Gibraltar |
| September–October 1994 | HMS Newcastle<br>RFA Olna | Skaggerak and off Norway |
| May 1996 | HMS Gloucester<br>RFA Black Rover | Off Portsmouth |
| June 1997 | HMS Iron Duke | Off Severomorsk |
| May-June 1997 | HMS Cromer<br>HMS Walney<br>RFA Orangeleaf | Skaggerak |
| June 1997 | HMS Iron Duke<br>HMS Bridport<br>HMS Cromer | Baltic Sea |
| June 1998 | HMS Somerset | Off Gdansk |

### Abandoned Ordance

**Mr. Key:** To ask the Secretary of State for Defence what abandoned ordnance was found at Home Farm, West Cottingworth, York, at RAF Escrit, at RAF Clifton, York and at Clifton Moor and Royde Mills, Huddersfield; if the ground has now been cleared; and at what cost. [43927]

**Mr. Spellar** *[pursuant to his reply, 3 June 1998, c. 208]:* I regret that a typographical error led to the date of the clearance operation, known as Operation CAPSICUM JAR, being shown as 1995. The date of the clearance was in fact 1991.

### Trainer Aircraft

**Mr. Hancock:** To ask the Secretary of State for Defence, pursuant to his answer of 18 June 1998, *Official Report*, columns *265–66*, which organisation will own the Grob 115D aireraft fleet at the end of the 10 year contract; and if this is in accordance with conventional procurement practice. [48042]

**Dr. Reid:** The purpose of the Royal Air Force Light Aircraft Flying Task contract is to procure a service, including flying hours in aircraft provided by the contractor. The proposed contract is a Private Finance Initiative and, as is normal with such contracts, ownership of assets, in this case Grob 115D aircraft, will not rest with my Department. Ownership at the end of the contract period will depend upon the arrangements made by the contractor with his financial backer.

**Mr. Hancock:** To ask the Secretary of State for Defence, pursuant to his answer of 18 June 1998, *Official Report*, columns *265–66*, what proposals he has to dispose of the Bulldog trainer aircraft; and which department will receive the proceeds. [48041]

**Dr. Reid:** The RAF's Light Aircraft Flying Task contract will have a planned two year phase-in period during which existing Bulldog aircraft will be replaced by the Grob 115D. Disposal of surplus Bulldog aircraft will be organised by the Ministry of Defence's Disposal Sales Agency with a view to maximising receipts which will accrue to my Department.

**Mr. Hancock:** To ask the Secretary of State for Defence, pursuant to his answer of 18 June 1998, *Official Report*, columns *265–66*, what incentives will be offered to the successful bidder to replace the RAF's Bulldog trainer aircraft to ensure the RAF receives a high-quality service. [48043]

**Dr. Reid:** Final negotiations with the preferred bidder are still underway but payments under the resulting contract will be dependent upon delivery of the required level of service.

**Mr. Hancock:** To ask the Secretary of State for Defence, pursuant to his answer of 18 June 1998, *Official Report*, columns *265–66*, what weighting was given to the impact on UK industry and employment in his decision on the award of the contract to replace the Bulldog trainer aircraft. [48039]

**Dr. Reid:** The impact of our decision on UK industry and employment was carefully considered and balanced against a number of factors, including cost and suitability of aircraft for our requirement.

### Air Transport Procurement

**Mr. Hoyle:** To ask the Secretary of State for Defence, pursuant to his answer of 23 June 1998, *Official Report*, column *459*, concerning the lease of C-17s, what responses to the requests for proposals he has received; and what the timescale is for the responses. [48009]

**Mr. Spellar:** No Request for Proposals for the lease of C-17 or equivalent air transport aircraft has been issued.

### Rugby League Teams

**Mr. Hoyle:** To ask the Secretary of State for Defence how many rugby league teams there are in each of the armed forces. [48443]

**Dr. Reid:** The information requested is as follows:

| *Service* | *Number of rugby league teams* |
|---|---|
| Royal Navy/Royal Marines | 12 |
| Army | 41 |
| Royal Air Force | 10 |

### Eurofighter

**Mr. Blunt:** To ask the Secretary of State for Defence how many Eurofighters the Government are committed to purchasing. [48626]

**Mr. Spellar:** The Government are committed to the purchase of 232 Eurofighters.

## SOCIAL SECURITY

### Disabled People

**Mr. Prior:** To ask the Secretary of State for Social Security how many complaints have been received about the treatment of disabled people by officers of her Department in each of the last three years. [47999]

**Mr. Denham** *[holding answer 1 July 1998]:* The information is not available in the format requested. Departmental Agencies can provide information on the number of complaints received from all customers but do not specifically record whether they are made by disabled customers.

The Benefits Agency (BA) can however provide some complaints information about disabled customers. Since October 1997, the BA has received a total of 36,023 complaints. Of these, a total of 2,615 complaints have been received about the administration of Attendance Allowance and Disability Living Allowance. Additionally, there have been 59 complaints about customer service from people who have identified themselves as disabled.

### Child Support Agency

**Ms Beverley Hughes:** To ask the Secretary of State for Social Security what proportion of the Child Support Agency's resources are devoted to collecting maintenance. [48828]

**Mr. Keith Bradley:** Due to the complexity of the current child support arrangements, approximately 90 per cent. of the Agency's resources are spent on assessing maintenance and keeping cases up to date. This leaves only about 10 per cent. spent on debt management and enforcing child support liability.

### Separated Parents

**Ms Beverley Hughes:** To ask the Secretary of State for Social Security what research she has evaluated on the relative financial positions of separated mothers and fathers. [48829]

**Mr. Keith Bradley:** Recent research by Dr. Jarvis and Dr. Jenkins of the University of Essex quoted in "Real Choices—A Manifesto for Lone Parents and their Children" indicates that the median net income of mothers dropped on average by 15 per cent. in the year following separation—before allowing for any maintenance payments—while fathers' net income rose by an average of 15 per cent.

### Income Support (Wythenshawe and Sale, East)

**Mr. Goggins:** To ask the Secretary of State for Social Security (1) how many income support claimants there are whose claims are dealt with by the Sale office but who do not live in the Borough of Trafford; [47529]

(2) how many income support claimants there are in the Wythenshawe and Sale, East Constituency; [47530]

(3) how many income support claimants there are whose claims are dealt with by the Wythenshawe office but who do not live in the City of Manchester. [47531]

**Mr. Keith Bradley:** The administration of Income Support is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to my hon. Friend.

*Letter from Peter Mathison to Mr. Paul Goggins, dated 2 July 1998:*

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Questions asking for information relating to the number of Income Support (IS) claims from your constituents and details of which offices deal with their claims.

The information is not available in the format requested. The Benefits Agency (BA) collates IS statistics by BA District. These Districts do not correspond to constituency boundaries, Local Authority areas or specific geographical areas. However, the BA in conjunction with the Employment Services, is currently exploring the advantages which might result in improved business delivery and customer service if there was greater alignment between BA and LA boundaries.

The number of customers who were in receipt of IS as at 31 May 1998 for the BA's District of Greater Manchester Centre Operations, which includes the offices of Manchester Cheetham, Manchester Chorlton, Manchester Longsight, Manchester Openshaw, Manchester Rusholme and Manchester Wythenshawe, was 56,916, and for Greater Manchester South East Operations District, which includes the offices of Ashton, Buxton, Hyde, Macclesfield, Sale, Stockport and Wilmslow, was 55,715. This is the latest information available, it is provisional and may be subject to change.

I hope you find this reply helpful.

### National Minimum Wage

**Mr. Ben Chapman:** To ask the Secretary of State for Social Security what estimate she has made of the number of women in Wirral, South who will benefit from the minimum wage. [47457]

**Mrs. Liddell:** I have been asked to reply.

The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to reply.

*Letter from Tim Holt to Mr. Ben Chapman, dated July 1998:*

I have been asked to reply, as the Director of the Office for National Statistics (ONS), to your parliamentary question on the national minimum wage.

The national minimum wage will become effective in April 1999 and has been set at £3.60 for employees aged over 21 and £3.00 for those aged 18 to 21, although there are a number of qualifications to this general observation.

The Low Pay Commission, in arriving at their recommendations, had to adjust 1999 pay rates to 1997 values. Their methodology produces £3.40 and £2.80 as the 1997 values of the government's preferred rates.

The New Earnings Survey (NES) can provide earnings data for small geographical areas. However, the release of NES data is restricted to figures which are derived from a sufficiently large sample of employees, and which have an acceptable level of accuracy (as defined statistically through the standard error of an individual figure being 5 per cent. or less). Reliable estimates of the number of women in Wirral South who will benefit from the minimum wage cannot be provided, because the associated standard errors are too high. I have therefore provided available data for Merseyside in the attached table. These are for women aged over 21, because estimates for those aged 18–21 years who would earn below the proposed minimum wage cannot be provided. Again, this is because the associated standard errors are too high.

The NES is based on a one percent sample of employees in the PAYE system and is therefore likely to under-represent relatively low paid staff earning below the tax threshold and in particular those who work part-time.

The extent of this bias may be estimated for Merseyside by using data from the NES augmented by data from the Labour Force Survey (LFS). This suggests that the estimate of the overall proportion of employees aged over 21 years earning below £3.60 could understate the true position by as much as 3 percentage points. However, it is unlikely that the occurrence of lower paid jobs is uniform across the region, and so it would be wise to treat this figure as broadly indicative rather than a precise estimate.

*Employees whose pay for the survey pay-period was unaffected by absence—New Earnings Survey—April 1997*

| *Percentage of employees with hourly earnings excluding overtime and shift payments less than:* | *£3.40* | *£3.60* |
|---|---|---|
| *Merseyside* | | |
| *Employees aged over 21 on adult rates of pay* | | |
| Full-time females | 3.3 | 5.1 |
| Part-time females | 12.9 | 17.3 |
| All females | 7.3 | 10.1 |

## HEALTH

### Breast Screening

**Mr. Stinchcombe:** To ask the Secretary of State for Health what data from the Government's review of two-view breast screening have been evaluated in respect of future policy on the introduction of the two-view screening for every screening round. [48320]

**Mr. Boateng:** In light of recent research evidence, the National Screening Committee have been asked to consider the introduction of two-view mammography for every screening round. In addition to any increase in the detection rate, the Committee will consider financial and workforce implications and the benefits and practicalities of introducing such a change.

## AGRICULTURE, FISHERIES AND FOOD

### Meat Imports

**Mr. Evans:** To ask the Minister of Agriculture, Fisheries and Food if he will list those countries which have exported beef to the United Kingdom since December 1996 indicating the extent of their compliance with United Kingdom hygiene standards. [48856]

**Mr. Rooker:** Official Overseas Trade Statistics record that beef carcase meat, bovine offal and beef meat and bovine offal preparations have been imported into the UK from the following countries since December 1996:

*EC Countries*

Republic of Ireland
The Netherlands
Germany
France
Belgium
Luxembourg
Denmark
Spain
Italy
Austria
Sweden

Greece
Finland
*Non-EC*
Brazil
Argentina
Uruguay
Australia
Zimbabwe
Botswana
Namibia
New Zealand
Mauritius
USA
Swaziland
South Africa
Switzerland
Paraguay
Romania
Uganda
Jamaica
Japan
Singapore
Malaysia
Chile
Canada
Belize
Croatia
Abu Dhabi
Ukraine.

All fresh meat, including beef, imported into the UK, whether from other EU Member States or third countries, must have been produced in accordance with harmonised Community rules. These rules require all meat which is intended for sale for human consumption to fulfil the required public health standards. This means that it must be produced in EC approved establishments and, to signify this, must be stamped with a health mark before leaving the plant.

Ensuring that all Member States comply with their Community obligations in properly implementing and applying Community rules is the responsibility of the European Commission, whose Office of Veterinary and Phytosanitary Inspection carries out regular programmes of inspection visits to all Member States. The inspection, approval and monitoring of establishments producing meat in third countries for despatch to the Community is also the responsibility of the European Commission.

In addition, meat imported from third countries must be accompanied by agreed animal and public health certification which is issued at the plant of origin. All imports must take place via approved Border Inspection Posts where they undergo checks to ensure they comply with Community animal and public health legislation.

**Mr. Evans:** To ask the Minister of Agriculture, Fisheries and Food what are the means by which Her Majesty's Customs and Excise determine the age of imported carcases. [48890]

**Mr. Rooker:** No such determination is made since there are no restrictions on imports of carcases based on their age. The Fresh Meat (Beef Controls) (No.2) Regulations 1996 prohibit the sale for human consumption of all meat derived from bovine animals which at the time of slaughter were more than 30 months old. This measure applies to all bovines slaughtered on or after 29 March 1996, whether in the UK or overseas, other than those born, reared and slaughtered in those third countries specifically excluded by the Regulations and UK animals from the Beef Assurance Scheme. The Regulations do not impose restrictions on the import of meat.

**Mr. Evans:** To ask the Minister of Agriculture, Fisheries and Food (1) what steps he takes to assess the quality of foreign meat imported to the United Kingdom; [48854]

(2) if he will make a statement on the measures he is taking to ensure that imported beef meets United Kingdom beef production regulations. [48855]

**Mr. Rooker:** All fresh meat, including beef, imported into the UK, whether from other EU Member States or third countries, must have been produced in accordance with harmonised Community rules. These rules require all meat which is intended for sale for human consumption to fulfil the required public health standards. This means that it must be produced in EC approved establishments and, to signify this, must be stamped with a health mark before leaving the plant.

Ensuring that all Member States comply with their Community obligations in properly implementing and applying Community rules is the responsibility of the European Commission, whose Office of Veterinary and Phytosanitary Inspection carries out regular programmes of inspection visits to all Member States. The inspection, approval and monitoring of establishments producing meat in third countries for despatch to the Community is also the responsibility of the European Commission.

In addition, meat imported from third countries must be accompanied by agreed animal and public health certification which is issued at the plant of origin. All imports must take place via approved Border Inspection Posts where they undergo checks to ensure they comply with Community animal and public health legislation.

## Agricultural Restructuring

**Mr. Evans:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on his Department's proposals for restructuring the United Kingdom farming industry. [48784]

**Mr. Rooker:** The Government issued a consultation document on restructuring the UK beef sector on 18 March 1998 and are considering the results of that consultation exercise. We currently have no plans to undertake a similar exercise for the rest of the farming industry.

## Food Safety

**Mr. Corbett:** To ask the Minister of Agriculture, Fisheries and Food what resources his Department has devoted to *(a)* food safety and *(b)* food standards work in each of the last three years; and what has been the total number of civil servants employed in these areas. [48905]

**Mr. Rooker:** Expenditure for the three financial years up to and including 1997–98 on MAFF food safety programmes PP1:01, 1:02, 1:03 and 1:07 (as defined in MAFF/IB 1996, 1997 and 1998 Departmental Reports) was £27.3m, £28.1m and £29.1m, respectively. Equivalent expenditure on food quality and nutrition programme PP1:08 was £12.7m, £11.3m and £10.5m. During the same three year period approximately 300 MAFF staff were engaged directly on food safety and standards work.

The above figures relate to direct costs only and do not take account of the cost of central functions.

A detailed breakdown of expenditure and receipts for all MAFF programmes is shown in the above Reports, copies of which are available in the Library of the House.

### Food Standards Agency

**Mr. Corbett:** To ask the Minister of Agriculture, Fisheries and Food what is the estimated level of resources to be transferred by his Department to the proposed Food Standards Agency for *(a)* staff research and *(b)* other relevant heads of account. [48852]

**Mr. Rooker:** All the resources currently devoted to food safety and standards work within the remit of the proposed Food Standards Agency (FSA), associated scientific research budgets, and a share of the relevant central corporate support budgets in the Ministry of Agriculture, Fisheries and Food are expected to be transferred to the FSA when it is established. The precise boundaries of the Agency's responsibilities are still being determined in response to the consultation on the White Paper "The Food Standards Agency: A Force for Change" and we hope to publish a draft Bill shortly for further consultation. Estimates of the resources to be transferred to the FSA will be made in the light of that consultation, and of the outcome of the Comprehensive Spending Review.

### Farmers

**Mr. Evans:** To ask the Minister of Agriculture, Fisheries and Food what is his estimate of the change in the number of farmers in the United Kingdom over the next 10 years. [48785]

**Mr. Rooker:** An estimate would require making a considerable number of hypothetical assumptions and I have made no such estimate.

### Rendering Plants

**Mr. Evans:** To ask the Minister of Agriculture, Fisheries and Food (1) what proposals he has to reduce the subsidy paid to rendering plants to dispose of offal; [48788]

(2) what proposals he has to compensate farmers affected by the reduction in compensation to rendering plants for the disposal of offal. [48789]

**Mr. Rooker:** The objective of the rendering industry support was to avert the disorderly collapse of the red meat/animal waste chain in the immediate aftermath of the BSE crisis in March 1996. This objective was achieved.

Some £97 million was made available for the rendering industry in the financial year 1996–97. In return, renderers were required to maintain pre-crisis prices and charges to all their suppliers of animal waste. A further £59 million of aid, also designed to help the entire red meat/animal waste chain, was made available during the financial year 1997–98. The support, which was always intended to be temporary, was phased out gradually during 1997–98 as originally planned to enable the chain to adjust to the changing economics.

The support has served its purpose and there are no plans to reintroduce it. It is for the livestock industry to take responsibility for disposing of its waste in a safe and sustainable manner. The Government are, however, fully aware of the current difficulties faced by farmers in the disposal of fallen stock. Officials are liaising with farming representatives to consider how farmers should in future dispose of fallen stock and to encourage the industry to put suitable arrangements in place.

### Farmers (Early Retirement)

**Mr. Evans:** To ask the Minister of Agriculture, Fisheries and Food (1) if he will make a statement on the implementation of his Department's proposed early retirement scheme for farmers; [48779]

(2) what conditions farmers will have to satisfy to be eligible for his Department's early retirement scheme. [48778]

**Mr. Rooker:** The Government do not currently operate an early retirement scheme for farmers. We are considering the responses to our recent consultation on 'Agricultural Restructuring', which sought views, among other things, on whether such a scheme, based on EEC Council Regulation 2079/92, should be introduced in the UK. Our conclusions will be announced in due course.

### Tuberculosis

**Mr. Paice:** To ask the Minister of Agriculture, Fisheries and Food if he will list for each county the number of herd breakdowns of tuberculosis for *(a)* 1996, *(b)* 1997 and *(c)* 1998 to date. [48587]

**Mr. Rooker** *[holding answer 2 July 1998]:* Figures for the numbers of new confirmed herd breakdowns for 1996 were kept only on an Animal Health Divisional Office basis and are not available by county. These are presented, giving an indication of the counties which are covered by each Divisional Office. Figures for 1997 are given by county. Figures for 1998 cannot be provided by county in the time available, but I will write to the hon. Member with the information relating to the first six months of 1998 when I have it.

| *Region/AHO/County* | *1996 (by AHO)* | *1997 (by county)* |
|---|---|---|
| *England* | | |
| *Northern Region* | | |
| Carlisle (AHO) | 1 | — |
| Cumbria | — | 0 |
| Northumberland | — | 0 |
| Durham | — | 0 |
| Tyne & Wear | — | 0 |
| Cleveland | — | 0 |

| Region/AHO/County | 1996 (by AHO) | 1997 (by county) |
|---|---|---|
| Leeds (AHO) | 1 | — |
| North Yorkshire | — | 0 |
| South Yorkshire | — | 0 |
| West Yorkshire | — | 0 |
| Preston (AHO) | 1 | — |
| Lancashire | — | 0 |
| Greater Manchester | — | 0 |
| Merseyside | — | 0 |
| Stafford (AHO) | 13 | — |
| Staffordshire | — | 24 |
| Cheshire | — | 0 |
| Derbyshire | — | 1 |
| Lincoln (AHO) | 1 | — |
| Lincolnshire | — | 0 |
| Nottinghamshire | — | 0 |
| Humberside | — | 0 |
| *East Region* | | |
| Leicester (AHO) | 4 | — |
| Leicestershire | — | 0 |
| Northamptonshire | — | 0 |
| West Midlands | — | 0 |
| Warwickshire | — | 0 |
| Bury St. Edmunds (AOH) | 0 | — |
| Suffolk | — | 0 |
| Norfolk | — | 0 |
| Cambridgeshire | — | 0 |
| Chelmsford (AHO) | 1 | — |
| Essex | — | 1 |
| Bedfordshire | — | 0 |
| Hertfordshire | — | 0 |
| Greater London | — | 0 |
| Reading (AHO) | 0 | — |
| Oxfordshire | — | 0 |
| Berkshire | — | 0 |
| Buckinghamshire | — | 0 |
| Hampshire | — | 0 |
| Isle of Wight | — | 0 |
| Reigate (AHO) | 2 | — |
| Surrey | — | 0 |
| West Sussex | — | 0 |
| East Sussex | — | 4 |
| Kent | — | 0 |
| *West Region* | | |
| Taunton (AHO) | 20 | — |
| Somerset | — | 27 |
| Dorset | — | 12 |
| Exeter (AHO) | 74 | — |
| Devon | — | 82 |
| Truro (AHO) | 87 | — |
| Cornwall | — | 74 |
| Isles of Scilly | — | 0 |
| Worcester (AHO) | 58 | — |
| Hereford & Worcester | — | 86 |
| Shropshire | — | 7 |
| Gloucester (AHO) | 90 | — |
| Gloucestershire | — | 85 |
| Wiltshire | — | 30 |
| Avon | — | 10 |
| England total | 353 | 443 |

| Region/AHO/County | 1996 (by AHO) | 1997 (by county) |
|---|---|---|
| *Wales* | | |
| Carmarthen (AHO) | 32 | — |
| Dyfed | — | 24 |
| Caernarfon (AHO) | 2 | — |
| Clwyd | — | 0 |
| N. Powys | — | 0 |
| Gwynedd | — | 0 |
| Cardiff (AHO) | 68 | — |
| Mid Glamorgan | — | 2 |
| Powys | — | 1 |
| South Glamorgan | — | 0 |
| Gwent | — | 33 |
| West Glamorgan | — | 2 |
| Wales total | 102 | 62 |
| *Scotland* | | |
| Inverness (AHO) | 1 | — |
| Inverness-shire | — | 0 |
| Ross & Cromarty | — | 0 |
| Caithness | — | 2 |
| Nairn | — | 0 |
| Sutherland | — | 0 |
| Inverurie (AHO) | 2 | — |
| Moray | — | 0 |
| Aberdeenshire | — | 2 |
| Orkney | — | 0 |
| Shetland | — | 0 |
| Banffshire | — | 0 |
| Perth (AHO) | 2 | — |
| Perthshire | — | 1 |
| Kinross | — | 0 |
| Angus | — | 0 |
| Fife | — | 0 |
| Argyll | — | 0 |
| Dunbartonshire | — | 1 |
| Stirling | — | 0 |
| Clackmannan | — | 0 |
| Bute | — | 0 |
| Kincardine | — | 1 |
| Galashiels (AHO) | 1 | — |
| East Lothian | — | 0 |
| Mid Lothian | — | 0 |
| West Lothian | — | 0 |
| Lanarkshire | — | 1 |
| Berwickshire | — | 0 |
| Peeblesshire | — | 0 |
| Roxburghshire | — | 0 |
| Selkirkshire | — | 0 |
| Ayr (AHO) | 10 | — |
| Ayrshire | — | 0 |
| Dumfriesshire | — | 0 |
| Kirkcudbright | — | 1 |
| Renfrewshire | — | 0 |
| Wigtownshire | — | 1 |
| Scotland total | 16 | 10 |
| Great Britain total | 471 | 515 |

**Mr. Paice:** To ask the Minister of Agriculture, Fisheries and Food what plans he has to reduce the interval between tests for TB in cattle. [48585]

**Mr. Rooker** *[holding answer 2 July 1998]:* We plan to review our cattle testing arrangements in the light of amendments recently agreed to the EC legislation which sets out the minimum testing requirements, the continued increase in TB incidence, and the work programme in hand to implement the recommendations in the Krebs report.

### Rabies

**Mr. Flynn:** To ask the Minister of Agriculture, Fisheries and Food if he will ensure that veterinary surgeons have unrestricted access to the inactivated rabies vaccines already approved by his Department for use on domestic animals under their care; and if he will issue instructions to this effect immediately. [47994]

**Mr. Rooker:** No. Great Britain is a rabies free island. There is therefore no need for British cats and dogs to be vaccinated, unless they are to be exported.

### Bananas

**Mr. Baldry:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the progress of EU negotiations on banana imports. [47983]

**Mr. Rooker:** The European Union Agriculture Council in Luxembourg on 22–26 June agreed changes to the EU bananas regime to bring it into conformity with World Trade Organisation (WTO) rules whilst ensuring continued access to the EU market for African, Caribbean and Pacific (ACP) bananas. This was one of the UK's Presidency priorities and the deal we secured honours both our commitments under the Lomé Convention and our obligations to the WTO; a declaration agreed by the Council recognises this.

Access for traditional ACP banana producers will be 857,700 tonnes at zero tariff, significantly above the current level of ACP sendings. The ACP countries have separately agreed to work together to ensure that the interests of the more vulnerable suppliers are not put at risk as a result of the loss of individual ACP quotas. Commonwealth Caribbean suppliers should now be able to export to the EU all the marketable bananas they can produce.

The operation of the revised import arrangements will be reviewed in 2004 but no date has been set for their termination. This should help to provide a reasonable period for the ACP suppliers to restructure their industries and improve their competitivity. Discussion on a new aid framework for the traditional suppliers are continuing.

## TREASURY

### Pensioner Shareholders

**Mr. Cousins:** To ask the Chancellor of the Exchequer how many pensioner shareholders with no tax liability currently recover tax credits directly; and how much these recovered tax credits cost in the last three financial years. [47691]

**Dawn Primarolo:** It is estimated that some 300,000 shareholders aged 65 or over with no income tax liability received payments of dividend tax credits totalling around £20 million in 1995–96. Similar information is not yet available for 1996–97 or 1997–98.

### Smugglers' Vehicles

**Mrs. Lait:** To ask the Chancellor of the Exchequer, pursuant to his answer of 18 June 1998, *Official Report*, column *274*, on vehicles confiscated from smugglers, how many vehicles *(a)* were restored upon payment of a fee *(b)* were hire vehicles and *(c)* were restored to owners smuggling or bootlegging tobacco and alcohol. [48060]

**Dawn Primarolo:** I regret that no central figures are kept.

### Correspondence

**Mr. Kaufman:** To ask the Chancellor of the Exchequer when he intends to reply to the letters dated 13 March, 16 April and 21 May sent to him by the right hon. Member for Manchester, Gorton with regard to Mr. D. Seyarajasinghe of 11 Kent Road West. [48147]

**Mr. Gordon Brown:** I have done so.

### MIRAS

**Ms Roseanna Cunningham:** To ask the Chancellor of the Exchequer if he will list for 1996–97 the amount of MIRAS spent in Scotland and for 1997–98 and 1998–99 the estimated amount to be spent on MIRAS in Scotland. [47975]

**Dawn Primarolo:** The cost of mortgage interest relief in Scotland is estimated to be £180 million in 1996–97 and £150 million in 1997–98. The amount of relief given through MIRAS—mortgage interest relief at source scheme—is estimated to be £170 million in 1996–97 and £140 million in 1997–98.

These estimates are based on the regional distribution of the cost of mortgage interest relief from analyses of family expenditure surveys up to 1996–97. The estimates for 1997–98 are projections based on applying the same regional distribution as in 1996–97 to the total figure for 1997–98. It is not possible to provide reliable estimates below United Kingdom level for 1998–99.

### Aviation Fuel Tax

**Mr. Gordon Prentice:** To ask the Chancellor of the Exchequer what assessment he has made of the advantages and disadvantages of an aviation fuel tax applied (i) solely in the UK and (ii) solely in the EU; and if he will make a statement. [47979]

**Dawn Primarolo:** The Government support international action through the International Civil Aviation Organisation to remove tax exemption for aviation fuels. The ICAO Assembly is due to receive a report on the effect of environmental levies including aviation fuel tax in September. The Government also supported a mandate to the European Commission to study the environmental and economic impacts on the EU of an aviation fuel tax. This study is due to be completed in August. We will consider how to take forward policy in the light of the results of these studies.

## Pensions

**Mr. Cousins:** To ask the Chancellor of the Exchequer on how many occasions the Government have intervened to protect the reasonable expectations of policyholders using their powers under the Insurance Companies Act 1982; and what guidance has been given as to the meaning of the term, "the reasonable expectation of the policy holders". [47597]

**Mrs. Liddell** *[holding answer 29 June 1998]:* Sections 38 to 45 of the Insurance Companies Act 1982 give the Treasury a wide range of powers of intervention, which are regularly used to protect policyholders' interests. With regard to the reasonable expectation of policyholders, the most relevant power is likely to be Section 45 of the Act which gives the Treasury power to intervene in individual companies' affairs to protect policyholders against the risk that the company may be unable to meet its liabilities or—in the case of long term business—fulfil the reasonable expectations of policyholders. This is a reserve power, which may be exercised only where the Treasury consider that the purpose cannot be appropriately achieved by exercise of the other, more specific, powers conferred by sections 38 to 44 of the Act or by the exercise of those powers alone.

I am not aware of any occasion on which formal use has been made of section 45 for the specific purpose of protecting policyholders' reasonable expectations. But the mere existence of the power has to date been sufficient to make such exercise unnecessary. In practice, Chancellors of the Exchequer, as successive regulators, have been able to protect policyholders' interests by influencing companies' behaviour through discussion and agreement.

Guidance on the Government's view of policyholders' reasonable expectations was set out in a statement by the then Under-Secretary for Corporate Affairs on 24 February 1995, *Official Report*, columns *360–61*. This set out a number of factors which the Government considered influenced such expectations, in respect of attribution of surplus between policyholders and shareholders in the long term funds of life insurance companies.

## International Debt

**Mr. Laurence Robertson:** To ask the Chancellor of the Exchequer if he will list the Third World countries which are financially indebted to the United Kingdom, breaking down the figures to show those organisations owed money; and if he will make a statement. [47750]

**Mrs. Liddell** *[holding answer 30 June 1998]:* I refer the hon. Member to the answer I gave to the hon. Member for Stone (Mr. Cash) on 23 June 1998, *Official Report*, columns *453–54*.

**Mr. Love:** To ask the Chancellor of the Exchequer which HIPC countries have embarked on the process of debt relief; which will embark on the process *(a)* before and *(b)* after 2000 under the Mauritius Mandate; and if he will make a statement. [48437]

**Mrs. Liddell:** Of the twenty countries currently thought to be eligible for additional debt relief under the HIPC initiative, sixteen have embarked on the process of securing that debt relief. These are: Bolivia, Burkina Faso, Cote d'Ivoire, Ethiopia, Guinea-Bissau, Guyana, Madagascar, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, Tanzania, Uganda and Zambia.

The Mauritius Mandate expressed the hope that all twenty of the countries eligible for additional HIPC relief will have embarked on the process before the year 2000. At the Birmingham Summit in May, the G8 agreed that it would encourage debtor countries to meet this challenge.

**Mr. Love:** To ask the Chancellor of the Exchequer which countries have benefited from debt reductions under the HIPC Initiative; what level of debt relief each has received in *(a)* nominal and *(b)* NPV terms; and if he will list the other countries that are expected to benefit from the Initiative. [48439]

**Mrs. Liddell:** To date six countries have received decisions on the level and timing of their debt relief under the HIPC initiative: Bolivia, Burkina Faso, Cote d'Ivoire, Guyana, Mozambique and Uganda. Of these six, only Uganda has so far reached its completion point and thus received actual debt relief. In April this year it received $347 million in additional debt relief in NPV terms under the HIPC initiative. This is equivalent to about $650 million in nominal terms.

There is no definitive list of eligible countries, but IMF estimates suggest that Burundi, Democratic Republic of Congo, Ethiopia, Guinea-Bissau, Madagascar, Mali, Mauritania, Myanmar, Nicaragua, Niger, Rwanda, Sao Tome and Principe, Tanzania and Zambia are also likely to be eligible for debt relief under the HIPC initiative.

**Mr. Love:** To ask the Chancellor of the Exchequer what additional resources are planned to be made available through the Mauritius Mandate in addition to those under the HIPC Initiative for each country affected in *(a)* nominal and *(b)* NPV terms; what is the timetable for securing a sustainable exit for each country; and if he will make a statement. [48438]

**Mrs. Liddell:** The Mauritius Mandate sets targets for the speedy and determined implementation of the HIPC initiative. Debt relief given to poor countries under the HIPC initiative is additional to the debt relief given previously by bilateral creditors. The amount of this additional HIPC debt relief is determined at the decision point. To date $3 billion in NPV terms has been pledged to six countries under the initiative. The table shows the debt relief in NPV and nominal terms, that has so far been pledged to these countries and their likely completion points at which their debt burdens will be reduced to sustainable levels.

| *HIPC* | *Additional HIPC debt relief pledged (NPV terms) in $ million* | *Additional HIPC debt relief pledged (nominal terms) in $ million* | *Completion point* |
|---|---|---|---|
| Burkina Faso | 115 | 200 | April 2000 |
| Bolivia | 448 | 600 | September 1998 |
| Cote d'Ivoire | 345 | 800 | March 2001 |
| Guyana | 253 | 500 | December 1998 |
| Mozambique | 1,487 | 2,900 | Summer 1999 |
| Uganda | 347 | 650 | 7 April 1998 |

The Mauritius Mandate aims to ensure that three quarters of the countries that are presently thought to

require additional debt relief under the HIPC initiative will have had decisions on the level and timing of that relief by the millennium.

**Mr. Jim Cunninghan** To ask the Chancellor of the Exchequer if he will estimate the total revenue which will be raised for the alleviation of third world debt as a result of tax allowances announced in the Budget. [48085]

**Dawn Primarolo** *[holding answer 1 July 1998]:* The reliefs announced in the Budget are for charitable projects in the world's poorest countries for education and relief of poverty, not directly for repayment of their debt.

## Low Pay

**Mr. Alexander:** To ask the Chancellor of the Exchequer if he will estimate how many *(a)* men and *(b)* women working (i) part-time and (ii) full-time in Paisley, South earn less than (1) £3 per hour and (2) £3.60 per hour; and in each case if he will give the percentage of the total number employed. [48489]

**Mrs. Liddell:** The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to reply.

*Letter from Tim Holt to Mr. Douglas Alexander, dated 3 July 1998:*

As the Director of the Office for National Statistics (ONS), I have been asked to reply to your recent question on earnings in Paisley South.

The New Earnings Survey (NES) can provide earnings data for small geographical areas. However, the release of NES data is restricted to figures which are derived from a sufficiently large sample of employees, and which have an acceptable level of accuracy. Estimates of the number of men and women in Paisley South who earn less than the levels quoted cannot be provided, because the small sample size produces unreliable statistics. I have therefore provided data for Renfrewshire in the attached table. These are based on the 1997 NES, the latest for which data are available.

The NES is based on a one percent sample of employees in the PAYE system and is therefore likely to under-represent relatively low paid staff earning below the tax threshold and in particular those who work part-time.

The extent of this bias may be estimated for Scotland by using data from the NES augmented by data from the Labour Force Survey (LFS). This suggests that the estimate of the overall proportion of employees aged over 21 years earning below £3.60 could understate the true position by as much as 4 percentage points. However, it is unlikely that the occurrence of lower paid jobs is uniform across the region, and so it would be wise to treat this figure as broadly indicative rather than a precise estimate.

*Adjusted New Earnings Survey—Renfrewshire—April 1997*

| *Percentage of employees with hourly earnings excluding overtime and shift payments less than:* | | |
|---|---|---|
| *Employees*[2] | *<£3.00* | *<£3.60* |
| Renfrewshire | | |
| *Employees of all ages on adult rates* | | |
| Full-time males | 1.4 | 4.2 |
| Part-time males | [1]— | [1]— |
| All males | 1.3 | 4.7 |
| Full-time females | 3.3 | 8.9 |
| Part-time females | [1]— | [1]— |
| All females | 5.7 | 14.6 |
| All full-time employees | 2.1 | 5.9 |
| All part-time employees | [1]— | [1]— |
| All employees | 3.4 | 9.4 |

*Adjusted New Earnings Survey—Renfrewshire—April 1997*

| *Percentage of employees with hourly earnings excluding overtime and shift payments less than:* | | |
|---|---|---|
| *Employees*[2] | *<£3.00* | *<£3.60* |
| *Employees aged 18 to 21 on all rates of pay* | | |
| Full-time males | [1]— | — |
| Part-time males | — | — |
| All males | [1]— | — |
| Full-time females | [1]— | — |
| Part-time females | [1]— | — |
| All females | [1]— | — |
| All full-time employees | [1]— | — |
| All part-time employees | [1]— | — |
| All employees | [1]— | — |
| *Employees aged over 21 on adult rate of pay* | | |
| Full-time males | 4.2 | — |
| Part-time males | [1]— | — |
| All males | 4.5 | — |
| Full-time females | 7.5 | — |
| Part-time females | [1]— | — |
| All females | 13.3 | — |
| All full-time employees | 5.4 | — |
| All part-time employees | [1]— | — |
| All employees | 8.7 | — |

[1] Denotes sample number too low or standard error rate too high for reliable estimate

[2] Employees whose pay for the survey pay-period was unaffected by absence

## Abortions

**Fiona Mactaggart:** To ask the Chancellor of the Exchequer which health authorities in England and Wales paid for fewer than *(a)* 50 per cent., *(b)* 70 per cent. and *(c)* 90 per cent. of abortions requested by their residents in (i) 1996 and (ii) 1997. [48440]

**Mrs. Liddell:** The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to reply.

*Letter from Tim Holt to Fiona Mactaggart, dated 3 July 1998:*

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on abortions.

The health authorities which funded fewer than (a) 50 per cent.; (b) 70 per cent.; and 90 per cent. of abortions for local residents in (i) 1996 and (ii) 1997 are shown in the attached tables.

*Percentage of abortions performed by the NHS by health authorities in England and Wales 1996*

| *Area of usual residence* | *Per cent.* |
|---|---|
| *Less than 90 per cent.* | |
| Somerset HA | 89.98 |
| South Humber HA | 89.70 |
| Lincolnshire HA | 89.61 |
| Portsmouth and South East Hampshire HA | 89.20 |
| Suffolk HA | 88.76 |
| Oxfordshire HA | 88.67 |
| Gloucestershire HA | 88.44 |
| Cornwall and Isles of Scilly HA | 88.25 |
| East Lancashire HA | 87.85 |
| Doncaster HA | 87.77 |
| Sheffield HA | 87.77 |
| Wirral HA | 86.57 |
| North Yorkshire HA | 86.49 |
| East Riding HA | 86.48 |

*Percentage of abortions performed by the NHS by health authorities in England and Wales 1996*

| *Area of usual residence* | *Per cent.* |
|---|---|
| North Derbyshire HA | 86.36 |
| North Cheshire HA | 86.27 |
| Gwent HA | 85.95 |
| Leeds HA | 84.96 |
| Isle of Wight HA | 84.42 |
| South Cheshire HA | 84.12 |
| Bradford HA | 83.97 |
| North Nottinghamshire HA | 83.89 |
| Wakefield HA | 83.75 |
| Calderdale and Kirklees HA | 83.74 |
| South Derbyshire HA | 83.57 |
| Nottingham HA | 83.52 |
| North Wales HA | 83.07 |
| Morecambe Bay HA | 82.02 |
| Herefordshire HA | 81.92 |
| Liverpool HA | 81.23 |
| Bedfordshire HA | 81.22 |
| Leicestershire HA | 80.45 |
| Northamptonshire HA | 79.06 |
| North West Anglia HA | 78.90 |
| Southampton and South West Hampshire HA | 78.06 |
| Avon HA | 77.80 |
| St. Helens and Knowsley HA | 76.49 |
| Bro Taf HA | 75.65 |
| Sefton HA | 75.37 |
| East Kent HA | 74.74 |
| Barnsley HA | 73.43 |
| Sandwell HA | 72.55 |
| Croydon HA | 71.84 |
| Walsall HA | 71.58 |
| Buckinghamshire HA | 71.42 |
| East London and The City HA | 70.92 |
| North Staffordshire HA | 70.79 |
| Birmingham HA | 70.65 |
| *Less than 70 per cent.* | |
| Shropshire HA | 69.47 |
| West Kent HA | 69.29 |
| Brent and Harrow HA | 69.24 |
| Worcestershire HA | 68.44 |
| Lambeth, Southwark and Lewisham HA | 67.86 |
| Camden and Islington HA | 67.46 |
| South Essex HA | 67.41 |
| East Surrey HA | 67.10 |
| Enfield and Haringey HA | 66.09 |
| Bexley and Greenwich HA | 65.96 |
| Manchester HA | 65.79 |
| Wigan and Bolton HA | 65.55 |
| Bury and Rochdale HA | 65.43 |
| Stockport HA | 65.42 |
| North Essex HA | 64.06 |
| Dorset HA | 63.85 |
| West Pennine HA | 63.85 |
| Bromley HA | 63.54 |
| South Staffordshire HA | 62.64 |
| Hillingdon HA | 62.31 |
| Dudley HA | 62.12 |
| West Surrey HA | 61.88 |
| South Lancashire HA | 60.40 |
| Barnet HA | 60.26 |
| Wiltshire HA | 60.00 |
| Merton, Sutton and Wandsworth HA | 59.88 |
| Salford and Trafford HA | 59.31 |
| Barking and Havering HA | 57.97 |
| East and North Hertfordshire HA | 57.89 |
| Kensington and Chelsea and Westminster HA | 57.33 |
| Kingston and Richmond HA | 56.06 |
| West Sussex HA | 55.90 |
| West Hertfordshire HA | 54.32 |
| East Sussex, Brighton and Hove HA | 54.17 |
| Ealing, Hammersmith and Hounslow HA | 52.69 |
| Berkshire HA | 50.61 |

*Percentage of abortions performed by the NHS by health authorities in England and Wales 1996*

| *Area of usual residence* | *Per cent.* |
|---|---|
| *Less than 50 per cent.* | |
| Wolverhampton HA | 47.77 |
| North and Mid Hampshire HA | 44.70 |
| Solihull HA | 43.99 |
| North West Lancashire HA | 36.06 |
| Redbridge and Waltham Forest HA | 33.90 |

*Percentage of abortions performed by the NHS by health authorities in England and Wales 1997*

| *Area of usual residence* | *Per cent.* |
|---|---|
| *Less than 90 per cent.* | |
| Suffolk HA | 89.75 |
| Lincolnshire HA | 89.07 |
| East Riding HA | 88.83 |
| Doncaster HA | 88.10 |
| Rotherham HA | 88.02 |
| East Lancashire HA | 87.99 |
| Portsmouth and South East Hampshire HA | 87.96 |
| Sheffield HA | 87.84 |
| Cambridge and Huntingdon HA | 87.65 |
| Herefordshire HA | 86.80 |
| Morecambe Bay HA | 86.73 |
| Wirral HA | 86.62 |
| Gloucestershire HA | 86.47 |
| North Wales HA | 86.46 |
| North Derbyshire HA | 84.12 |
| North Cheshire HA | 84.09 |
| North Nottinghamshire HA | 83.86 |
| Leeds HA | 83.50 |
| Cornwall and Isles of Scilly HA | 83.09 |
| Calderdale and Kirklees HA | 82.96 |
| North Yorkshire HA | 82.76 |
| Bradford HA | 82.67 |
| South Cheshire HA | 82.32 |
| Leicestershire HA | 82.25 |
| Avon HA | 82.09 |
| Liverpool HA | 82.01 |
| Bedfordshire HA | 81.67 |
| South Derbyshire HA | 81.30 |
| Isle of Wight HA | 81.17 |
| Nottingham HA | 80.66 |
| Southampton and South West Hampshire HA | 80.48 |
| Wakefield HA | 78.64 |
| St. Helens and Knowsley HA | 78.48 |
| North West Anglia HA | 78.44 |
| Sandwell HA | 77.65 |
| Sefton HA | 77.62 |
| Brent and Harrow HA | 77.23 |
| Bro Taf HA | 76.93 |
| Croydon HA | 76.17 |
| Northamptonshire HA | 74.18 |
| Barnsley HA | 72.45 |
| Walsall HA | 71.41 |
| Buckinghamshire HA | 70.99 |
| East Kent HA | 70.94 |
| Bexley and Greenwich HA | 70.79 |
| *Less than 70 per cent.* | |
| Wigan and Bolton HA | 69.32 |
| Manchester HA | 69.21 |
| Birmingham HA | 69.15 |
| West Kent HA | 69.04 |
| South Essex HA | 68.56 |
| Shropshire HA | 68.37 |
| North Staffordshire HA | 68.28 |
| West Surrey HA | 67.98 |
| East London and The City HA | 67.83 |
| Worcestershire HA | 67.00 |
| Hillingdon HA | 65.57 |

*Percentage of abortions performed by the NHS by health authorities in England and Wales 1997*[1]

| *Area of usual residence* | *Per cent.* |
|---|---|
| South Staffordshire HA | 65.51 |
| East Surrey HA | 64.83 |
| South Lancashire HA | 64.62 |
| West Pennine HA | 64.61 |
| North Essex HA | 63.97 |
| Stockport HA | 63.95 |
| Bury and Rochdale HA | 63.82 |
| Camden and Islington HA | 63.80 |
| East and North Hertfordshire HA | 63.75 |
| Lambeth, Southwark and Lewisham HA | 63.73 |
| Dorset HA | 63.36 |
| Dudley HA | 63.26 |
| Ealing, Hammersmith and Hounslow HA | 62.27 |
| Merton, Sutton and Wandsworth HA | 62.12 |
| Bromley HA | 61.24 |
| Barking and Havering HA | 60.04 |
| Barnet HA | 59.32 |
| Kensington and Chelsea and Westminster HA | 58.55 |
| Wiltshire HA | 58.30 |
| Salford and Trafford HA | 57.88 |
| West Hertfordshire HA | 57.88 |
| Berkshire HA | 54.51 |
| West Sussex HA | 53.24 |
| Enfield and Haringey HA | 53.18 |
| East Sussex, Brighton and Hove HA | 53.08 |
| Kingston and Richmond HA | 52.17 |
| Wolverhampton HA | 51.84 |
| *Less than 50 per cent.* | |
| Solihull HA | 47.43 |
| North and Mid Hampshire HA | 47.18 |
| North West Lancashire HA | 45.40 |
| Redbridge and Waltham Forest HA | 42.25 |

[1] Provisional figures relating to notifications received by 19 May 1998, in respect of terminations performed during 1997 under the Abortion Act 1967 on women normally resident in England and Wales

**Fiona Mactaggart:** To ask the Chancellor of the Exchequer what percentage of abortions for residents in *(a)* England, *(b)* Wales and *(c)* Scotland was funded by the NHS in (i) 1996 and (ii) 1997. [48441]

**Mrs. Liddell:** The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to reply.

*Letter from Tim Holt to Fiona Mactaggart, dated July 1998:*

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on abortions.

The percentage of abortions for residents in *(a)* England; *(b)* Wales and *(c)* Scotland funded by the NHS in 1996 and 1997 is as follows:

| | *Percentage* | |
|---|---|---|
| | *1996* | *1997* |
| England | 72 | 72 |
| Wales | 85 | 87 |
| Scotland | 99 | 98 |

## Insider Dealing

**Mr. Gordon Prentice:** To ask the Chancellor of the Exchequer if he will bring forward proposals to transfer responsibility for investigations of alleged insider dealing and decisions on prosecutions to the CPS. [48604]

**Mrs. Liddell:** The Director of Public Prosecutions, along with the DTI and the SFO, already has powers to take criminal prosecutions of insider dealing.

**Mr. Gordon Prentice:** To ask the Chancellor of the Exchequer what deficiencies he has identified in the operation of the law on insider dealing; and what further legislation he plans in this area. [48602]

**Mrs. Liddell:** Insider dealing legislation is kept under continuous review. As part of our planned reform of the financial regulatory system, we intend to bring forward proposals to give the Financial Services Authority powers to prosecute insider dealing. DTI, SFO and DPP will retain concurrent powers. In addition, as a complement to the criminal law, we intend to introduce a new civil fines regime which will allow the Financial Services Authority to impose fines on any person or firm who engages in market abuse, including misuse of inside information.

## Vehicle Emissions

**Mr. Jenkin:** To ask the Chancellor of the Exchequer when the consultation paper on emissions and vehicle excise duty will be published. [48277]

**Dawn Primarolo** *[holding answer 1 July 1998]:* A consultation document seeking views on the options for reforming vehicle excise duty will be published shortly.

## VAT Registration (North-west)

**Mr. Gordon Prentice:** To ask the Chancellor of the Exchequer how many businesses (i) registered and (ii) deregistered for VAT in *(a)* Pendle and *(b)* the North-West in each year since 1990. [48599]

**Dawn Primarolo:** Customs hold information only concerning the number of businesses registered and deregistered each year by region. The North West Regional VAT Registration Unit in Liverpool covers Merseyside, Lancashire and Greater Manchester. The number of businesses registered and deregistered since 1990 is as follows:

| *Year* | *Registrations* | *Deregistrations* |
|---|---|---|
| 1990 | 20,574 | 16,015 |
| 1991 | 18,644 | 21,484 |
| 1992 | 17,326 | 21,370 |
| 1993 | 16,412 | 20,752 |
| 1994 | 15,174 | 18,600 |
| 1995 | 18,699 | 17,154 |
| 1996 | 18,269 | 14,196 |
| 1997 | 20,455 | 15,308 |
| 1998 (to end May) | 8,491 | 6,034 |

## Bereavement Allowance

**Mr. Garnier:** To ask the Chancellor of the Exchequer what is his Department's policy on the question of equalising the treatment of sexes in respect of the bereavement allowance; and if he will make a statement. [48504]

**Dawn Primarolo** *[holding answer 2 July 1998]:* We are looking carefully at all aspects of the tax system that might be seen as discriminatory. We are considering the

wider implications of any changes to the rules for the Widow's Bereavement Allowance, particularly in the Social Security field. No decisions have yet been taken.

### Pensions Mis-selling

**Mr. Webb:** To ask the Chancellor of the Exchequer what assessment he has made of the extent of mis-selling of free-standing additional voluntary contributions; and if he will make a statement. [48776]

**Mrs. Liddell:** None. That is a matter for the Financial Services Authority.

### Merchant Navy

**Mr. Bob Russell:** To ask the Chancellor of the Exchequer (1) what representations he has received concerning the impact on UK shipping of different taxation regimes in EU countries; and if he will make a statement; [48542]

(2) what representations he has received concerning low recruitment of cadets for the Merchant Navy; and if he will make a statement. [48541]

**Ms Glenda Jackson:** I have been asked to reply.

We have received 54 letters from MPs on behalf of their constituents, and 7 from members of the public about the Chamber of Shipping's leaflet entitled "British Shipping Delivering for Britain" which includes references to the taxation regimes in some EU countries and the level of recruitment of new cadets for the Merchant Navy.

The Government are committed to increasing seafarer training and have introduced a new seafarer training support scheme—SMarT—which consolidates and expands on the previous training support schemes. We have allocated 30 per cent. more to SMarT than the total grant payments under the previous scheme in 1997-98 when 465 cadets were recruited. Under SMarT we have already agreed funding for 643 new cadets this year.

## INTERNATIONAL DEVELOPMENT

### India and Pakistan

**Sir Michael Spicer:** To ask the Secretary of State for International Development if it is the Government's policy that the World Bank should be allowed to give support to India and Pakistan following their recent announcement of nuclear testing. [47609]

**Clare Short:** The G8 Foreign Ministers communiqué of 12 June points out that the recent nuclear tests by both India and Pakistan have endangered the region's security and prospects for economic growth. The Ministers called on both countries to take positive action to defuse tension in the region and encouraged peaceful resolution to the differences between them.

The Ministers also agreed not to oppose loans from the World Bank and other international financial institutions for basic human needs but, in the light of the economic and financial implications of the test for both countries, to work for postponement in consideration of other IFI loans. The British Government are examining case by case those proposals for new loans due to come forward for consideration in the World Bank and other IFIs to examine whether they meet basic human needs and have a positive impact on the poor.

### Sudan

**Dr. Tonge:** To ask the Secretary of State for International Development what levels of aid have been given to Sudan in each month between September 1997 and May 1998. [48903]

**Clare Short:** The table of monthly aid expenditure to Sudan is as follows:

| *Month* | *Expenditure (£)* |
|---|---|
| September 1997 | 2,063,508 |
| October 1997 | 164,334 |
| November 1997 | 103,435 |
| December 1997 | 296,091 |
| January 1998 | 136,094 |
| February 1998 | 2,137,807 |
| March 1998 | 1,285,141 |
| Prior year payments | 9,787 |
| April 1998 | 454,926 |
| May 1998 | 233,670 |
| Total September-May | 6,884,793 |
| June 1998 | 3,648,824 |
| Total September-June | 10,533,617 |

Includes £1.9 million allocated from the UK Bilateral General Account held by the World Food Programme to support its food aid operations in Sudan.

Funds are paid to international NGOs and United Nations agencies against clear evidence of need and a detailed budget. Further payments totalling £13 million to the World Food Programme and ICRC will appear in the July figures. We are also considering commitments of up to £5 million to NGOs operating in other vulnerable regions of Sudan.

**Dr. Tonge:** To ask the Secretary of State for International Development what representations her Department received from which NGOs in each month between September 1997 and May 1998 concerning the situation in Southern Sudan. [48902]

**Clare Short:** Southern Sudan faces chronic problems every year. This year's problems were greatly aggravated by the fact that access to vulnerable populations was not possible in February and March.

The first formal indications of an impending crisis were contained in the FAO Crop Assessment Report dated December 1997 incorporated into the draft 1998 UN Consolidated Appeal for Sudan. We have been in regular contact with NGOs working in Sudan. World Vision (WV), Save the Children Fund (SCF) and Medicins Sans Frontieres (MSF) first expressed their concern about Bahr El Ghazal in February and we provided support for their emergency programmes.

In May we approved funding for further humanitarian activities by SCF, MSF, CARE and the International Committee of the Red Cross. Other proposals were received from Christian Aid/CAFOD, SCF, ACROSS, TearFund, GOAL, WV and Norwegian People's Aid.

# Written Answers to Questions

*Monday 6 July 1998*

## ENVIRONMENT, TRANSPORT AND THE REGIONS

### Classic Cars and Motor Bikes

**Mr. Coaker:** To ask the Secretary of State for the Environment, Transport and the Regions what proposals are planned and what measures have recently been implemented regarding the use of historic and classic cars and motor bikes. [47692]

**Ms Glenda Jackson:** No measures specifically relating to the use of historic and classic cars and motor cycles are planned or have been recently introduced. However, the recent Budget announced the freezing of the vehicle excise duty (VED) exemption for all vehicles over 25 years old, and the introduction of a fixed date VED exemption for vehicles constructed before 1 January 1973. This measure clearly affects certain classic and historic cars and motor cycles, as will the implementation of the EU proposal to ban leaded petrol. A lead replacement petrol will however be available for use by vehicles which currently use leaded petrol. This has been widely used in EU and other countries where leaded petrol has already been withdrawn.

### M25

**Dr. Cable:** To ask the Secretary of State for the Environment, Transport and the Regions (1) what percentage of the additional traffic flow generated by M25 widening in 2005 and 2010 will be accounted for by Heathrow Terminal 5 traffic in the Government's projections; [47884]

(2) what is the current projection of traffic volumes and speeds in the western sector of the M25 in 2005 if, *(a)* neither Terminal 5 nor the M25 enlargement takes place, *(b)* Terminal 5 is built and the M25 remains at its present width, *(c)* Terminal 5 is not built and the M25 in widened and *(d)* Terminal 5 is built and the M25 is widened. [47883]

**Ms Glenda Jackson:** I have asked the Chief Executive of the Highways Agency, Mr. Lawrie Haynes, to write to the hon. Member.

*Letter from David York to Dr. Vincent Cable, dated 6 July 1998:*

The Transport Minister, Glenda Jackson, has asked the Chief Executive of the Highways Agency to reply to your recent Parliamentary Questions about traffic flows on the M25. In his absence, I am writing on his behalf.

The information you ask for is not available for the year 2005. However, figures were made available at the T5 inquiry, for the target year 2003 and, with factoring where necessary, lead to the following:

(a) No M25 widening or T5: 8,500 vph and 63 kph.

(b) T5 built, no M25 widening: not assessed.

(c) M25 widened, No T5: 10,100 vph and 77 kph.

(d) M25 widened and T5 constructed: 10,300 vph and 74 kph.

These figures relate to M25 J13–14 northbound in the a.m. peak hour.

In answer to your second question, if T5 is connected to the widened motorway, we estimate that it will increase traffic on M25 J13–14 by 2% in 2003. This is taken into account as appropriate in answer to your first question. No figures exist for 2010, but those for 2016 estimate that by then the volume of traffic on the M25 J13–14 will be the same whether or not T5 is built because of the motorway's capacity.

### Air Traffic

**Mr. Hancock:** To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the increase in air traffic flying in and out of London airports annually over the next five years. [48164]

**Ms Glenda Jackson:** The Civil Aviation Authority has provided the following forecast of aircraft movements for the next five years to be handled in the London Terminal Control Area, covering arrivals and departures at all London's airports.

| | *Number of aircraft movements (thousand)* |
|---|---|
| 1998–99 | 989 |
| 1999–00 | 1,019 |
| 2000–01 | 1,057 |
| 2001–02 | 1,094 |
| 2002–03 | 1,132 |

### Seat Belts

**Mr. Peter Bottomley:** To ask the Secretary of State for the Environment, Transport and the Regions (1) what is his Department's current estimate of the percentage of children aged *(a)* 0 to 4, *(b)* 5 to 13 and *(c)* 14 years and over who wear seat belts in (i) the front passenger seat and (ii) the rear seats of cars; and if he will make a statement on trends; [48310]

(2) what is his Department's current estimate of the percentage of *(a)* drivers, *(b)* front seat passengers and *(c)* rear seat passengers who wear seat belts in cars. [48309]

**Ms Glenda Jackson:** The latest, as yet unpublished, biannual survey, carried out by the Transport Research Laboratory (TRL) on the Department's behalf in April 1998, showed that 91 per cent. of drivers, 92 per cent. of front seat passengers and 67 per cent. of all rear seat passengers in all cars were wearing seat belts.

The wearing rates for the front passenger seat cannot be broken down by the age groups requested. The surveys showed that of those travelling in the front passenger seat, 95 per cent. of 0 to 13 year olds and 88 per cent. of 14 to 29 year olds were wearing seat belts.

The survey also showed that of those travelling in the rear seats of cars, 87 per cent. of 0 to 4 year olds, 73 per cent. of 5 to 13 year olds and 48 per cent of 14 year olds and over were wearing seat belts.

The Government are not satisfied with the numbers of people who do not wear their seat belts. The percentage rates of seat belt wearing have remained fairly constant in recent years—in particular, the rate for adults in the rear

seats of cars has remained stubbornly at 50 per cent. or below. That is why a publicity campaign to further promote rear seat belt wearing will be launched on 8 July.

### Thameslink 2000

**Mrs. Brinton:** To ask the Secretary of State for the Environment, Transport and the Regions what is the timescale for completion of the Thameslink 2000 project. [48909]

**Ms Glenda Jackson:** The new Thameslink 2000 station is an integral part of the work at St. Pancras which is included in Section II of the CTRL project, due to commence in 2001 for completion in 2007. We are discussing the full implications for Thameslink 2000 with the CTRL promoter LCR and Railtrack.

### Employees (Health and Safety)

**Mr. Plaskitt:** To ask the Secretary of State for the Environment, Transport and the Regions how many prosecutions have been brought against employers under the Health and Safety at Work Act etc. 1974 in each of the last 10 years for failing to carry out an assessment of the risk their employees are exposed to whilst using public roads for work-related activities. [48746]

**Ms Glenda Jackson:** Information in the form requested is not readily available and could be compiled only at disproportionate cost.

### Channel Tunnel Rail Link

**Mr. Shaw:** To ask the Secretary of State for the Environment, Transport and the Regions if, following his recent announcement regarding the Channel Tunnel Rail Link, the widening of the M2 is to be proceeded with. [48819]

**Ms Glenda Jackson:** As announced last Summer, the Government will use all reasonable endeavours to see that the M2 widening works are completed within the period of construction of the Rail Link, and that the construction arrangements of the two projects are co-ordinated to minimise disruption to the public.

### EU Structural Funds

**Mr. Wigley:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on his Department's role in discussions relating to the European structural funds for the period 2000 to 2006. [48773]

**Angela Eagle:** I refer the right hon. Member to the answer given to him by my hon. Friend the Minister for Small Firms, Trade and Industry on 2 July 1998, *Official Report*, column *240*.

## DUCHY OF LANCASTER

### Contracting Out

**Mr. Russell Brown:** To ask the Chancellor of the Duchy of Lancaster when he will publish new guidance on market testing and contracting out; and if he will make a statement. [49326]

**Dr. David Clark:** *Better Quality Services* is published today.

It represents a major step towards fulfilling our promise of better public services for all our citizens, customers and taxpayers alike.

The guidance is in two documents—*Better Quality Services: a Handbook on creating public/private partnerships through Market Testing and Contracting Out* and *Better Quality Services: Guidance for Senior Managers*.

This is the guidance for central Government Departments, including their agencies and NDPBs, that I promised when I published the Government's 12 *Guiding Principles in Using Market Testing and Contracting Out*, 4 November 1997, *Official Report*, column *94*.

*Better Quality Services* gives guidance on applying the 12 *Guiding Principles*. We aim to achieve better quality services for the customer at optimal cost to the taxpayer. Our pragmatic approach will apply competition as best suits the circumstances of each case. Departments should review all their services and activities over a five year period. All options should be considered on a case by case basis and Departments should use what works best.

In our consultations we were told that when market testing—an in-house team competing with external bidders—was used it was often used inappropriately, when a straight choice between internal restructuring and contracting out would have been better for customers, better for staff and better for taxpayers. *Better Quality Services* encourages Departments to make clear-cut decisions that take account of the degree of uncertainty for staff and the effect on morale of each option. In doing so, Departments should consult their staff and their representatives, and other stakeholders.

People are our key asset. When using contracting out, Departments should consider whether to specify that staff are to transfer to any new contractor—for example, to maintain expertise or on other grounds related to the service required. This will invoke the protection of the Transfer of Undertakings (Protection of Employment) Regulations 1981 (TUPE). Otherwise, on the basis of legal advice, Departments should say whether, in the circumstances, TUPE is considered likely to apply.

The Government are committed to competition. *Better Quality Services* covers procurement, contract management, retendering and insourcing, which must always have a very robust justification. The guidance stresses probity, communication and openness. Departments must always be able to justify their decisions.

Partnership is stressed in the guidance: between the public and the private sectors, with staff and their recognised representatives, and between different parts of the public sector.

Producing this guidance has involved all Government Departments, the Council of Civil Service Unions, the Confederation of British Industry, the Business Services Association, those involved in developing Best Value in local government, and those concerned with the NHS. I am very grateful for all their help. This has been an exciting partnership, which will continue so that, together, we can bring about better quality services.

*Better Quality Services* has been placed in the libraries of the House. Copies have been sent to all who helped in producing the guidance, including the Council of Civil Service Unions, the Confederation of British Industry and the Business Services Association. The guidance will be on sale in bookshops and can be accessed on the Internet under "Key Policy Areas for Cabinet Office (OPS)" on the Cabinet Office web site: http://www.open.gov.uk/co/cohome.htm.

### Committee on Standards in Public Life

**Mr. Peter Bradley:** To ask the Chancellor of the Duchy of Lancaster when Lord Neill took up his duties as Chair of the Committee on Standards in Public Life; what is the rate of his daily remuneration in that capacity; how many full days and part days he has contributed to the work of the Committee; and how much he has earned for doing so. [48047]

**Dr. David Clark:** Lord Neill of Bladen QC was appointed Chairman of the Committee on Standards in Public Life on 10 November 1997. He is paid a daily rate of £500. Up to the end of April 1998, Lord Neill had spent the equivalent of 44 full days working on Committee business, for which he has paid a total of £22,000.

### People's Panel

**Mr. Gibb:** To ask the Chancellor of the Duchy of Lancaster if he will list for the People's Panel *(a)* the total value and duration of its contract with MORI, *(b)* the number of times it is expected to be convened in 1998, *(c)* the selection criteria and procedures used to pick its members, *(d)* which Ministers determined the terms of selection, *(e)* which Ministers will have access to the results of the Panel and *(f)* if the information made available to Ministers will be (i) placed in the Library and (ii) made publicly available. [48692]

**Mr. Kilfoyle** *[holding answer 3 July 1998]: (a)* The People's Panel contract with MORI is for three years, subject to a review after one year. As it is a Framework Agreement rather than a standard contract, its value will depend on the amount of research that is commissioned. The actual value of the Framework Agreement is a nominal £5. The cost of setting up the Panel is around £80,000 and first wave research will be about a further £300,000.

*(b)* The Panel will not be "convened" in that sense. It is not designed to meet as a single group—this would not be cost effective or useful. Groups of Panel members will be brought together for focus groups and other deliberative research, but research will generally be conducted on an individual survey basis.

*(c)* Potential panel members are selected from a random sample of Postal Addresses from across the UK. Individuals are randomly selected from within each household using a Kish grid. They are recruited by face-to-face interviews in their own homes.

*(d)* Cabinet Office Ministers decided that Panel members should be randomly selected, in order that the Panel is a representative cross-section of society.

*(e)* The results will be published and so all Ministers will have access to them.

*(f)* The results will (i) be placed in the House of Commons library, and (ii) be made publicly available, on the Cabinet Office website.

### Service First Programme

**Mr. Gibb:** To ask the Chancellor of the Duchy of Lancaster if he will list *(a)* the estimated cost of changing the Citizens Charter programme into the Service First programme, indicating separately the costs of (i) the design of a new logo, (ii) the relabelling of buildings and stationery and (iii) promotion and publicity, and *(b)* the companies used and at what cost in connection with the project. [48693]

**Mr. Kilfoyle** *[holding answer 3 July 1998]:* All costs associated with launching the new programme have been met from within existing budgets. The final cost is not yet available, but it is expected to be in the region of £65,000. The new logo was developed by COI as part of a wider project to develop a user-friendly style for Service First publications. The total cost of this work was £6,800. No money has been spent on relabelling buildings or on advertising, £4,000 has been spent primarily on display stands and a pamphlet to inform public servants about the new programme. Service First stationery has been produced in-house using desk-top publishing equipment.

**Mr. Gibb:** To ask the Chancellor of the Duchy of Lancaster if he will list the focus group research which was commissioned in relation to proposals to change the Citizens Charter programme into the Service First programme, indicating *(a)* the total cost of the focus groups, *(b)* the names of the companies used and *(c)* the costs and composition of the new non-departmental public bodies to be established to help implement the Service First programme. [48694]

**Mr. Kilfoyle** *[holding answer 3 July 1998]:* Two focus groups to inform the development of the new programme were run on behalf of the Cabinet Office by MORI at a cost of £4,000. No non-departmental public bodies are being established to help implement the Service First programme.

## NORTHERN IRELAND

### Action Zones

**Mr. Llwyd:** To ask the Secretary of State for Northern Ireland if she will list the initiatives undertaken by her Department since 1 May 1997 which have involved the establishment of *(a)* action zones and *(b)* pilot schemes limited to particular geographical areas, indicating the name of the programme and the action zone or pilot scheme areas covered in each instance. [47056]

**Mr. Paul Murphy:** The information for the Northern Ireland Office and the Northern Ireland Departments is:

| *Initiative* | *Undertaken since* | *Geographical area* |
|---|---|---|
| *(a)* The Londonderry initiative | 1998 | The Greater Urban Area of Londonderry |
| *(b)* 'Mentally Disordered Offenders Pilot' Scheme | 15 June 1998 | Greater Belfast |

### Maternity Services

**Mr. Beggs:** To ask the Secretary of State for Northern Ireland what progress has been made on the recommendations by Professor Donaldson's Medical Review Panel on *(a)* the development of a Province-wide comprehensive strategic plan for maternity services and *(b)* the problem of smaller obstetric units without 24-hour on-site paediatric cover. [47870]

**Mr. Worthington:** When I announced my response, on 13 November 1997, to the Independent Medical Review Panel's report on maternity services in Central Belfast, I commented specifically on the Panel's recommendation for a comprehensive strategic plan for maternity services in Northern Ireland. In doing so I made it clear that I would not be taking any specific action in this regard pending the final outcome of the reviews of acute services including obstetric care provision, in the Northern, Southern and Western Board areas. Such a review has already taken place, in 1993, in the Eastern Board area and since then obstetric services have ceased at Ards Hospital and, on present plans, will cease in the Downe also in the near future.

I am aware that there are a number of smaller obstetric units in Northern Ireland without 24 hour on-site paediatric cover and some of these are under scrutiny in the review process. Meantime mothers-to-be are advised of the facilities, or lack of facilities, including paediatric cover at a particular unit by, among others, their GP, Obstetrician, Midwife or the HSS Trust concerned. Moreover, during the course of their ante-natal care, expectant mothers at risk of complications are identified and assessed and, if appropriate, advised to have their baby delivered in an obstetric unit with the necessary back-up facilities.

Finally, it is important to remember that mothers-to-be have the right to choose where they wish to have their baby born and some, albeit a small number at present, opt for home delivery.

### Ulsterbus

**Rev. Ian Paisley:** To ask the Secretary of State for Northern Ireland if he will list the public subsidies Ulsterbus has received for the purchase of vehicles, indicating the amounts and dates of the subsidies paid. [47872]

**Mr. Paul Murphy:** The public subsidies paid to Ulsterbus for the purchase of new buses from 1993–94 to 1997–98 are:

1993–94: £2.216m;

1994–95: £1.722m;

1995–96: £2.137m;

1996–97: £0.225m and

1997–98: nil.

### Maghaberry Prison

**Mr. McNamara:** To ask the Secretary of State for Northern Ireland how many girls *(a)* under 14 years, *(b)* aged 14 to 16 years and *(c)* aged 16 years and over were placed in Maghaberry prison in (i) 1993, (ii) 1994, (iii) 1995, (iv) 1996, (v) 1997 and (vi) 1998. [48355]

**Mr. Ingram:** There were no girls under 14 years placed in Maghaberry Prison (female) in any of the years specified. The figures for the other age categories, held in the Young Offenders Unit at the Prison, are as follows:

| | *14–16 years* | *16–21 years* |
|---|---|---|
| 1993 | 1 | 2 |
| 1994 | 1 | 15 |
| 1995 | 4 | 9 |
| 1996 | 2 | 17 |
| 1997 | 1 | 18 |
| 1998 (to date) | 1 | 10 |

## TREASURY

### Excise Revenue

**Mrs. Lait:** To ask the Chancellor of the Exchequer if he will list the factors taken into account when reducing the forecast revenue figures from excise between July 1997 and March 1998. [45401]

**Dawn Primarolo:** The forecast of hydrocarbon oil, alcohol and tobacco excise revenue for 1998–99 was revised up by £0.7 billion between July 1997 and March 1998.

Hydrocarbon oil duty receipts were revised up by £0.9 billion, reflecting the increases in duty rates announced in the 1998 Budget on 17 March 1998, *Official Report*, column 1110.

Alcohol and tobacco duty receipts were each revised down by £0.1 billion, reflecting the slightly lower than anticipated level of clearances in the second half of 1997–98. A number of factors are likely to have affected the 1997–98 outturn. An example of a factor that arose subsequent to the July 1997 forecast was the sharp decline in popularity of alcopops following their adverse publicity last year, which led to a decline in receipts in their duty category. Against this, GDP rose by more than was expected and the summer weather was warm, both of which are likely to have led to an increase in receipts. It is, however, difficult to be absolutely certain about the precise reasons for the small differences between forecast and actual receipts 1997–98 as a number of other largely counter-balancing factors are likely to have been involved.

**Mrs. Lait:** To ask the Chancellor of the Exchequer what estimate he has made of the increase in excise revenue due to warm weather in the summer of 1997. [45408]

**Dawn Primarolo:** No estimate has been made.

### Alcopops

**Mrs. Lait:** To ask the Chancellor of the Exchequer if he will estimate the reduction in excise revenue caused by the decline in popularity of alcopops in the period to March 1998. [43402]

**Dawn Primarolo:** Clearances of coolers (the duty category in which alcopops fall) fell by 29 per cent. between 1996–97 and 1997–98. If one assumes duty rates as of 1 January 1997 (for both years), then this fall is equivalent to some £27m in excise revenues.

The revenue loss to the Exchequer is less than this because it is likely that some consumption of alcopops has switched to other alcoholic drinks.

### Government Expenditure

**Mr. Maude:** To ask the Chancellor of the Exchequer if he will estimate the General Government Expenditure, as defined prior to the Economic and Fiscal Strategy report 1998, *(a)* in cash terms and *(b)* as a percentage of GDP, in a (i) 1999–2000, (ii) 2000–01, (iii) 2001–02, (iv) 2002–03 and (v) 2003–04. [47118]

**Mr. Darling:** Projections of GGE from 1999/2000 onwards depend on the outcome of the Comprehensive Spending Review.

**Mr. Maude:** To ask the Chancellor of the Exchequer if he will estimate the real annual percentage growth in *(a)* total managed expenditure and *(b)* general Government expenditure as defined prior to the Economic and Fiscal Strategy report 1998 for (i) 1999–2000, (ii) 2000–01, (iii) 2001–02, (iv) 2002–03 and (v) averaged over the period 1999–2000 to 2002–03. [47119]

**Mr. Darling:** Total Managed Expenditure (TME) is the sum of public sector current expenditure and public sector net investment. Series for both of these in cash terms from 1997–98 to 2003–04 can be found in table 4.4 of the Economic and Fiscal Strategy Report 1998 (EFSR). They can be converted into real terms using the working assumptions for the GDP deflator in table 4.1 of the EFSR.

A forecast of General Government Expenditure (GGE) in 1998–99 is given as a memo item in table 4A.1 of the EFSR. Projections of GGE beyond that date depend on the outcome of the Comprehensive Spending Review.

### Correspondence

**Miss McIntosh:** To ask the Chancellor of the Exchequer what was the volume of correspondence sent to and received from hon. Members by the Chancellor of the Exchequer in the periods *(a)* 1 January to 26 March 1994 and *(b)* 1 January to 26 March 1998. [47687]

**Mr. Gordon Brown:** I receive large volumes of correspondence from hon. Members at my offices in the Treasury, in the House, and in my constituency, and at addresses in Downing Street, London and Fife. The information requested is not held centrally and could be obtained only at disproportionate cost.

### Privatisation

**Mr. Brady:** To ask the Chancellor of the Exchequer what criteria will be used to establish which publicly owned corporations will be considered for privatisation. [48062]

**Mr. Geoffrey Robinson:** The Government apply a range of criteria when making decisions of this type. Each case is decided on its own merits.

**Mr. Brady:** To ask the Chancellor of the Exchequer if he will list those publicly owned assets which the Government propose to *(a)* privatise and *(b)* reconstitute as publicly owned corporations run on commercial lines during the next four years. [48064]

**Mr. Geoffrey Robinson:** I refer the hon. Member to the Chancellor's statement of 11 June 1998, *Official Report*, columns 1195–1215, and section 4.2.3 on "Asset Disposals" of the Economic and Fiscal Strategy Report (EFSR) published on 11 June.

### Self-assessment

**Mr. Alan Campbell:** To ask the Chancellor of the Exchequer what plans he has to review the workings of the income tax self-assessment scheme. [48582]

**Mr. Geoffrey Robinson:** The Inland Revenue announced a review of Self-assessment in a Press Release on 23 February 1998 and asked for views on what aspects of self-assessment went well and what aspects needed improvement. The closing date for comment was 29 May 1998 and responses are now being reviewed. The Inland Revenue expect to issue a report in due course.

### BNFL

**Mr. Llew Smith:** To ask the Chancellor of the Exchequer, pursuant to the answer of 29 June 1998, *Official Report*, column *53*, if he will make a statement on the reviews his Department has undertaken of the potential impact on United Kingdom public funds of British Nuclear Fuels' proposed joint purchase with Morris Knudsen Engineering Company of the nuclear operations of Westinghouse; and if he will place in the Library papers relating to this agreement. [48922]

**Mr. Geoffrey Robinson:** The Department of Trade and Industry and the Treasury together looked very closely at the potential impact on public funds, and at the risks facing the business, before deciding that BNFL, in conjunction with the Morris Knudsen Engineering Company, should acquire substantial parts of Westinghouse Inc. The Government took account of reports by the company and its advisers as well as independent analysis of risks. These reports contain commercially sensitive information.

### Windfall Levy

**Mrs. Ewing:** To ask the Chancellor of the Exchequer what is the estimated revenue from the windfall levy on privatised utilities for the years *(a)* 1997–98, *(b)* 1998–99 and *(c)* 1999–2000. [48460]

**Mr. Geoffrey Robinson:** The revenue was £2.6 billion in 1997–98. It is expected to be the same in 1998–99 when the final instalment is due.

## CULTURE, MEDIA AND SPORT

### Tourism

**Mr. Fearn:** To ask the Secretary of State for Culture, Media and Sport what assessment his Department had made of the likely impact of the current strength of the pound on inbound tourism to the United Kingdom. [47771]

**Mr. Chris Smith:** The level of inbound tourism is influenced by a variety of factors, including changes in overseas economies, as well as currency exchanges rates. It is not possible to isolate the impact of exchange rate fluctuations from other factors.

### Television Licence Fees

**Mr. Peter Bradley:** To ask the Secretary of State for Culture, Media and Sport (1) what the costs would be of introducing a concession of *(a)* 25 per cent., *(b)* 50 per cent., *(c)* 75 per cent. and *(d)* 100 per cent. on the television licence fee for (i) all pensioners, (ii) pensioners on income support, (iii) people in receipt of income support, (iv) people in receipt of disability living allowance, (v) people in receipt of attendance allowance, (vi) registered blind and (vii) registered deaf; [48021]

(2) if he will give a breakdown of the annual cost to the Treasury of the concessionary television licence scheme; [48023]

(3) what revenues he estimates would be generated from charging *(a)* hotels, *(b)* Government offices and parliamentary buildings and *(c)* other organisations a licence fee for each television set within their premises of (i) 50 per cent. licence fee for organisations with less than 50 television sets and (ii) a full licence fee for organisations with over 50 television sets. [48022]

**Mr. Fisher:** The concessionary television licence scheme is not funded by the Treasury but from within the television licensing system. The estimated cost of the scheme at current licence fee levels is £60 million a year.

Records of hotel licences are not held in such a way as to permit an accurate estimate of the additional revenue that would be raised by charging half price licence fees for hotels with fewer that fifty television sets and a full licence fee for those with more than fifty sets. No information is held centrally on the number of television sets installed at other premises.

The estimated cost of providing concessionary television licences at the level and to the groups indicated is as follows:

| | *Category of beneficiary* | *Cost of licence fee reductions (£ million)* 25% | 50% | 75% | 100% |
|---|---|---|---|---|---|
| i) | All 'pensioner only' households | 122 | 244 | 367 | 489 |
| ii) | Households including at least one pensioner receiving income support | 28 | 56 | 84 | 112 |
| iii) | Households including at least one individual in receipt of income support | 98 | 196 | 293 | 391 |
| iv) | Households including at least one individual in receipt of disability living allowance | 29 | 58 | 86 | 115 |
| v) | Households including at least one individual in receipt of attendance allowance | 19 | 39 | 58 | 77 |
| vi) | Individuals who are registered blind | 4 | 8 | 12 | 16 |
| vii) | Individuals who are registered deaf | 1 | 2 | 4 | 5 |

### Tourism (Accommodation)

**Mr. Gordon Prentice:** To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the impact of UK accommodation and hotel rates on decisions by foreign tourists visiting the EU to include the UK in their itinerary. [47977]

**Mr. Chris Smith:** The level of inbound tourism is influenced by a variety of factors, including changes in overseas economies and currency exchange rates. It is not possible to isolate precisely the impact of accommodation costs from other factors.

The British Tourist Authority is, however, able to monitor changes to incoming tourism traffic through market intelligence and surveys of tourists and of the accommodation stock. It has seen a significant fall in traffic from some Asian markets, but in markets with strong economies and whose currencies have not depreciated significantly against sterling there has been continued growth. This would suggest that accommodation costs have not been a significant factor in influencing foreign tourists to travel elsewhere. Indeed, in a recent independent survey conducted in the USA, more previous visitors to Europe said they would like to return to Britain than to any other country.

### Millennium Tourism

**Mr. Hoyle:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the preparations which his Department is making to help the tourism industry draw people from abroad to the Millennium celebrations. [48790]

**Mr. Chris Smith** *[holding answer 3 July 1998]:* The Government fund the British Tourist Authority to promote Britain overseas and we are now developing plans specifically to promote the millennium celebrations. There are four main elements to these plans:

(1) a PR and promotional campaign, with launches this autumn in Europe, the USA and the Far East which are being developed in partnership with Embassies and the British Council;

(2) the launch in January 1999 of "The New Map of Britain", covering all new millennium attractions;

(3) provision of a comprehensive millennium information service to consumers; and

(4) advice and support to members of the travel trade and tourist attractions.

## HOME DEPARTMENT

### Chief Inspector of Prisons

**Sir Norman Fowler:** To ask the Secretary of State for the Home Department what recent discussions he has had with the Chief Inspector of Prisons about the Chief Inspector's right to comment on Government policy; what advice he has given; and if he will make a statement. [47981]

**Mr. Straw:** Both I and the Minister of State, Home Office, my hon. Friend the Member for Gateshead, East and Washington, West (Ms Quin), who has responsibility for prisons and probation, meet Her Majesty's Chief Inspector of Prisons on a regular basis. Discussions are wide-ranging and will, from time to time, extend to the nature of the Chief Inspector's role. These responsibilities are set out in the Prison Act 1952 and require that he

inspect all prison establishments and report to the Home Secretary on the condition in which prisoners are being held. The Chief Inspector is also able to raise any other issue of concern with Ministers.

### Prisons (Illegal Drugs)

**Sir Norman Fowler:** To ask the Secretary of State for the Home Department what action he is taking to prevent illegal drugs getting into prison; and if he will make a statement. [48199]

**Mr. George Howarth:** The Prison Service has in place as part of its drug strategy robust measures aimed at preventing the entry of drugs into prisons. Measures include: searching of visitors and of prisoners following visits; use of closed circuit television in visits areas; and perimeter searching. Many establishments use drug dogs, which are an effective means of deterring visitors who may attempt to smuggle drugs. Prisoners found guilty of drug smuggling are liable to be placed on closed visits, while visitors may be arrested and denied future visits if found in possession of drugs.

**Sir Norman Fowler:** To ask the Secretary of State for the Home Department what estimate he has made of the number of prisoners who are using illegal drugs; and if he will make a statement. [48202]

**Mr. George Howarth:** Our best estimate of the numbers of prisoners using illegal drugs derives from the results of random mandatory drug testing (MDT). However, random testing involves the testing of only a proportion of a prison's population each month. For this and a number of other reasons, MDT results cannot be a complete measure of the prevalence of drug misuse in prisons. In 1997/98, 20.8 per cent. of random MDT samples were positive for drugs.

### Magistrates Courts (Essex)

**Mr. Bob Russell:** To ask the Secretary of State for the Home Department what additional grant he will make to Essex Police following the closure of magistrates' courts in the county. [48538]

**Mr. Michael:** No additional grant will be paid. Police grant is allocated by means of a needs-based formula in which the location of court buildings does not feature. The Essex Police will have a spending power in 1998/99 of £166.2 million. This is an increase of 3.7 per cent. or £6 million over 1997/98. It is for the Chief Constable to determine the allocation of resources to meet the force's obligations, including any necessary adjustments to deployment as a result of changes in requirements for the attendance of officers at court.

### Immigration Reviews

**Mr. Clappison:** To ask the Secretary of State for the Home Department when he expects to publish the results of *(a)* the comprehensive spending review of asylum, *(b)* the review of immigration detention, *(c)* the review of immigration appeals and *(d)* the review of the regulation of unscrupulous immigration advisers. [48581]

**Mr. Mike O'Brien:** We will make announcements on the way ahead soon.

### Medway Secure Training Centre

**Mr. Clappison:** To ask the Secretary of State for the Home Department how much damage was caused during disturbances at the Medway Secure Training Centre on 25 and 26 June; and what steps are being taken to prevent a repetition of such disturbances. [48547]

**Mr. Michael:** There was a disturbance at Medway Secure Training Centre on the evening of 25 June. The estimated cost of the damage was about £5,300, mainly the cost of replacing broken windows. These costs are met by the contractor. The contractor has commissioned an inquiry into the events of 25 June and a report is expected shortly.

### Ballot Papers

**Mrs. Gilroy:** To ask the Secretary of State for the Home Department what research on the form of the ballot paper he has commissioned; and when he expects to publish the results. [48598]

**Mr. George Howarth:** The Home Office, together with the Scottish Office, Welsh Office and the Government Office for London, is contributing to research by the Constitution Unit and Social and Community Planning Research. This is looking at what would be the most suitable design of the ballot paper for list-based electoral systems, such as those being introduced for elections to the Scottish Parliament, Welsh Assembly, Greater London Assembly and European Parliament. A report is expected in the autumn.

### Fingerprints

**Mr. McNamara:** To ask the Secretary of State for the Home Department what were the terms of reference for the 1988 Home Office review of fingerprint identification methods conducted by Mr. I. W. Evett and Mr. R. L. Williams; what progress has been made in implementing the conclusions of the review regarding *(a)* training, *(b)* certification testing, *(c)* performance testing, *(d)* file audits and *(e)* blind trials of fingerprint examiners and bureaux; if he will place the report in the Library; and what further studies have been commissioned by his Department. [48317]

**Mr. Michael:** The terms of reference were to conduct a review of the requirement for a fingerprint identification to be based on at least 16 points of comparison before evidence may be given in court. The report was published in its entirety in Fingerprint Whorld and the Journal for Fingerprint Identification, and I am placing a copy of the latter in the Library. The Home Office has not commissioned any further studies on this matter.

With regard to the conclusions reached by the review, in 1994 the Association of Chief Police Officers undertook a broad examination of the standards of fingerprint evidence, and decided that such evidence should in future derive from the expertise of fingerprint officers, rather than the traditional numerical point standard for which there appears to be no legal basis. The changes will be underpinned by Quality Assurance, standards, inspection and a regime of competency testing—a move very much in line with the recommendations of the Evett and Williams report. The date set for implementation of the change in fingerprint evidence is 3 April 2000.

## Blasphemy

**Mr. Gordon Prentice:** To ask the Secretary of State for the Home Department what plans he has to remove the offence of blasphemy from the statute book. [48550]

**Mr. Michael:** This is a sensitive area which involves fundamental issues of belief, with strong and sincere views on all sides. In the absence of any consensus on the best way forward, we have no current plans to change the law.

## Young Offenders (Lancashire)

**Mr. Gordon Prentice:** To ask the Secretary of State for the Home Department what were the most common crimes committed by persons under 16 in each of Lancashire Constabulary's divisions for the latest year for which figures are available. [48502]

**Mr. Michael:** The available information shows the number of notifiable offences cleared up by Lancashire Constabulary that were committed by persons under 16. On this basis, the five most common offences cleared up in 1997 are shown in the table in rank order for each division within the force.

*Notifiable offences committed by persons under 16 and cleared up by Lancashire Constabulary in 1997*

| | *Five most common offences in each division—ranking order* | | | | | |
|---|---|---|---|---|---|---|
| *Offence* | *A—Western* | *B—Northern* | *C—Southern* | *D—Central* | *E—Eastern* | *F—Pennine* |
| Stealing from shops or stalls | 1 | 1 | 1 | 1 | 1 | 1 |
| Other criminal damage over £20 | 2 | 2 | 2 | 2 | 2 | 2 |
| Theft from vehicles | 3 | — | — | — | — | — |
| Indecent assault on a male | 4 | — | — | — | — | — |
| Burglary other than in a dwelling | 5 | 4 | — | 5 | 4 | 5 |
| Other wounding | — | 3 | 3 | 3= | 5 | 4 |
| Other theft or unauthorised taking | — | 5 | 4= | — | — | 3 |
| Unauthorised taking of a conveyance | — | — | 4= | 3= | — | — |
| Burglary in a dwelling | — | — | — | — | 3 | — |

*Note:*
Criminal damage of value £20 and under is not included

## Drug Trafficking

**Mr. Clappison:** To ask the Secretary of State for the Home Department what new initiatives were proposed by Her Majesty's Government for tackling *(a)* illegal drugs and *(b)* other criminal activity during the UK presidency of the European Union. [48546]

**Mr. George Howarth:** Fighting organised international crime, including tackling illicit drug trafficking, was a priority for this Government during the United Kingdom Presidency, with a focus on practical action.

*(a) Tackling illicit drugs*

One of our main objectives was to begin consideration of the post-1999 European Union drugs strategy. The Cardiff European Council endorsed a report on the key elements of a new five year strategy, which strikes the necessary balance between demand and supply reduction activity. The strategy will be further developed under succeeding Presidencies, to take effect from the year 2000. We continued to promote Customs joint surveillance exercises to improve operational co-operation and exchange of intelligence.

Three practical exercises took place during the United Kingdom Presidency, including an exercise involving all 15 member states and the applicant countries of Central and Eastern Europe successfully targeting drug trafficking along the Balkan route. This resulted in seizures with a United Kingdom total street value of around £10 million. The United Kingdom was active as Presidency in ensuring effective European Union co-ordination in preparations for the United Nations General Assembly Special Session on drugs, which adopted a Political Declaration, guiding principles on demand reduction, and an action plan covering precursor chemicals, amphetamine-type stimulants, money laundering, judicial co-operation and alternative development. The United Kingdom Presidency also took forward important work on European Union regional drugs initiatives in Latin America and the Caribbean.

*(b) Other criminal activity*

Under the United Kingdom Presidency, work against other criminal activity, particularly serious organised crime, has been largely geared to implementing the European Union's Action Plan against organised crime, agreed in 1997 by the Amsterdam European Council. A progress report prepared for the Cardiff European Council in June this year described substantial progress with the implementation of the Action Plan's recommendations.

Work on all of the recommendations with deadlines for completion up to the middle of 1998 either has been completed or is well underway. Work has also begun on many of the recommendations with longer deadlines.

Specific achievements in the field of organised crime during our Presidency included:

the establishment of a funding programme to combat organised crime (FALCONE programme);

political agreement on a joint action on participation in a criminal organisation;

the establishment of a mutual evaluation mechanism and setting in motion of the first round of national evaluations which will concentrate initially on reasons for delays in providing mutual legal assistance and urgent requests for restraint of assets;

creation of a European Judicial Network to improve practical co-operation and communication;

adoption, ahead of schedule, of the Pre-Accession Pact on organised crime with the countries of Central and Eastern Europe, including the Baltic States and Cyprus;

introduction and completion of a joint action on good practice in mutual legal assistance;

introduction of a joint action on the identification, tracing, freezing, seizing and confiscation of assets, on which discussion is continuing.

In addition to these achievements, the Naples II Convention on customs co-operation has been agreed, as has the Convention on Driving Disqualification which has been in negotiation for seven years.

A further priority for our Presidency was to secure full ratification of the Europol Convention. National ratification procedures have now been completed and the Europol Convention will enter into force on 1 October 1998. A fully functioning Europol will represent a step-change in the level of the European Union's response to organised crime.

On a more technical level, the United Kingdom Presidency promoted and concluded initiatives on the subjects of crime prevention, where national contact points were identified for exchange of information and dissemination of best practice, and on fingerprints, where agreement was reached on a common European Union standard for the exchange of fingerprint information.

### Air Raid Siren, Ashley Heath

**Mr. Chope:** To ask the Secretary of State for the Home Department if his Department will make arrangements with Dorset police to remove the air raid siren at Ashley Heath roundabout; and if he will make a statement. [48499]

**Mr. George Howarth:** I understand that Dorset Police have made arrangements to remove the siren in question by Wednesday 8 July.

**Mr. Chope:** To ask the Secretary of State for the Home Department what was the cost to his Department of the erection of an air raid siren at Ashley Heath roundabout in 1991. [48498]

**Mr. George Howarth:** The cost of erecting this particular siren could be provided only at disproportionate cost.

### Vulnerable Witnesses

**Mr. Kidney:** To ask the Secretary of State for the Home Department what is the proposed timescale for implementing the recommendations relating to vulnerable witnesses in the report "Speaking up for Justice", June 1998. [48686]

**Mr. Michael:** On 10 June we announced a period of consultation on all the recommendations in "Speaking up for Justice", the report of the Working Group on Vulnerable or Intimidated Witnesses. We will take action as quickly as possible to improve the way vulnerable or intimidated witnesses are treated in the criminal justice system in the light of comments received during the consultation period.

### Chief Police Officers

**Mr. William Ross:** To ask the Secretary of State for the Home Department if he will place in the Library copies of the invoices which he has paid, with dates, to the *(a)* Association of Chief Police Officers, *(b)* Association of Chief Police Officers Ltd. and *(c)* Chief Police Officers Staff Association in each of the last two years. [49218]

**Mr. Michael:** No. This expenditure is subject to parliamentary approval and audit, as is all Government expenditure.

It would be neither appropriate nor practical to place in the Library copies of invoices for administrative expenses incurred by the Association of Chief Police Officers and processed through the Home Office's Business and Accounting Strategic Systems.

**Mr. William Ross:** To ask the Secretary of State for the Home Department if he will place in the Library copies of the annual accounts for each of the last five years of the Association of Chief Police Officers, for England, Wales and Northern Ireland. [49221]

**Mr. Michael:** I refer the hon. Member to the reply I gave to him on 18 June 1998, *Official Report*, columns *296–97*.

### North Yorkshire Constabulary

**Mr. Grogan:** To ask the Secretary of State for the Home Department how many police constables were employed by the North Yorkshire Constabulary between 1978 and 1998; and what was the total police strength in each of those years. [49080]

**Mr. Michael:** The information available is set out in the table. It is not possible to provide details of the number of constables prior to July 1990.

*North Yorkshire constabulary*

| *Year* | *Total constable strength* | *Total officer strength* |
|---|---|---|
| 1978 | n/a | 1,192 |
| 1979 | n/a | 1,342 |
| 1980 | n/a | 1,352 |
| 1981 | n/a | 1,355 |
| 1982 | n/a | 1,354 |
| 1983 | n/a | 1,366 |
| 1984 | n/a | 1,359 |
| 1985 | n/a | 1,332 |
| 1986 | n/a | 1,361 |
| 1987 | n/a | 1,353 |
| 1988 | n/a | 1,372 |
| 1989 | n/a | 1,370 |
| 1990 | 1,039 | 1,379 |
| 1991 | 1,044 | 1,387 |
| 1992 | 1,055 | 1,398 |
| 1993 | 1,054 | 1,393 |
| 1994 | 1,007 | 1,318 |
| 1995 | 976 | 1,300 |
| 1996 | 1,004 | 1,324 |
| 1997 | 1,018 | 1,338 |
| 1998[3] | 1,053 | 1,367 |

[1] Figures provided are as at 31 March for each year

[2] Constable figures for 1990 are those at 30 June. The nearest available to March 1990

[3] Police numbers for March 1998 are provisional

### Ministerial Visits (Prisons)

**Mr. Clappison:** To ask the Secretary of State for the Home Department how many prisons the Minister of State, the hon. Member for Gateshead, East and Washington, West (Ms Quin), plans to visit in July and August. [48924]

**Ms Quin:** I expect to make five visits to prisons, including one unannounced. However, final arrangements have not yet been made and alterations or additions to the programme are possible.

### Dependent Territories

**Mrs. Gillan:** To ask the Secretary of State for the Home Department (1) on what basis British citizenship is being considered for citizens of British dependent territories as part of the Dependent Territories Review; [49200]

(2) if British citizenship will be offered to citizens of dependent territories on a non-reciprocal basis. [49201]

**Mr. Mike O'Brien:** We still have these matters under consideration. Final conclusions have not yet been reached.

### Metropolitan Police

**Mr. Simon Hughes:** To ask the Secretary of State for the Home Department if he will make a statement on his plans for the future of the Thames Division of the Metropolitan Police. [48467]

**Mr. Michael:** The Commissioner of Police of the Metropolis tells me that a review of Thames Division is being conducted currently. This review will ensure that the demands of the changing river environment can be met. A restructuring of Thames Division may follow with best value being a key component of the review.

### Civil Prisoners (Parole)

**Mr. Ieuan Wyn Jones:** To ask the Secretary of State for the Home Department if he will introduce parole for prisoners sentenced for civil matters; and if he will make a statement. [48999]

**Mr. Michael:** The Government have no plans to change the arrangements for the release of prisoners sentenced for civil matters. Civil prisoners, who are invariably short term prisoners (i.e. those serving less than four years), are not eligible for "parole" in its true sense. That is because all short term prisoners are subject to automatic early release at the half way point of their sentence under the Criminal Justice Act 1991. The only prisoners who are now eligible for release at the discretion of the Parole Board are long term prisoners serving sentences of four years or more and life sentence prisoners.

### Fire Services (Essex)

**Angela Smith:** To ask the Secretary of State for the Home Department if he has reached a decision on the application under section 19 of the Fire Services Act 1947 of the Essex Fire Authority. [49464]

**Mr. George Howarth:** I have today advised the Essex Fire Authority that my right hon. Friend has agreed to its application to redeploy an aerial appliance and two foam carrying vehicles, with a consequent reduction of 16 firefighting posts and the regrading of a further post.

The advice we have received from Her Majesty's Chief Inspector of Fire Services is unequivocal—that the proposals to redeploy the appliances are soundly based and that, if implemented by the Authority, the Essex Fire Brigade will still be able to meet fully the national standards of fire cover.

Statutory responsibility for the provision of an efficient fire service rests with the local fire authority. In considering applications by fire authorities for reductions in firefighting resources, my right hon. Friend must be satisfied that there has been adequate consultation and that, following any reductions, national standards of fire cover can continue to be maintained. In fulfilling this function, my right hon. Friend relies on advice from Her Majesty's Inspectorate of Fire Services.

Both my right hon. Friend and I are satisfied that the Essex Fire Authority has consulted properly over its proposals. There has also been opportunity for representations to be made direct to the Home Secretary and those seven which have been received have all been thoroughly considered.

## INTERNATIONAL DEVELOPMENT

### Departmental Staff

**Mr. Brake:** To ask the Secretary of State for International Development how staff numbers in her Department have varied between 1 May 1997 and 31 March 1998. [48883]

**Clare Short:** On 1 May 1997 the Department for International Development employed 1,001 permanent staff and 38 casual staff. On 31 March 1998 the number of permanent staff increased by 53 to 1,054. Casual staff remained the same.

### Arms Sales (EU Code of Conduct)

**Dr. Tonge:** To ask the Secretary of State for International Development if she will make a statement on discussions her Department has had with *(a)* the Foreign and Commonwealth Office and *(b)* the Department of Trade and Industry, regarding the implementation of the EU code of conduct on arms sales. [48870]

**Clare Short:** The Foreign and Commonwealth Office leads in Whitehall on the EU Code of Conduct. My Department participates in the ongoing discussions on implementation of the Code with all relevant government departments, including the Department of Trade and Industry.

### Millennium Compliance

**Mr. David Atkinson:** To ask the Secretary of State for International Development what contingency plans her Department is making in the event of the failure of computer systems to recognise the year 2000; when she expects them to be in place, and tested; and if she will make a statement. [48839]

**Clare Short:** The Department for International Development (DFID) is working on making its business critical computer systems year 2000 compliant. The testing of the systems will start in September and is due to be completed by end-March 1999. The testing will be subject to Internal Audit certification. The outcome of the testing will provide DFID business managers the opportunity to decide on the degree and extent of

contingency arrangements that need to be made for their own systems. An earlier start to contingency planning would be premature and possibly nugatory.

### Rwanda

**Dr. Tonge:** To ask the Secretary of State for International Development, pursuant to her answer of 21 May 1998, *Official Report*, column *460*, what decision was made regarding Rwanda's debt relief package on 2 and 3 June; and if she will make a statement. [48912]

**Clare Short:** The donors meeting held in Stockholm on 2–3 June established a "Multilateral Debt Trust Fund" designed to help meet Rwanda's debt service to multilateral creditors in the pre-HIPC period. An amount of US$53 million is needed for this for the period 1998–2000. The UK pledged £30 million. We are discussing with the Government of Rwanda what proportion of this should go to the Trust Fund.

### Small and Medium Businesses

**Dr. Tonge:** To ask the Secretary of State for International Development what targets are set for the proportion of Commonwealth Development Corporation investment that is used for small and medium businesses. [48868]

**Clare Short:** No formal targets are set. Finance is provided for small and medium business through financial intermediaries such as venture capital funds, leasing companies, development banks, finance companies and commercial banks. At the end of 1997 the Commonwealth Development Corporation (CDC) had £341 million invested in such sectors and would expect to maintain a substantial commitment.

### Lomé Convention

**Dr. Tonge:** To ask the Secretary of State for International Development if she will make a statement on the progress made on the EU negotiating mandate for Lomé V. [48867]

**Clare Short:** The General Affairs Council adopted the EU mandate for negotiation of a new Partnership with those African, Caribbean and Pacific States (ACP) party to the Lomé Convention on 29 June. The mandate focuses on the elimination of poverty, the integration of the ACP into the world economy, and promoting peace, security and stability. On development assistance, the UK succeeded in strengthening the mandate to secure stronger backing for the international poverty eradication strategy and targets. On trade, we secured agreement to duty free access for essentially all products from least developed countries by 2005. We also secured a commitment that the non-least developed countries in the ACP who do not join Free Trade Areas with the EU should retain access equivalent to that provided under Lomé IV after 2005. This provides a good basis for negotiations with the ACP which are due to open at the end of September.

## DEFENCE

### Defence Exhibitions

**Mr. Cohen:** To ask the Secretary of State for Defence what contribution *(a)* financially, and *(b)* in terms of UK armed forces personnel his Department will be making to the 1999 Defence Systems and Equipment International Exhibition. [48497]

**Mr. Spellar:** My Department will support the new Defence Systems and Equipment International exhibition both financially and through the participation of UK Service personnel. The extent of our involvement in both areas is still under discussion with the exhibition organisers and the Defence Trade Associations. However, on the financial side, it is intended that our contribution will be limited to aspects of the exhibition which are directly related to MOD interests. These will include the costs of a Ministry of Defence presence and the funding of a reception for official visitors invited by Her Majesty's Government. In terms of Service personnel, a number of officers will be employed to assist, principally in managing the Government to Government invited delegations. We also hope that the Army will be able to provide equipment and personnel to take part in a mobility demonstration.

### Trident Submarines

**Mr. Gordon Prentice:** To ask the Secretary of State for Defence what plans he has to reduce the number of nuclear warheads carried in each Trident submarine; and if he will make a statement. [47198]

**Mr. George Robertson:** We will make clear our decisions on this issue when we announce the conclusions of the Strategic Defence Review.

### Eurofighter

**Mr. Wilkinson:** To ask the Secretary of State for Defence if he will ensure that missile performance characteristics will be the primary criteria for the selection of a missile for the Eurofighter 2000 aircraft to meet Air Staff Target 1239. [47805]

**Mr. Spellar:** We will be seeking the best value for money in selecting a Beyond Visual Range Air-to-Air Missile for Eurofighter. All relevant factors will be taken into account, including missile capability, technical risk, cost, and industrial factors.

### Territorial Army (Shropshire)

**Mr. Paul Marsden:** To ask the Secretary of State for Defence if he will make a statement on the future of the cadet forces in Shropshire associated with Territorial Army battalions. [47680]

**Dr. Reid:** Final decisions on the Strategic Defence Review will be announced this week but we have already made it plain that we plan no reduction in numbers or resources of the Cadet Forces. Every effort will be made to minimise the impact on the cadets of other measures arising from the Review.

### Naval Surface Vessels

**Mr. Waterson:** To ask the Secretary of State for Defence what type and how many naval surface vessels will require to be decommissioned in 1998. [48180]

**Dr. Reid:** The following Royal Navy vessels have been or will be, decommissioned in 1998:

| *Vessel* | *Month* |
|---|---|
| HMS Itchen | February 1998 |
| HMS Spey | May 1998 |
| HMS Blackwater | May 1998 |
| HMS Arun | July 1998 |

These are all River Class patrol vessels.

### Departmental Vehicles

**Mr. Burstow:** To ask the Secretary of State for Defence if he will list for *(a)* his Department and *(b)* bodies listed in the National Asset Register, how many vehicles are currently (i) owned and (ii) leased; if he will indicate their (A) fuel types and (B) engine cubic capacities; and how many vehicles are expected to fall due for replacement in each of the years (1) 1998–99, (2) 1999–2000 and (3) 2000–01. [49229]

**Mr. Spellar:** This information is not held centrally by the Department. This is a complex question as the fleet is large and responsibilities are delegated to individual budget holders, and would involve disproportionate cost.

### South Atlantic Frigate

**Mrs. Gillan:** To ask the Secretary of State for Defence what representations he has received on the future role of the South Atlantic frigate. [49144]

**Mr. George Robertson:** In the course of the Strategic Defence Review, I have discussed the Falkland Islands Guardship with fellow members of the Government. I have not received any other representations on this issue.

### Scottish Parliament

**Mr. Jenkin:** To ask the Secretary of State for Defence, pursuant to his answer of 29 June 1998, *Official Report*, column 7, when it was decided to assign the 1 Battalion The Argyll and Sutherland Highlanders and the 1 Battalion The Black Watch to public duties in Scotland during the summer of 1999; if this represents a change from previous plans; and what were the defence considerations involved in the decision. [48804]

**Mr. George Robertson:** The decision to assign the 1st Battalion The Argyll and Sutherland Highlanders and the 1st Battalion The Black Watch to public duties in Scotland during the summer of 1999 was made at a routine planning conference which took place in Scotland about a year ago. This did not represent a change from previous plans. Such planning decisions take into account the Army's operational commitments, the need for units to perform essential military tasks such as training, and the need to provide each unit with the opportunity to fulfil a variety of different defence roles.

### Salisbury Plain and Otterburn Training Areas

**Mr. Key:** To ask the Secretary of State for Defence what is the size of *(a)* Salisbury Plain training area and *(b)* Otterburn training area; and what proportion of each is available for military training. [48676]

**Dr. Reid:** Salisbury Plain Training Area contains some 38,000 hectares of land, of which up to 80 per cent. can be available for military training. Otterburn Training Area contains some 23,000 hectares, of which 95 per cent. is available for military training.

### Missile Training

**Mr. Key:** To ask the Secretary of State for Defence what assessment he has made of the contribution to the UK national interest of training the army in the use of the AS90 mobile gun and the multiple-launch rocket system on new infrastructure at Otterburn army field training centre. [48675]

**Dr. Reid:** My Department's requirement for Army training in the use of the artillery systems, AS90 and Multiple-Launch Rocket System (MLRS), and its proposals for development of the Otterburn Training Area to that end, were fully set out in evidence to the non-statutory public inquiry into the proposed development which concluded last September. I am satisfied that there remains a strong defence need for the development at Otterburn in order to permit units equipped with these systems to be properly trained.

## PRIME MINISTER

### Focus Groups

**Mr. Mullin:** To ask the Prime Minister if he will place in the Library a copy of the focus group work he has commissioned in the course of his official duties, indicating the cost in each case. [45460]

**The Prime Minister:** Neither I nor my staff in 10 Downing Street have commissioned any research by focus groups. The position on research by the Cabinet Office (which included my office) was set out in the reply given by my hon. Friend the Parliamentary Secretary, Office of Public Service to the hon. Member for Gordon (Mr. Bruce) on 5 March 1998, *Official Report*, columns *763–65*.

**Mr. Mullin:** To ask the Prime Minister if he will direct Ministers to place in the Library a copy of focus group work undertaken on behalf of their departments or the executive agencies for which they are responsible, indicating the cost in each case. [45461]

**The Prime Minister:** It is for individual Ministers to decide whether to publish the results of research.

### Mr. Lance Price

**Mr. Bercow:** To ask the Prime Minister when he first received the application from Mr. Lance Price for the position of his deputy press spokesman; on what dates interviews were conducted with Mr. Price; and on what date the decision was taken to employ Mr. Price. [46445]

**The Prime Minister** *[holding answer 18 June 1998]:* As has been the case with all Special Adviser appointments, Mr. Price's appointment was made fully in accordance with paragraph 48 of the Ministerial Code.

### Pakistan

**Mr. Barnes:** To ask the Prime Minister what meetings have taken place between Government Ministers and their Pakistani counterparts since 1 May 1997; and if he will make a statement. [48183]

**The Prime Minister:** We have had a number of discussions with the Pakistan High Commission in London and with other representatives of the Pakistan Government. The Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Leeds, Central (Mr. Fatchett) met the Prime Minister of Pakistan in London on 16 June.

### Constitutional Reform

**Mr. Gordon Prentice:** To ask the Prime Minister what assessment he has made of the advantages and disadvantages of a wholly elected second chamber; and if he will make a statement. [48031]

**The Prime Minister:** The Government will publish their proposals for fulfilling their Manifesto commitments on the reform of the House of Lords in due course.

### EU Presidency (Costs)

**Mr. Trend:** To ask the Prime Minister what has been the total cost to the Government of hosting the presidency of the EU, including the cost of publicity for each Government department, broken down by department and item. [48082]

**The Prime Minister** *[holding answer 30 June 1998]:* The information requested is not readily available and could be provided only at disproportionate cost.

Final bills for FCO-led Presidency events (including the European Council) are not in. On current projections, the outturn will be within the figure given in a reply by the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson) to the hon. Member for Somerton and Frome (Mr. Heath) on 27 February 1998, *Official Report*, column *386*.

### Sierra Leone

**Mr. Butterfill:** To ask the Prime Minister, pursuant to his answer of 18 June 1998, *Official Report*, column *313*, if the telegrams from Sierra Leone relating to Sandline were copied to No. 10 Downing Street. [48017]

**The Prime Minister** *[holding answer 1 July 1998]:* I refer to the statement by my right hon. Friend the Foreign Secretary in the House during the debate on 18 May 1998, *Official Report*, columns 604–11, in which he announced the investigation by Sir Thomas Legg KCB QC into allegations about Government involvement with the supply of arms to Sierra Leone by UK citizens and firms, and said that the Terms of Reference would be placed in the Library of the House. He intends to publish the report of the investigation.

### Physiotherapists

**Mr. Simon Hughes:** To ask the Prime Minister what is the precise number of letters he has received from National Health Service physiotherapists against the staging of the current year's pay award. [48177]

**The Prime Minister** *[holding answer 1 July 1998]:* Since the publication of the Report of the Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine in January, my office has received 147,849 items of correspondence from members of the public. Of these 1,100 were copies of a standard campaign letter on the subject of staging the pay award for physiotherapists and other professions allied to medicine. 46 other letters on this subject were also received.

### Rural Affairs

**Mr. Gray:** To ask the Prime Minister what plans he has to create a Ministry of Rural Affairs. [48796]

**The Prime Minister** *[holding answer 3 July 1998]:* I refer the hon. Member to the reply I gave to my hon. Friend the Member for Pendle (Mr. Prentice) on 25 February 1998, *Official Report*, column *252*.

## FOREIGN AND COMMONWEALTH AFFAIRS

### Millennium Compliance

**Mr. David Atkinson:** To ask the Secretary of State for Foreign and Commonwealth Affairs what contingency plans his Department is making in the event of the failure of computer systems to recognise the year 2000; when he expects them to be in place, and tested; and if he will make a statement. [48849]

**Mr. Fatchett:** The FCO is replacing its core office automation system with millennium compliant systems. Other non-compliant systems are being corrected or replaced. All FCO business-critical computer systems will be year 2000 compliant by September 1999.

All FCO operational units, both at home and overseas, are being asked to prepare contingency plans for the continuation of business in the event of any internal or external computer system failure. It is intended that these will be in place by 30 June 1999.

### Departmental Staff

**Mr. Brake:** To ask the Secretary of State for Foreign and Commonwealth Affairs how staff numbers in his Department have varied between 1 May 1997 and 31 March 1998. [48871]

**Mr. Tony Lloyd:** On 1 April 1997 the Foreign and Commonwealth Office employed 5,595 UK-based staff (including 56 casuals) counted as full-time equivalents. Its agency, Wilton Park, employed 35 staff (no casuals) on the same basis. At 1 April 1998 the equivalent figures were 5,493 (including 81 casuals) and 38 (including 1 casual) respectively. So the number of staff employed by the Foreign and Commonwealth Office decreased by 102 between 1 April 1997 and 1 April 1998 and the number of staff employed by the Wilton Park agency increased by 3 during the same period.

### Mr. Roderick Henderson

**Mr. Fallon:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the progress of the French authorities in their investigation of the death in Paris of Mr. Roderick Henderson. [48887]

**Mr. Fatchett:** The Examining Magistrate in charge of the investigation has confirmed that police officers are working full-time on the case. Progress in the investigation is slow as witnesses to the attack have not come forward and the French police have few leads to follow. One witness who did come forward subsequently moved address and has not yet been traced.

**Mr. Fallon:** To ask the Secretary of State for Foreign and Commonwealth Affairs in how many meetings with the French authorities officials of the British Embassy have raised the investigation into the death in Paris of Mr. Roderick Henderson; at what levels the matter has been raised; and if he will list the meetings concerned. [48888]

**Mr. Fatchett:** Two formal meetings have been held. The Deputy Head of our Embassy in Paris raised the matter with the Diplomatic Adviser to the Interior Minister on 21 April. The Consul-General met the Examining Magistrate in charge of the case on 29 April. Our consular staff in Paris speak regularly on the telephone to French officials and to Mrs. Henderson's French lawyers about the investigation into the death of Mr. Henderson. We will continue to press the French authorities to do all they can to bring Mr. Henderson's murderer to justice.

**Mr. Fallon:** To ask the Secretary of State for Foreign and Commonwealth Affairs what meetings he or his Ministers have had with *(a)* Ministers and *(b)* officials of the French Government at which the investigation into the death in Paris of Mr. Roderick Henderson has been raised. [48865]

**Mr. Fatchett:** The matter has not been raised at Ministerial level, but we are active in pressing the French authorities to do all they can to bring Mr. Henderson's murderer to justice.

### Falkland Islands

**Mrs. Ewing:** To ask the Secretary of State for Foreign and Commonwealth Affairs what percentage of oil revenue taxation from oil fields off the Falkland Islands will accrue to *(a)* the Falkland Islands authority and *(b)* the Treasury; and what the statutory or other basis is for this arrangement. [48343]

**Mr. Tony Lloyd:** Any oil revenues will accrue to the Falkland Islands Government. I discussed revenue sharing, should oil be found, with the Falkland Islands Councillors during a visit to the Islands in April. I welcomed their generous offer made in 1994 to share revenues from oil production with HMG and we agreed that we should now discuss arrangements for this in a spirit of cooperation and partnership.

**Mrs. Ewing:** To ask the Secretary of State for Foreign and Commonwealth Affairs what degree of autonomy the authorities in the Falkland Islands have in fiscal matters. [48342]

**Mr. Tony Lloyd:** Under Section 61 of the Constitution of the Falkland Islands, fiscal matters fall under the responsibility of the Governor as advised by the Islands Executive Council.

### Dependent Territories

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs if British citizenship will be offered to citizens of dependent territories on a non-reciprocal basis. [49148]

**Mr. Tony Lloyd:** The question of whether and on what basis British citizenship might be offered to the Overseas Territories which do not currently have it is still under consideration. No final decisions have been taken yet.

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs when the results of the Dependent Territories Review will be published. [49146]

**Mr. Tony Lloyd:** Some key issues relevant to the Review and White Paper are still being discussed. Until these are resolved, it is not possible to give a date for publication.

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs how many residents of dependent territories are holders of British Dependent Territory passports. [49149]

**Mr. Tony Lloyd:** Approximately 99,950 residents of the Overseas Territories either hold or are eligible for British Dependent Territories passports.

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs which dependent territories requested British citizenship for their populations, as part of the Dependent Territories Review. [49147]

**Mr. Tony Lloyd:** All the populated Overseas Territories, with the exception of the Falklands and Gibraltar, which already have access to British citizenship, have expressed an interest in this proposal.

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs how many residents of dependent territories are holders of *(a)* passports other than British Dependent Territory passports and *(b)* British passports. [49150]

**Mr. Tony Lloyd:** Approximately 55,700 residents of the Overseas Territories are holders of passports other than British Dependent Territory passports or British passports. Approximately 35,380 residents of the Overseas Territories are holders of British passports.

## MINISTER WITHOUT PORTFOLIO

### Blackwall Tunnel Emissions

**Mr. Mitchell:** To ask the Minister without Portfolio (1) by what means the Blackwall Tunnel ventilation system will emit air into the roof of the Millennium Dome; [48134]

(2) how visitors to the Millennium Dome will be notified of emissions from the Blackwall Tunnel ventilation system; [48142]

(3) how the atmosphere within the Millennium Dome will be monitored for pollution levels; [48139]

(4) at what level of emission from the Blackwall Tunnel ventilation system the warning system would be activated within the Millennium Dome; [48137]

(5) how emissions from the Blackwall Tunnel ventilation system are released into the atmosphere; [48141]

(6) under what circumstances the Blackwall Tunnel ventilation system will be activated; [48143]

(7) what plans there are for the evacuation of the Millennium Dome in the case of high levels of emission from the Blackwall Tunnel ventilation system; [48140]

(8) by what means the Blackwall Tunnel ventilation system will be activated. [48133]

**Mr. Mandelson:** The Dome is entirely separate from the ventilation shaft and there is no prospect of pollutants transferring from one to the other. The ventilation fans draw air through the tunnel to ensure appropriate air quality levels in the tunnel. The fans increase in speed as pollutant levels in the tunnel reach pre-determined thresholds. During the Dome's construction, the increase in fan speeds is accompanied by a warning sound. This is simply to inform construction workers, who may be overhead, that the noise generated by the fans is about to change. Contingency plans and procedures are in place for emergency incidents arising in either the tunnel or the Dome.

### Millennium Experience (Logo)

**Mr. Spring:** To ask the Minister without Portfolio (1) if he will make a statement on the process by which the logo for the New Millennium Experience was chosen; what consideration was given to the use of a male figure; and if the figure chosen was designed specifically for the project; [45390]

(2) what is the cost of the logo for the New Millennium Experience; and who was responsible for choosing it; [45389]

(3) which projects Mr. Martin Lambie-Nairn is currently working on for the New Millennium Experience. [45423]

**Mr. Mandelson** *[holding answer 15 June 1998]:* The logo, which is part of a wider brand identity reflecting the central role of the Millennium Experience in the UK's millennium celebrations and supporting the New Millennium Experience Company's (NMEC) sponsorship and commercial income strategies, was selected by the Company following a competitive process. During that process, Mr. Martin Lambie-Nairn presented proposals for branding and identity which incorporated designs for a logo by the artist Mark Reddy. The logo was designed specifically for the Millennium Experience.

NMEC's Board considered that Mr. Lambie-Nairn's proposals best met their criteria for a brand identity for the Millennium Experience and awarded Mr. Lambie-Nairn's company a contract worth up to £250,000. This contract covers the development and application of the identity across the project (both the Dome and the associated National Programme of events and activities); corporate style (for example printed material and merchandise branding); and advising on the design language used on the Dome site (for example, signing and visitor information). Within this contract, Mr. Reddy's design work cost £50,000.

## SCOTLAND

### Health Service (Review Panels)

**Ms Squire:** To ask the Secretary of State for Scotland how many independent review panels have investigated matters relating to the NHS in Scotland in the last five years; and what was the average length of time each took to produce its report. [46788]

**Mr. Galbraith** *[holding answer 23 June 1998]:* Information on the numbers of reports from independent review panels convened under the current NHS complaints procedure (introduced on 1 April 1996) to date and the length of time of production of reports is given in the table.

| *Board/Trust* | *Number of reviews* | *Time* |
|---|---|---|
| *Argyll and Clyde Health Board* | 2 | 4 months |
| Lomond Healthcare NHS Trust | — | — |
| Royal Alexandra NHS Trust | 5 | 97 days/ 111 days/ 108 days/ 98 days/ 118 days |
| Inverclyde Royal Hospitals NHS Trust | 2 | 119 days/ 46 days |
| Renfrewshire Healthcare NHS Trust | 2 | 25 days/ 65 days |
| Argyll and Bute NHS Trust | — | — |
| *Ayrshire and Arran Health Board* | 8 | 40 days/ 32 days/ 42 days/ 41 days/ 44 days/ 49 days/ 54 days/ 29 days |
| North Ayrshire and Arran NHS Trust | 2 | 24 weeks/ 24 weeks |
| South Ayrshire Hospitals NHS Trust | 2 | 56.5 days |
| *Borders Health Board* | 4 | 8–27 weeks |
| *Dumfries and Galloway Health Board* | — | — |
| Dumfries and Galloway Acute and Maternity Hospitals NHS Trust | 1 | 4 months |
| *Fife Health Board* | 10 | 7–46 weeks (1 yet to report) |
| Fife Healthcare NHS Trust | 3 | 3 weeks |
| Kirkcaldy Acute Hospitals NHS Trust | 1 | yet to report |

| Board/Trust | Number of reviews | Time |
|---|---|---|
| *Forth Valley Health Board* | 5 | 31–62 weeks (2 yet to report) |
| Central Scotland Healthcare NHS Trust | 1 | 14 weeks |
| *Grampian Health Board* | 2 | 15 months/ 6 months |
| Aberdeen Royal Hospitals NHS Trust | 3 | 1 month/ 11 months/ 8 months |
| Grampian Healthcare NHS Trust | 4 | 3 months/ 5 months/ 1 month/ unfinished |
| *Greater Glasgow Health Board* | 4 | 48 weeks/ 25 weeks/ 22 weeks/ 38 weeks |
| Glasgow Community and Mental Health Service NHS Trust | 1 | 4 months |
| Stobhill NHS Trust | 1 | 15 months |
| Victoria Infirmary NHS Trust | 2 | 153 days/ began March 97 not completed |
| West Glasgow Hospitals University NHS Trust | 3 | average for the 3 is 118 days |
| Yorkhill NHS Trust | 1 | 12 weeks |
| *Highland Health Board* | 2 | 7 weeks/ 3 months |
| Raigmore Hospital NHS Trust | 2 | 69 days/ 86 days |
| Caithness and Sutherland NHS Trust | 3 | 9 months/ unfinished/ unfinished |
| *Lanarkshire Health Board* | — | — |
| Hairmyres and Stonehouse Hospitals NHS Trust | 1 | 62 days |
| Law Hospital NHS Trust | 1 | 108 days |
| *Lothian Health Board* | 11 | 8–16 weeks (4 yet to report) |
| East and Midlothian NHS Trust | 1 | 30 weeks |
| Royal Infirmary of Edinburgh NHS Trust | 3 | 12–36 weeks |
| West Lothian NHS Trust | 1 | ongoing |
| *Orkney Health Board* | — | — |
| *Shetland Health Board* | 1 | 9 weeks |
| *Tayside Health Board* | 14 | 21–56 weeks (4 ongoing) |
| Angus NHS Trust | 1 | ongoing |
| Dundee Teaching Hospitals NHS Trust | 8 | 15 weeks (2 ongoing) |
| Perth and Kinross NHS Trust | 1 | 29 weeks |
| *Western Isles Health Board* | — | — |

### Respiratory System Disease

**Ms Roseanna Cunningham:** To ask the Secretary of State for Scotland how many *(a)* consultations there were between doctors and GPs in 1997, *(b)* how many of those consultations were for asthma and *(c)* how many were for other respiratory system diseases, excluding influenza. [47973]

**Mr. Galbraith:** In 1997 GPs referred 1,034,767 patients to other doctors for outpatient consultations. Of these, 15,284 were referrals to respiratory medicine consultants. The number of cases of asthma is not available.

78,853 patients were admitted to hospital with respiratory diseases as the main diagnosis (excluding influenza). Of these 8,563 had asthma.

### Health Service Expenditure

**Ms Roseanna Cunningham:** To ask the Secretary of State for Scotland if he will list for each month in 1994–95, 1995–96, 1996–97 and 1997–98 *(a)* capital expenditure and *(b)* revenue expenditure on the NHS in Scotland. [47972]

**Mr. Galbraith:** As required by the rules of Government Accounting, payments to health bodies are made by way of advances from suspence accounts. Expenditure is therefore debited to the vote account only once the exact amount is reported to the Scottish Office, which can be up to 2 months after the date of the actual expenditure. The information held by the Scottish Office is not therefore a reliable indicator of the monthly expenditure by the NHS in Scotland. The net annual audited expenditure for 1994–95, 1995–96 and 1996–97 is set out in the table. Estimated outturn information is provided for 1997–98 as audited expenditure is not yet available.

*£ million*

| Year | Revenue expenditure | Capital expenditure | Total |
|---|---|---|---|
| 1994–95 | 3,922 | 38 | 3,960 |
| 1995–96 | 4,090 | –7 | 4,083 |
| 1996–97 | 4,226 | 16 | 4,242 |
| 1997–98 | 4,421 | –5 | 4,416 |

The capital expenditure provided in the table relates to direct capital expenditure by Health Boards net of capital receipts. In 1995–96 and 1997–98 income from the sale of land and buildings was greater than expenditure on capital. Capital expenditure by NHS Trusts is funded from the revenue income they receive from Health Boards and by loans from the Scottish Office.

## Hypothermia

**Ms Roseanna Cunningham:** To ask the Secretary of State for Scotland if he will list for each month in the years 1994, 1995 and 1996 the number of admissions to hospital from people suffering from hypothermia. [47971]

**Mr. Galbraith:** The number of inpatient and day case discharges from acute NHS hospitals in Scotland where a diagnosis of hypothermia was recorded in each month in 1994, 1995 and 1996 is given in the table.

*Number of inpatient and day case discharges where a diagnosis of hypothermia[1] was recorded*

| *Year/month admitted* | *Number of discharges* |
|---|---|
| *1994* | |
| January | 53 |
| February | 49 |
| March | 45 |
| April | 25 |
| May | 17 |
| June | 16 |
| July | 6 |
| August | 11 |
| September | 20 |
| October | 20 |
| November | 28 |
| December | 45 |
| Total 1994 | 335 |
| *1995* | |
| January | 40 |
| February | 51 |
| March | 36 |
| April | 23 |
| May | 21 |
| June | 9 |
| July | 17 |
| August | 11 |
| September | 16 |
| October | 20 |
| November | 26 |
| December | 87 |
| Total 1995 | 357 |
| *1996* | |
| January | 53 |
| February | 23 |
| March | 46 |
| April | 21 |
| May | 20 |
| June | 20 |
| July | 24 |
| August | 9 |
| September | 25 |
| October | 28 |
| November | 42 |
| December | 58 |
| Total 1996 | 369 |

[1] Accidental hypothermia—cases selected from relevant codes based on the World Health Organisation's International Classification of Diseases 9th and 10th Revisions (ICD9 and ICD10 respectively): the codes used were ICD9 991.6; ICD10 T68

*Source:*

ISD Scotland, SMR1/SMR01

## Fisheries and Offshore Oil Consultative Group

**Mr. Gill:** To ask the Secretary of State for Scotland if he will place in the Library the minutes of meetings of the Fisheries and Offshore Oil Consultative Group since its incorporation in September 1995. [47991]

**Mr. Macdonald:** The Fisheries and Offshore Oil Consultative Group was set up by the Secretary of State for Scotland in 1974. The Group provides a forum for representatives of the offshore oil and fishing industries to exchange information on matters concerning both industries so that each may carry out its operations with minimum interference to the other.

Copies of all minutes of Group meetings held since September 1995 will be placed in the Library.

## Government Policies

**Mr. Fabricant:** To ask the Secretary of State for Scotland if he will list the projects undertaken by his Department since 1 May 1997 to research public reaction to *(a)* Government policies and *(b)* potential new policies; and if he will place the results of the research in the Library. [46689]

**Mr. Dewar** *[holding answer 30 June 1998]:* In line with the practice of successive Administrations, the Department routinely consults the public, interested parties and client groups by way of White Papers and consultation papers on a wide range of policies and proposed legislation. I have therefore confined my reply to major exercises. It is our normal practice to place the results of the consultations in the Library where appropriate.

Scotland's Parliament White Paper Cm3658

The Scottish Compact: a consultation document setting out the underlying principles of the relationship between government and the voluntary sector in Scotland

Your views on how the Scottish Parliament should work

Special Educational Needs in Scotland: a discussion paper

Scottish Water Industry Review

Crime and Disorder Bill: Scottish consultation paper on Community Protection Orders

Health, social work and related services for mentally disordered offenders in Scotland

Independent Commission on Local Government and the Scottish Parliament

Apparent insolvency: a consultation paper on amending the Bankruptcy (Scotland) Act 1985.

## City Status

**Mr. Alexander:** To ask the Secretary of State for Scotland what criteria are used in Scotland to award city status to towns; and when the last applications for such an award were made. [48490]

**Mr. McLeish:** There are no settled criteria for the award of city status to towns in Scotland. There has been no such award since Dundee was given city status in 1889. Any further award would be a matter for Her Majesty The Queen acting under the Royal Prerogative on the advice of the Government of the day. I am not aware of any application for such an award in recent times, although inquiries were made on behalf of Paisley in 1991 and Inverness in 1996.

### Registered Schools

**Mr. Gorrie:** To ask the Secretary of State for Scotland if he will set a timescale within which schools which fall to be registered under section 61 of the Social Work (Scotland) Act 1968, as amended by section 34 of the Children (Scotland) Act 1995, must submit applications to the registration authority after being notified by that authority of the need to register. [48448]

**Mr. Galbraith:** The amendment to the 1968 Act by the 1995 Act brought a number of additional schools within the registration provisions. Registration of these schools was not required until 1 April 1997 and schools had adequate opportunity to submit applications. As it is unlawful to run a registrable residential establishment which is not registered, setting a time-scale would not be appropriate. It is for local authorities to take action if applications are not submitted.

### Millennium Compliance

**Mr. David Atkinson:** To ask the Secretary of State for Scotland what contingency plans his Department is making in the event of the failure of computer systems to recognise the year 2000; when he expects them to be in place, and tested; and if he will make a statement. [48842]

**Mr. Dewar:** The Scottish Office is currently producing quarterly Year 2000 compliance activity reports which include information on contingency planning. These reports are published on the Internet and place in the Library of the House of Commons. The Scottish Office is currently working towards achieving tested Year 2000 compliance on all critical systems by the end of December 1998, with contingency arrangements which are appropriate to the perceived risks remaining being put into place in the course of 1999.

### Charges

**Mrs. Ewing:** To ask the Secretary of State for Scotland if he will list the powers local government, Scottish Office agencies and quangos have to impose charges, together with the acts conferring those powers. [48340]

**Mr. Dewar:** Local authorities and other public bodies make a wide range of charges for various services, under different statutory powers. A full list of the charges and their statutory basis could be compiled only at disproportionate cost.

### Further and Higher Education

**Mrs. Ewing:** To ask the Secretary of State for Scotland what was the average percentage pay increase in further and higher education colleges for *(a)* teaching staff, *(b)* administrative staff and *(c)* the board of directors in the years (i) 1996–97, (ii) 1997–98 and (iii) 1998–99. [48347]

**Mr. Wilson:** Pay settlements are the responsibility of individual colleges' Boards of Management. Information on individual annual pay settlements is not held centrally.

**Mrs. Ewing:** To ask the Secretary of State for Scotland what plans he has to increase local representation on the boards of further and higher education colleges. [48345]

**Mr. Wilson:** My right hon. Friend has no such plans. The Further and Higher Education (Scotland) Act 1992 already requires that the Board of Management of a further education college should be fully representative of local interests. Its membership must include the Principal of the college, two staff and one student representatives, a person nominated by the local enterprise company and others with an interest in the work of the college.

**Mrs. Ewing:** To ask the Secretary of State for Scotland what plans he has to return further and higher education colleges to local control. [48358]

**Mr. Wilson:** My right hon. Friend has no plans to return further education colleges to local authority control. Each college is now managed by a Board of Management whose members represent various local interests.

**Mrs. Ewing:** To ask the Secretary of State for Scotland what recent advice he has given to the boards of further and higher education colleges on pay settlements for *(a)* teaching staff, *(b)* administrative staff and *(c)* the board of directors. [48346]

**Mr. Wilson:** In 1993 the further education colleges became autonomous bodies and each college's Board of Management assumed full responsibility for pay settlements in respect of college staff. Board Members themselves are unpaid. My right hon. Friend has not issued advice on pay settlements.

### Litter Acts

**Mrs. Ewing:** To ask the Secretary of State for Scotland, pursuant to his answer of 5 May 1998, *Official Report*, column *271*, on the Litter Act, how many persons were arrested and charged under the Litter Act 1958, the Litter Act 1983 and the Environmental Protection Act 1990, in each year since 1983; and if he will indicate what the total amount of fines levied each year since 1983 would be at 1998–99 prices. [48508]

**Mr. McLeish:** The available information is given in the table. Separate information is not readily available on the amount of fiscal fines imposed or on the number of persons arrested and charged by the police.

*Offences recorded by the police and the total amount of fine levied where the main offence is an offence under the Litter Act 1983 or related legislation[1] by the courts in Scotland 1983–1997*

| Year | Number of offences recorded by the police | Total amount of fines levied by Scottish courts at 1997[2] prices (£) |
|---|---|---|
| 1983 | 559 | 7,682 |
| 1984 | 512 | 8,537 |
| 1985 | 610 | 9,848 |
| 1986 | 554 | 11,337 |
| 1987 | 627 | 9,436 |
| 1988 | 539 | 12,758 |
| 1989 | 656 | 10,828 |
| 1990 | 644 | 8,325 |
| 1991 | 521 | 5,863 |
| 1992 | 445 | 3,730 |
| 1993 | 364 | 2,703 |
| 1994 | 357 | 2,984 |
| 1995 | 283 | 1,569 |
| 1996 | 409 | 1,300 |
| 1997 | 589 | n/a |

[1] The figures shown include offences under any of the following acts: Litter Act 1958, Litter Act 1983 and the Environmental Protection Act 1990 (sections 87(1), 88(1), 91(9), 92(6) and 94(9) only)

[2] Indexed to 1997 prices using the general index of the retail prices index

### Health Service Waiting Lists

**Mrs. Ewing:** To ask the Secretary of State for Scotland what are the estimated costs of the Government's plans to reduce Scottish NHS waiting lists in the years *(a)* 1998–99 and *(b)* 1999–2000. [48458]

**Mr. Galbraith:** £44.5 million of extra funding has been made available to the NHS in Scotland in 1998–99 specifically to drive down waiting lists and waiting times. The additional funding has been made available on a recurrent basis to achieve sustained reductions in waiting lists. No decisions have been made on funding for the year 1999–2000.

### Fines

**Mrs. Ewing:** To ask the Secretary of State for Scotland if he will list the powers local government, Scottish Office agencies and quangos have to impose fines, together with the acts conferring those powers. [48341]

**Mr. Dewar:** Fines are imposed on those convicted of criminal offences by the courts, and a full list of the statutory offences which are punishable by fines could be completed only at disproportionate cost.

### Class Sizes

**Mrs. Ewing:** To ask the Secretary of State for Scotland what are the estimated costs of reducing class sizes to under 30 for all pupils in primaries 1, 2 and 3 in *(a)* 1998–99 and *(b)* 1999–2000. [48349]

**Mr. Wilson:** Detailed cost estimates are not available. The Government are committed to reducing class sizes to a maximum of 30 pupils in the first three years of primary education by August 2001. I recently announced the allocation to local authorities of £4 million this year to enable them to take early action towards meeting this target. The need for further resources for 1999/2000 and beyond is being considered in the context of the Comprehensive Spending Review and in the light of advice received from joint working with COSLA and a number of local authorities. Further detailed guidance about cost estimates and plans will be made available to authorities as soon as possible.

### New Deal

**Mrs. Ewing:** To ask the Secretary of State for Scotland how much has been spent on the New Deal programme to get 18 to 25 year olds back to work in the year 1997–98; and what are the estimated costs for *(a)* 1998–99 and *(b)* 1999–2000. [48510]

**Mr. Wilson:** The provisional amount spent on the New Deal for young people (18–24 year olds) in Scotland for 1997–98 is £1.5 million. A final figure will be available by the end of August. The New Deal is financed from the receipts of the Windfall Tax on the privatised utilities. Expenditure is planned over the duration of the Parliament and unspent resources in any single year are available for spending on the New Deal in future years.

The estimated cost for 1998–99 is £59 million and for 1999–2000 is £67 million. The New Deal is demand led and actual provision for any particular year will be decided in the light of the level of unemployment and experience gained in running the New Deal.

### Health Service

**Mrs. Ewing:** To ask the Secretary of State for Scotland what are the estimated savings from reducing management and administrative costs in the Scottish NHS in the years *(a)* 1998–99 and *(b)* 1999–2000. [48462]

**Mr. Galbraith:** The estimated savings from reducing management and administrative costs for 1998–99 are £8 million and in 1999–2000 will be £22 million.

## TRADE AND INDUSTRY

### Dounreay

**Ms Roseanna Cunningham:** To ask the President of the Board of Trade when officials were first notified that the consignment of nuclear material from Georgia included *(a)* weapons-grade and *(b)* low-grade nuclear material; who provided the details of the low-grade nuclear material in the consignment; on which dates each minister in each department was informed by her officials that the Georgian consignment contained low-grade nuclear material; which public bodies were informed of the presence of the low-grade material; and on what dates. [46245]

**Mr. Battle** *[holding answer 16 June 1998]:* As my right hon. Friend the Prime Minister reported in his answer of 18 June 1998, *Official Report*, column *314*, officials were notified in July 1997 that the Georgian Government would agree to the removal of all the remaining nuclear material in Georgia. The particular focus at the time was on the unirradiated and irradiated highly enriched uranium. The technical information relating to the probable nature of the consignment was among detailed documents received from US officials in February 1998 in the course of a meeting on security and transport issues. These details were passed promptly to technical specialists at Dounreay so that they could make all necessary preparations for the receipt and safekeeping of the Georgian material.

Due to a breakdown of communications between technical specialists and DTI policy officials, Ministers were first informed that the consignment contained low-enriched uranium on 5 June and the information was notified to the House on 10 June 1998, *Official Report*, columns *594–95*.

**Mr. Flynn:** To ask the President of the Board of Trade what assessment she has made of the report, the Social and Economic Effects of Dounreay's Projected Programme of Work, 1995–2005, prepared by the UK Atomic Energy Authority, in September 1995, prior to the decision on Dounreay announced on 5 June 1998, *Official Report*, columns *385–86*. [45773]

**Mr. Battle** *[holding answer 17 June 1998]:* Nothing is more important than safety in the operation of nuclear licensed sites. Within this overriding requirement, the decision to accept no new commercial reprocessing at Dounreay was taken on economic grounds after receiving advice from UKAEA. Before making its recommendations to my Department, UKAEA has taken into account all relevant information they have produced, including any the report referred to may contain. UKAEA have also assured me that there will be no sudden major job losses resulting from the Government announcement on 5 June. As the

reprocessing plants at Dounreay complete their work, most of the staff attached to them will be required for their decommissioning, which will continue for many years. Taken together with other important investments at Dounreay, including the remediation of the waste shaft there, it is unlikely that employment at Dounreay will decline significantly over the next few decades.

**Dr. Fox:** To ask the President of the Board of Trade how far into the decommissioning timetable the United Kingdom will be able to fulfil its treaty obligations in relation to the reprocessing of nuclear material at Dounreay. [47718]

**Mr. Battle** *[holding answer 29 June 1998]:* Article 37 of the Euratom Treaty requires Member States to provide to the European Commission certain data relating to any plan for the disposal of radioactive waste. The Commission then has six months in which to deliver its opinion on the plan. In relation to the decommissioning of the Dounreay reprocessing plants, we shall take the necessary steps to comply with our Treaty obligation when the UKAEA have a firm and detailed plan for the disposal of the radioactive waste arising from the decommissioning.

**Ms Roseanna Cunningham:** To ask the President of the Board of Trade if she will list the existing commercial reprocessing contracts which remain to be carried out at Dounreay. [47758]

**Mr. Battle** *[holding answer 30 June 1998]:* The fuel cycle area at Dounreay has signed commercial contracts outstanding for fuel fabrication, fissile material recovery, and reprocessing. I have written to the Chairman of the UKAEA requesting him to prepare the information that can be made public and to seek the agreement of their commercial customers. His reply will be placed in the Library of the House.

**Ms Roseanna Cunningham:** To ask the President of the Board of Trade, pursuant to the Prime Minister's reply of 25 June 1998, *Official Report*, column *598*, if, during the meeting in Washington on 24 February, her Department's officials and their security advisers were informed of the US Government's wish to transport to Dounreay the additional quantity of 9kg of low-enriched uranium; and if she will make a statement. [48929]

**Mr. Battle:** At the meeting in Washington on 24 February, technical information on the probable nature of the consignment was among the documents received from US officials. The exact amount and type of material in the Georgian consignment could be confirmed only once it had all been unloaded and checked at Dounreay. The precise quantities were given in my answer to my hon. Friend the Member for Blaenau Gwent (Mr. Smith) on 10 June 1998, *Official Report*, column *598*.

**Ms Roseanna Cunningham:** To ask the President of the Board of Trade what were the *(a)* country and *(b)* establishment of origin of the nine kilograms of low-enriched uranium included in the shipment of nuclear material from Georgia to Dounreay; if it was contained in the same flight as the highly enriched uranium and spent fuel rods from Tbilisi; from which airfield it left the former USSR for its destination at Kinloss; at what exact time and date it arrived at Kinloss; and if she will make a statement. [48928]

**Mr. Battle:** The low-enriched uranium included in the consignment of nuclear material from Georgia to Dounreay came from the same research institute at Tbilisi in Georgia as the high-enriched uranium. All the nuclear material arrived in one American transport aircraft which departed from the airport at Tbilisi in Georgia on 23 April, flew directly to the UK, and landed at Kinloss at 0206 GMT on 24 April.

**Ms Roseanna Cunningham:** To ask the President of the Board of Trade how many flights were required to transport the recent consignment of nuclear material from Georgia to Kinloss; how many cargo aeroplanes flew from Georgia to Kinloss during April; what were the contents of each of these aeroplanes; at what exact times and dates the aeroplanes landed at Kinloss; and if she will make a statement. [48927]

**Mr. Battle:** One American military transport aircraft, a Galaxy C5, was used to fly all the nuclear material in the Georgian consignment to Kinloss. It arrived at Kinloss at 0206 GMT on 24 April. A second American Galaxy C5, containing specialised handling equipment to assist with unloading the containers at the Dounreay site, arrived at Kinloss at 1547 GMT on 25 April.

## Export Control Orders

**Mr. Cousins:** To ask the President of the Board of Trade if exports of equipment relating to satellite or satellite-related technology and communications or civil space technology and communications are covered by the export control orders. [46482]

**Mrs. Roche:** The export of a range of goods and technology related to satellites and space-launch vehicles is controlled under many of the entries in Categories 7 and 9 of Annexe 1 to European Union Council Decision 94/942/CFSP. The export of communications-related goods and technology is controlled under entries in Category 5 of Annexe 1. Other entries in the export control legislation may also be relevant, for instance in export of military satellites may be controlled under entries in Part III of Schedule 1 to the Export of Goods (Control) Order 1994, as amended (the so-called 'Military List').

Other exports may be controlled under the End-Use Control in Article 4 of EC Council regulation 3381/94 on the export of dual-use goods.

Copies of the relevant legislation are available in the Library of the House.

## Post Office

**Mr. Redwood:** To ask the President of the Board of Trade what sums the Post Office has indicated to her it wishes to invest in *(a)* 1999–2000, *(b)* 2000–01 and *(c)* 2001–02. [47519]

**Mrs. Beckett** *[holding answer 25 June 1998]:* The Post Office has indicated provisionally that it wishes to undertake capital investment of between £450 million and £550 million in each of the three years.

**Mr. Grogan:** To ask the President of the Board of Trade when her Department plans to review the number of post offices able to issue *(a)* vehicle excise licences, *(b)* passports and *(c)* game licences. [49103]

**Mr. Ian McCartney:** Decisions on the number of post offices able to issue motor vehicle licences and passport application forms are the responsibility respectively of the Driver and Vehicle Licensing Agency and the United Kingdom Passport Agency. I understand from the Post Office that game licences issued on behalf of the Home Office and the Scottish Office are available at those post offices at which there is a demand for them.

### Power Generation (South-east England)

**Mr. Ottaway:** To ask the President of the Board of Trade, pursuant to her answer of 18 June 1998, *Official Report*, column *321*, (1) if he will publish the National Grid Company's advice to him detailing the benefits of black start capacity in relation to the security of supply for London and the South East; [48190]

(2) on power generation, if she will place in the Library a copy of the National Grid Company letter to her on the benefits of black start capacity in relation to the security of supply for London and the South-East. [48673]

**Mr. Battle:** It would plainly be impractical for the Secretary of State to publish every piece of advice or representation she receives, leaving aside for the moment the question of whether the correspondent wishes the document to be made public. In this case, I understand the National Grid Company is only too happy to provide a copy direct to the hon. Member.

### Wind Farms

**Mr. Baker:** To ask the President of the Board of Trade what assessment she has made as part of the energy review of the potential for offshore windpower generation. [47783]

**Mr. Battle** *[holding answer 29 June 1998]:* I refer the hon. Member to my reply to the right hon. Member for Penrith and The Border (Mr. Maclean) on 2 July 1998, *Official Report*, column 237.

### Power Generation

**Mr. Baker:** To ask the President of the Board of Trade if she will publish the environmental criteria applied to the recent energy review. [47775]

**Mr. Battle** *[holding answer 29 June 1998]:* I refer the hon. Member to Chapter 4 (paragraphs 15–19) and Chapter 5 (paragraphs 19–23) of the consultation document on the Review of Energy Sources for Power Generation, published on 25 June 1998.

**Dr. Kumar:** To ask the President of the Board of Trade what measures she intends to adopt to promote increased competition in the electricity generation market. [48313]

**Mr. Battle** *[holding answer 2 July 1998]:* I refer my hon. Friend to Chapter 4 of the consultation document on the Review of Energy Sources for Power Generation, published on 25 June 1998.

### Public Registers

**Mr. Cohen:** To ask the President of the Board of Trade if she will list the public registers which her Department has responsibility for. [47346]

**Mrs. Beckett** *[holding answer 29 June 1998]:* The following are the public registers for which my Department is responsible, including its Executive Agencies and other bodies:

Register of Companies (Companies House)

Register of Designs, Patents, Trade Marks, Patent Agents, and Trade Mark Agents (Patent Office)

Register of applications, appeals, and decisions (Office of Employment Tribunals)

Register of Agreements (Registrar of Restrictive Trading Agreements)

Register of Coal Licences (Coal Authority)

Registers kept by the Director General OFTEL

The Consumer Credit Public Register (Director General of Fair Trading)

The Estate Agents Public Register (Director General of Fair Trading).

### Defence and Aerospace Industry

**Mr. Nicholas Winterton:** To ask the President of the Board of Trade (1) what steps her Department has taken to ensure that UK companies compete on equal terms for contracts in European national defence and aerospace markets; [48192]

(2) what steps her Department has taken to assist UK firms in the restructuring of the UK and European defence and aerospace industry; [48194]

(3) if she will ensure that all Government contracts affecting UK defence and aerospace companies are awarded within Europe solely on criteria of price, performance, quality and time scale. [48193]

**Mr. Battle:** Following the trilateral statement by the Heads of Government of the UK, Germany, and France on 9 December, my right hon. Friend the President of the Board of Trade and I, and my officials, have held many discussions with the aerospace and defence industry, and with Ministers from other countries in support of the European industry's efforts to restructure.

I shall be meeting my industry Minister counterparts from five other European countries again in Paris on 9 July.

I also liaise closely on these issues with the other departments which are involved in restructuring.

We see the restructuring of the industry as vital to ensure that UK companies remain globally competitive, and we will seek to assist wherever possible. In carrying forward this work on restructuring, we shall certainly seek to promote fairness and transparency in procurement practices.

Specific issues relating to Government procurement contracts for aerospace and defence equipment services are largely a matter for my right hon. Friend the Secretary of State for Defence.

### Export Control Organisation

**Mrs. Gillan:** To ask the President of the Board of Trade if she will list the staff by grade in the Export Control Organisation on *(a)* 3 May 1997, *(b)* 1 January 1998 and *(c)* 3 May 1998. [48229]

**Mrs. Roche** *[holding answer 30 June 1998]:* On 1 August 1997 my Department changed its staff grading structure, for ease of comparison the list of staff by grade at 3 May 1997 shows the old and new structure.

| *3 May 1997* | *3 May 1997* | *1 January 1998* | *3 May 1998* |
|---|---|---|---|
| Senior Civil Service | SCS=1 | SCS=1 | SCS=1 |
| Grade 6 | Range 11=1 | Range 11=1 | Range 11=2 |
| Grade 7 | Range 10=3 | Range 10=3 | Range 10=2 |
| Senior Executive Officer/Senior Professional and Technical Officer | Range 9=12 | Range 9=14 | Range 9=14 |
| Higher Executive Officer/Higher Professional and Technical Officer | Range 8=17 | Range 8=18 | Range 8=23 |
| Higher Executive Officer | Range 7=4 | Range 7=5 | Range 7=5 |
| Executive Officer | Range 6=15 | Range 6=13 | Range 6=14 |
| Executive Officer | Range 5=2 | Range 5=4 | Range 5=4 |
| Administrative Officer | Range 4=24 | Range 4=25 | Range 4=28 |
| Administrative Assistant | Range 2=27 | Range 2=40 | Range 2=32 |
| Administrative Assistant | Range 2/ Data Processor=3 | Range 2/ Data Processor=4 | Range 2/ Data Processor=3 |
| Administrative Assistant | Range 1=1 | Range 1=2 | Range 1=1 |

### Public Sector Contracts

**Mr. Laurence Robertson:** To ask the President of the Board of Trade what information her Department makes available to private companies regarding public sector contract opportunities; how this information is accessed by private companies; and if she will make a statement. [47855]

**Mrs. Beckett** *[holding answer 1 July 1998]:* Information on public sector contract opportunities is available on the internet on the 'Key Contacts' website, through the 'Government Opportunities' bulletin (published monthly) and 'Tendering for Government Contracts'. Certain contracts for goods and services above an EC £104,435 threshold are also advertised in the European Journal (OEJC).

### Plutonium

**Mr. Llew Smith:** To ask the President of the Board of Trade, pursuant to her answer of 24 June 1998, *Official Report*, column *499*, for what reasons information relating to *(a)* reactor discharges and dispatches by site and *(b)* exports and imports of plutonium is no longer to be published; and where the details of amounts of plutonium held in the United Kingdom on behalf of foreign customers will now be published. [48919]

**Mr. Battle:** The publication of the figures which I announced on 2 June 1998, *Official Report*, column *162*, are in the format agreed by the informal group of nine countries, as part of the international guidelines on the management of national holdings of civil plutonium. This is in a format which facilitates international comparisons on a consistent basis. Details of the amount of plutonium held in the United Kingdom belonging to foreign organisations are included amongst the figures published on 2 June 1998, *Official Report*, column 162.

### Gas-fired Power Stations

**Dr. Kumar:** To ask the President of the Board of Trade what assessment her Department made of the impact on competition in the electricity generation market of proposed restrictions on the construction of gas-fired power stations. [48312]

**Mr. Battle** *[holding answer 2 July 1998]:* The proposed stricter consents policy would prevent existing distortions from prejudicing diversity and security of supply while the programme of competitive reforms is undertaken. To have continued to give the current distortions free rein would have damaged fair competition.

### Arms Trade

**Dr. Tonge:** To ask the President of the Board of Trade what proposals her Department has relating to the licensing of arms brokers' activities in the United Kingdom. [48860]

**Mrs. Roche** *[holding answer 3 July 1998]:* I refer the hon. Member to the White Paper on "Strategic Export Controls" (Cm 3989), the publication of which was announced by my right hon. Friend the President of the Board of Trade on 1 July 1998, *Official Report*, columns *211–13*. Section 3.3 of the White Paper contains specific proposals to control the involvement of persons in the UK, or UK persons abroad in certain trafficking and brokering activities.

### Small Businesses

**Mr. Jim Cunningham:** To ask the President of the Board of Trade what steps are being taken to encourage long-term planning within small and medium size enterprises. [48527]

**Mrs. Roche:** The network of Business Links now covers the whole country, providing local access to information and advice for all firms regardless of size. Personal business advisers in Business Links aim to build and maintain long-term relationships with small firms with growth potential, and help them develop and implement long-term plans.

### New Businesses

**Mr. Jim Cunningham:** To ask the President of the Board of Trade how many new businesses were formed in *(a)* Coventry, *(b)* the West Midlands and *(c)* the United

Kingdom by people aged 18 to 24 years in the five years up to 1997; and how many of those failed in their first 12 months. [48526]

**Mrs. Roche:** The table shows the number of businesses registering for VAT each year 1992 to 1996, and the per cent. still trading 12 months later each year 1992 to 1995, the latest estimates available.

Many of the smallest new businesses do not register for VAT. The percentage still trading 12 months later is not available for Coventry and could be provided only at disproportionate cost. The age of business owners is not recorded on the VAT Register.

*Number of VAT registrations and per cent. still trading after 12 months, 1992–96*

| | Coventry | West Midlands | UK |
|---|---|---|---|
| *Businesses registering for VAT* | | | |
| 1992 | 690 | 15,839 | 187,000 |
| 1993 | 668 | 15,583 | 191,000 |
| 1994 | 570 | 13,665 | 168,240 |
| 1995 | 575 | 13,290 | 163,960 |
| 1996 | 555 | 13,295 | 168,200 |
| *Per cent. still trading after 12 months* | | | |
| 1992 | [1] | 82.8 | 83.4 |
| 1993 | [1] | 82.6 | 83.6 |
| 1994 | [1] | 83.4 | 84.6 |
| 1995 | [1] | 85.0 | 87.3 |
| 1996 | [2] | [2] | [2] |

[1] A large increase in the VAT registration threshold in 1993 reduced the level of registrations from 1994 onwards
[2] not available
*Source:*
DTI SME Statistics Unit

## LORD CHANCELLOR'S DEPARTMENT

### Derbyshire Magistrates Courts

**Mr. Todd:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will place a copy in the Library of the business case of the Derbyshire Magistrates Courts Committee for reorganising the county's magistrates courts. [48130]

**Mr. Hoon:** The Outline Business Case, which has been prepared as a basis for inviting bids, contains information which is commercially confidential and is not being made public at this stage. Disclosure of specific details to bidders may affect the pricing of bids and the value for money which may be obtained. A full business case will be prepared, once negotiations with a preferred bidder have been concluded, as the basis for entering into a contract.

**Mr. Todd:** To ask the Parliamentary Secretary, Lord Chancellor's Department what assumptions have been made on the disposal value of Swadlincote Magistrates Court and on the period it may be vacant and unsold. [48080]

**Mr. Hoon:** A value based on alternative use has been included in the Outline Business Case for the PFI project for Derbyshire magistrates courts. Financial details have not been published as this information is commercially confidential and disclosure may affect the pricing of the bids received and the value for money which may be obtained. Bidders are to be invited to make proposals for disposal of surplus courts where this improves value for money, in which case the risks of disposal would be transferred.

**Mr. Todd:** To ask the Parliamentary Secretary, Lord Chancellor's Department how many licence applications and of what type were dealt with in Swadlincote Magistrates Court in *(a)* 1995–96 and *(b)* 1996–97. [48128]

**Mr. Hoon:** The Lord Chancellor's Department does not collect or hold information on the number and type of licence applications heard at magistrates courthouse level. The Justices' Chief Executive for the Derbyshire Magistrates Courts Committee has informed me that the number of licence applications for the Derby and South Derbyshire petty sessional division area, which includes the Swadlincote Court, were 2,319 in 1995–96 and 2,365 in 1996–97. These figures cannot be broken down by type.

**Mr. Todd:** To ask the Parliamentary Secretary, Lord Chancellor's Department what is the estimated cost of the investigation and preparation of the Private Finance Initiative for projects connected with Derbyshire magistrates courts. [48076]

**Mr. Hoon:** The estimated cost of advisers in the investigation and preparation of the Private Finance Initiative project involving Derbyshire magistrates courts is £490,000.

**Mr. Todd:** To ask the Parliamentary Secretary, Lord Chancellor's Department what is the estimated additional revenue cost of providing and resourcing 11 as against nine courts in Derby in the proposed reorganisation of the county's magistrates courts. [48078]

**Mr. Hoon:** The outline business case, which has been prepared by the Derbyshire Magistrates Courts Committee as a basis for inviting bids, includes costed options for providing either eleven or nine courtrooms in Derby. This information is commercially confidential and is not being made public at this stage. Disclosure of this detail to bidders may affect the pricing of bids and the value for money which may be obtained.

**Mr. Todd:** To ask the Parliamentary Secretary, Lord Chancellor's Department what was the operating cost of Swadlincote Magistrates Court in *(a)* 1995–96 and *(b)* 1996–97. [48079]

**Mr. Hoon:** The Lord Chancellor's Department does not collect or hold financial information at magistrates courthouse level. The Justices' Chief Executive for the Derbyshire Magistrates Courts Committee has informed me that it is not possible to identify separately the operating costs of the Swadlincote courthouse from the overall cost of the Derby and South Derbyshire petty sessional division of which it is a part.

**Mr. Todd:** To ask the Parliamentary Secretary, Lord Chancellor's Department what arrangements would be made to accommodate the local Probation Service and to provide its services in South Derbyshire, and at what cost should the proposed closure of Swadlincote Magistrates Court proceed. [48129]

**Mr. Hoon:** The Home Office has responsibility for the Probation Service. Each individual Probation Committee is responsible for providing suitable accommodation to perform its functions and for decisions on their location.

Derbyshire Magistrates Courts Committee has a statutory responsibility to provide an efficient and effective service for court users. It is for that Committee to decide the number and location of the courthouses it needs. On 18 May 1998, Derbyshire Magistrates Courts Committee determined that its future needs should be met with courthouses centred at four locations. To effect this, the Committee intends to retain one courthouse but provide three new premises as replacements for eleven of the existing magistrates courts, through the Private Finance Initiative scheme. Final timings for both the closures and the opening of new courts will be determined once the Private Finance Initiative project plan has been agreed. Current expectations are for the year 2000.

Derbyshire County Council has exercised its right of appeal to the Lord Chancellor in accordance with section 56 of the Justices of the Peace Act 1997. The closure of Swadlincote Magistrates Court is one aspect of the County Council's appeal, which is being heard now by consent of the two parties to aid the overall project.

It is, therefore, inappropriate for me to comment at this stage on the closure of Swadlincote Magistrates Court.

## Courts (Access)

**Mr. Garnier:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will publish his strategy for the distribution of and provision of access to magistrates, crown, county and high court centres; and if he will make a statement. [49129]

**Mr. Hoon:** Magistrates courts are locally managed by magistrates courts committees under the provisions of the Justices of the Peace Act 1997. Decisions concerning the future and number of magistrates courts in their area are for the relevant MCC to determine. A local authority that contributes financially may appeal to the Lord Chancellor against a proposed closure. The procedure for such appeals is set out in section 56 of the Justices of the Peace Act 1997. In the absence of an appeal, however, the Lord Chancellor plays no part in the process.

The Court Service Agency is responsible for all civil and the higher criminal courts. It keeps court accommodation under constant review. In relation to the civil courts the Lord Chancellor is considering how and when the current changes in the working methods and procedures might create opportunities for better use of resources whilst maintaining similar or improved levels of facilities and services. No major changes to the current number or distribution of criminal centres are planned.

**Mr. Garnier:** To ask the Parliamentary Secretary, Lord Chancellor's Department what criteria in respect of the public's travelling time, distance and cost he takes into account when considering the closure of any court. [49126]

**Mr. Hoon:** There are no specific cost or time thresholds which need to be breached before a closure proposal would be refused. Whilst distance and cost are important considerations, public facilities at the courts, waiting times, workload levels, and the overall standard of service which can be made available over the area as a whole also need to be taken into account.

## Departmental Vehicles

**Mr. Burstow:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list for *(a)* his Department and *(b)* bodies listed in the National Asset Register, how many vehicles are currently (i) owned and (ii) leased; if he will indicate their (A) fuel types and (B) engine cubic capacities; and how many vehicles are expected to fall due for replacement in each of the years (1) 1998–99, (2) 1999–2000 and (3) 2000–01. [49224]

**Mr. Hoon:** The information requested is shown in the table.

*Leased vehicles*

| | *The Court Service* |
|---|---|
| *Fuel* | |
| Petrol | 36 |
| Diesel | 570 |
| *Engine cc* | |
| 1200 | 1 |
| 1300 | 1 |
| 1400 | 4 |
| 1600 | 16 |
| 1700 | 39 |
| 1800 | 366 |
| 1900 | 152 |
| 2000 | 22 |
| 2100 | 1 |
| 2200 | 3 |
| 2500 | 1 |
| *Replacement date* | |
| 1998–1999 | 403 |
| 1999–2000 | 153 |
| 2000–2001 | 50 |

*Owned vehicles*

| | *Lord Chancellor's Department HQ* | *The Court Service* | *Northern Ireland Court Service* | *HM Land Registry* |
|---|---|---|---|---|
| *Fuel* | | | | |
| Petrol | 15 | 3 | — | 1 |
| Diesel | 1 | 1 | 1 | 41 |
| *Engine cc* | | | | |
| 1500 | 2 | — | — | — |
| 1600 | 3 | 1 | — | — |
| 1800 | — | — | — | 33 |
| 1900 | — | 1 | — | — |
| 2000 | 10 | 2 | — | 9 |
| 2300 | 1 | — | — | — |
| 5681 | — | 1 | — | — |
| *Replacement date* | | | | |
| 1998–1999 | 4 | 4 | — | 10 |
| 1999–2000 | 5 | — | — | 4 |
| 2000–2001 | 7 | — | 1 | 8 |

## County Courts

**Mr. Garnier:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list those county courts which have been closed in each of the last four years for which figures are available. [49121]

**Mr. Hoon:** A list of the county courts closed in the last four years is shown.

*Court closures 1994–98*

| *Court* | *Date of closure* | *Post closure jurisdiction* |
|---|---|---|
| Devizes[1] | 1 April 1994 | Trowbridge |
| Frome[1] | 1 April 1994 | Trowbridge |
| Clacton[1] | 5 April 1994 | Colchester |
| Sevenoaks[1] | 5 April 1994 | Tunbridge Wells |
| Sheerness[1] | 5 April 1994 | Sittingbourne |
| Sudbury | 5 April 1994 | Bury St. Edmunds, Braintree, Colchester and Ipswich |
| Bangor | 4 July 1994 | Caernarfon |
| Portmadog[2] | 4 July 1994 | Caernarfon |
| Stroud | 4 July 1994 | Gloucester |
| Stockton-on-Tees | 2 November 1994 | Resited to form the Teesside Combined Court Centre |
| Lampeter | 5 December 1994 | Aberystwyth and Carmarthen |
| Launceston[1,2] | 5 December 1994 | Bodmin |
| Liskeard[1,2] | 5 December 1994 | Bodmin |
| Ellesmere Port[2] | 5 December 1994 | Chester |
| Axminster and Chard[1,2] | 5 December 1994 | Yeovil |
| Shaftesbury[1,2] | 5 December 1994 | Yeovil |
| Amersham | 9 January 1995 | Aylesbury, Hemel Hempstead, High Wycombe, Slough, Uxbridge and Watford |
| Wisbech | 29 September 1995 | King's Lynn |
| Market Drayton | 27 October 1995 | Shrewsbury and Stoke on Trent |
| Brentwood | 29 December 1995 | Subsumed by the creation of the Basildon Combined Court Centre |
| Bargoed | 29 December 1995 | Blackwood |
| Barry | 29 December 1995 | Cardiff |
| Cardigan[1,2] | 29 December 1995 | Carmarthen |
| Llandrindod Wells[1,2] | 29 December 1995 | Brecknock |
| Otley[2] | 2 January 1996 | Bradford, Harrogate, Leeds and Skipton |
| Alfreton | 16 February 1996 | Chesterfield, Derby, Mansfield and Nottingham |
| Ilkeston | 16 February 1996 | Derby and Nottingham |
| Matlock | 16 February 1996 | Buxton, Chesterfield and Derby |
| Sleaford | 16 February 1996 | Boston, Grantham, Lincoln and Newark |
| Spalding | 16 February 1996 | Boston, Grantham and Peterborough |
| Dover[2] | 29 March 1996 | Canterbury |
| Folkestone[2] | 29 March 1996 | Ashford |
| Newton Abbot[2] | 29 March 1996 | Amalgamated with Torquay |
| Sittingbourne[2] | 29 March 1996 | Maidstone and Medway |
| St. Austell | 29 March 1996 | Bodmin and Truro |
| Chippenham[2] | 30 April 1996 | Swindon and Trowbridge |
| Goole[1] | 4 November 1996 | Doncaster |
| Ammanford[2] | 27 March 1997 | Swansea, Carmarthen and Llanelli |
| Andover[2] | 30 June 1997 | Basingstoke, Salisbury, Winchester |
| Braintree[2] | 1 December 1997 | Chelmsford, Harlow and Colchester |
| Bishop's Stortford | 1 December 1997 | Cambridge, Harlow and Hitchin |
| Alnwick[2] | 15 December 1997 | Morpeth |
| Blyth | 15 December 1997 | Morpeth |
| Berwick upon Tweed[1] | 15 December 1997 | Amalgamated with Morpeth |
| Bridlington[2] | 24 December 1997 | Scarborough |

[1] Courts with caller office status

[2] Courts where Circuit Administrators have undertaken to continue local District Judge sittings in suitable accommodation subject to demand

*Note:*

Two county court closures have been announced recently: Rochdale County Court and Holywell County Court will close on 7 September 1998

**Mr. Garnier:** To ask the Parliamentary Secretary, Lord Chancellor's Department what plans he has to implement the Middleton report's recommendation on county courts closures alongside the Woolf report's recommendation that the report's civil justice reforms should be introduced by April 1999. [49128]

**Mr. Hoon:** The Lord Chancellor does not consider the Middleton Report's recommendations for widespread county court closures, without providing services in other ways, as the right way forward and has no plans to implement them.

**Mr. Garnier:** To ask the Parliamentary Secretary, Lord Chancellor's Department how many county courts there are currently in England and Wales; which have facilities for hearings in open court; which have family, bankruptcy and district registry jurisdictions; and if he will list those which his Department or the Court Service are currently considering for or consulting on closure *(a)* in the current financial year and *(b)* in each of the next four years. [49120]

**Mr. Hoon:** There are currently 233 county courts in England and Wales. With the closure of Rochdale County Court and Holywell County Court in September 1998 the number will be 231. All the county courts have facilities for hearings in open court. 177 county courts have family jurisdiction. In September, with the closure of Rochdale County Court, there will be 176. 112 county courts have bankruptcy jurisdiction. With the closure of Rochdale County Court there will be 111. 135 county courts have a district registry. When Rochdale County Court closes there will be 134.

In the last financial year the Lord Chancellor gave permission to go to public consultation on the following county courts: Hemel Hempstead, Holywell, Rochdale,

Camborne & Redruth, Poole, Shrewsbury, West Bromwich and Evesham.

The only other permission given by the Lord Chancellor to go to public consultation relates to the current financial year and is in respect of Corby and Loughborough County Courts.

**Mr. Garnier:** To ask the Parliamentary Secretary, Lord Chancellor's Department what was the reduction in *(a)* revenue and *(b)* capital budgets of the Court Service as a consequence of the closures of county courts in each of the last four years for which figures are available. [49122]

**Mr. Hoon:** There has been no reduction in either revenue or capital budgets as a direct result of court closures.

**Mr. Garnier:** To ask the Parliamentary Secretary, Lord Chancellor's Department how many Court Service or Lord Chancellor's Department jobs were abolished as a result of county court closures in the last four years. [49124]

**Mr. Hoon:** The business case in support of a proposal for closure of a county court must give information on the numbers and grades of staff together with details of their redeployment. Any reduction in staff numbers is a result of a fali in civil business generally and not of court closures.

**Mr. Garnier:** To ask the Parliamentary Secretary, Lord Chancellor's Department what assessment he has made of the Middleton report's recommendation that on financial grounds large numbers of county courts should be closed; and if he will make a statement in that regard about his policy of increasing access to justice. [49127]

**Mr. Hoon:** The civil justice reforms on which Sir Peter Middleton reported form only part of major current changes in the working methods and procedures of the civil courts. The Lord Chancellor is considering how, and when, those changes might create opportunities for better use of resources while maintaining similar or improved levels of facilities and services. This is a better way forward than the wholesale closures recommended in the Middleton report. Court accommodation is kept under continuous review and proposals for the closure of courts are considered on an individual basis.

**Mr. Garnier:** To ask the Parliamentary Secretary, Lord Chancellor's Department what assessment he has made of the financial implications of county court closures for *(a)* the Legal Aid Board and *(b)* non-legally aided litigants. [49123]

**Mr. Hoon:** There are no specific financial thresholds that need to be breached before a closure proposal would be refused. Whilst financial implications are important considerations, the costs and practical implications of running a court, the public facilities, waiting times, workload levels and the overall standard of service that can be made available over the area as a whole also need to be taken into account.

**Mr. Garnier:** To ask the Parliamentary Secretary, Lord Chancellor's Department on how many occasions in the last four years for which figures are available his Department or the Court Service has consulted the public about a proposed county court closure in England and Wales and, as a consequence, not closed the court, identifying in each case the court in question. [49125]

**Mr. Hoon:** In the last four years two county courts have remained open following public consultation. Closure of Gravesend County Court was not taken forward after consultation in 1994. Kettering County Court, proposed for closure in 1993 was later relocated within Kettering in more satisfactory accommodation.

## HEALTH

### Hospital Trusts (North West)

**Mr. Jack:** To ask the Secretary of State for Health if he will list for each acute hospital trust in the North West Region in each of the last 13 financial years *(a)* the sums allocated by specialty, *(b)* the sums spent by specialty and *(c)* the numbers of patients treated by specialty. [47539]

**Mr. Milburn:** This information cannot be provided in its entirety because records are kept centrally for a five year period only. It is not possible to provide the sums allocated by specialty as the contracting system between health authorities and trusts is not done on an individual specialty basis. However, it is possible to provide the sums spent by the main specialty groups and the number of patients treated by specialty in the main specialty groups, for the five year period from 1992–93 to 1996–97. This is shown in the tables, copies of which are available in the Library.

### Kingston Hospital

**Dr. Tonge:** To ask the Secretary of State for Health when Kingston Hospital will receive the capital funding necessary for the new permanent ward block. [47552]

**Mr. Milburn:** Approval to build a new permanent ward block will follow the normal route for such schemes. The first stage is the submission by the trust of a strategic outline case. This is expected to be submitted to the National Health Service Executive by the autumn of this year. If it is felt that the scheme is not likely to attract private sector interest it will then be considered for inclusion in a future annual regional capital programme. Alternatively the trust will seek a private sector partner to develop the scheme under the Private Finance Initiative. In this case, public capital will not be required.

### Dental Services

**Ms Drown:** To ask the Secretary of State for Health (1) if he will make a statement on the introduction of new classes of dental auxiliaries; [48013]

(2) what plans the Government have to amend the Dentists Act 1984 to allow pilot trials to test the effectiveness of new classes of dental auxiliaries. [48014]

**Mr. Milburn:** We have let the General Dental Council know that we strongly support their proposals for trials of new classes of professionals complementary to dentistry to see if there are duties which could be delegated by registered dentists. We are looking for a legislative opportunity to make the amendments to the Dentists Act 1984 which are necessary to permit these trials.

### Nursing Homes

**Mr. Kidney:** To ask the Secretary of State for Health (1) if he will strengthen the powers of *(a)* nursing home inspectors, *(b)* the Secretary of State and *(c)* the courts to prevent the precipitate closure of nursing homes by the owner's liquidator or receiver; [48172]

(2) what powers are available to *(a)* him, *(b)* nursing home inspectors and *(c)* the courts to prevent the precipitate closure of nursing homes by the owner's liquidator or receiver; [48171]

(3) if he will intervene in the proposed closure of Abbey Nursing Home, Great Haywood, Stafford. [48173]

**Mr. Boateng** *[holding answer 30 June 1998]:* There are no legal powers to prevent the closure of a nursing home by a liquidator or receiver appointed by a home owner. Independent care homes are private businesses and neither we, nor registration authorities nor the courts have any powers to intervene in a decision by the owner of that business to cease trading.

Care homes can close for a variety of reasons, including emergency closures by a registration authority to protect the health and welfare of residents.

Health and local authorities should have contingency plans, drawn up in consultation with service providers, for dealing with the sudden closure of homes to ensure residents are transferred to suitable accommodation. Health and local authorities have a direct responsibility for making alternative arrangements for anyone they place in a nursing home which subsequently closes.

While the closure of the Abbey Nursing Home in Great Haywood is regrettable, we understand that the health authority and social services staff have moved quickly to find alternative accommodation for all the nursing residents. We understand that 12 of the 13 residents have been found suitable accommodation, and one is in hospital.

We appreciate how traumatic it can be for people in residential care and nursing homes when they have to move out at short notice. We will consider whether arrangements can be strengthened to minimise the anxiety to residents when a home closes, as part of our commitment to reforming the current regulatory arrangements for social services and nursing homes.

### Health Care Assistants

**Ms Drown:** To ask the Secretary of State for Health what assessment the Government have made of the benefits of including health care assistants in the frameworks governing *(a)* the registration and *(b)* the career development of nurses. [48436]

**Mr. Boateng:** The current independent review of the Nurses, Midwives and Health Visitors Act 1979 is expected to raise a number of issues in relation to health care assistants. We will carefully consider all the recommendations upon receipt of the report during the summer. Funding is available to enable National Health Service employers to support staff who wish to train as nurses.

### Pharmacies

**Mr. McWalter:** To ask the Secretary of State for Health if he will estimate the proportion of people who feel ill who make the local pharmacy their first point of contact with a professional health carer. [48238]

**Mr. Milburn** *[holding answer 3 July 1998]:* We have made no such estimate. We understand that research has shown that from whom people seek help and advice depends on the nature of their symptoms and a range of other factors.

**Mr. McWalter:** To ask the Secretary of State for Health how many closures of independent pharmacies there have been in the last five years. [48240]

**Mr. Milburn** *[holding answer 3 July 1998]:* In the five years to 30 September 1997, 264 National Health Service community pharmacies in England closed. In the same period 284 opened. The Department does not hold separate information for independent pharmacies.

**Mr. McWalter:** To ask the Secretary of State for Health what research he has evaluated into the *(a)* actual and *(b)* potential savings to the NHS of healthcare advice provision by community pharmacists; and if he will make a statement. [48242]

**Mr. Milburn:** We have made no such assessment. We propose to publish a policy document in the autumn setting out proposals for the future role of community pharmacy within the National Health Service.

**Mr. McWalter:** To ask the Secretary of State for Health what estimate he has made of the numbers of people without access to public transport who use community pharmacies. [48243]

**Mr. Milburn:** None.

### Health Authorities (Legal Directions)

**Mr. Brady:** To ask the Secretary of State for Health if he will list the occasions in the last 30 years when the Secretary of State for Health has issued a legal direction to a health authority requiring it to withdraw a public consultation. [49118]

**Mr. Dobson:** The information requested can be provided only at disproportionate cost.

### Departmental Vehicles

**Mr. Burstow:** To ask the Secretary of State for Health if he will list for *(a)* his Department and *(b)* bodies listed in the National Asset Register, how many vehicles are currently (i) owned and (ii) leased; if he will indicate their (A) fuel types and (B) engine cubic capacities; and how many vehicles are expected to fall due for replacement in each of the years (1) 1998–99, (2) 1999–2000 and (3) 2000–01. [49227]

**Ms Jowell:** I shall let the hon. Member have such information as is available without incurring disproportionate costs.

### Complementary and Alternative Medicine

**Mr. Jim Cunningham:** To ask the Secretary of State for Health what assessment he has made of the potential benefits of the use of complementary and alternative medicine. [48530]

**Ms Jowell:** As part of its policy research programme, the Department has commissioned a two-part study from the Medical Care Research Unit at Sheffield University. The first part was published by Sheffield University in August 1995 and concerned the scale and scope of access to complementary medicine practitioners via general practice. Copies of the report are available in the Library.

A report on the second part of the study is expected later this year. This part involves ten detailed case studies of different complementary medicine schemes within primary care and aims to assess the benefits and problems of each, and to make practical recommendations about the way forward for the potential integration of complementary medicine in primary care. Particular attention is being paid to the range of National Health Service complementary medicine provision that is currently available free at the point of access.

The NHS research and development programme is currently funding the following research projects:

complementary therapies in the management of back pain;

acupuncture for the management of pain in primary care;

the effectiveness of different psychosocial interventions for patients and their families following cancer diagnoses and treatment;

evaluating the effectiveness of acupuncture in defined aspects of stroke recovery;

multi-centre study of acupuncture for episodic tension headaches;

a double blind, randomised, parallel group, study evaluating the efficacy of a homoeopathic remedy in asthma;

the use of complementary therapies by women with breast cancer in South Thames region;

art therapy as an adjunctive treatment in severe mental illness;

non-pharmacological approaches to the management of irritable bowel syndrome;

the efficacy of acupuncture versus local anaesthetic injection in the treatment of myofascial pain in the jaw muscles;

assessing the effectiveness of hypnotherapy for pain relief in patients with chronic low back pain;

the effect of abdominal massage on the bowel habit of adults with cerebral palsy;

tea tree oil as an aid to fighting infection;

reflexology in the treatment of irritable bowel syndrome in a primary care setting.

### Health Care (Coventry)

**Mr. Jim Cunningham:** To ask the Secretary of State for Health what measures the NHS has introduced to improve the provision of healthcare services in Coventry since 1 May 1997. [48512]

**Mr. Milburn:** Healthcare services in Coventry have benefited from significant extra resources since May 1997, including £1 million towards the cost of winter pressures and a further £1.8 million to fund waiting list initiatives in Coventry, which will facilitate a reduction of 24 per cent. in the total inpatient waiting list by the end of March 1999.

The newly approved £174 million Walsgrave Private Finance Initiative scheme will lead to the reprovision of general hospital services and acute mental health services within Coventry which will allow for a sound foundation for the further development of excellent health services in Coventry well into the next millennium.

### Smoking

**Mr. Jim Cunningham:** To ask the Secretary of State for Health what steps he plans to take to reduce the number of women who smoke during pregnancy. [48511]

**Ms Jowell:** We currently fund the Health Education Authority to run an adult smoking education campaign costing £5.5 million. The campaign identifies five key target groups, and two of these groups are adults in the 16–24 age group and women, particularly pregnant women.

Our future plans to reduce smoking will be set out in our White Paper on Tobacco Control, later this year.

### Waiting Lists

**Mrs. Ewing:** To ask the Secretary of State for Health what are the estimated costs of the Government's plans to reduce NHS waiting lists in the years *(a)* 1998–99 and *(b)* 1999–2000. [48461]

**Mr. Milburn:** We have provided an extra £417 million to tackle waiting lists in England in 1998–99. By next April we will deliver a record reduction to bring them below the 1.16 million level inherited from the previous administration. This will be the first step in delivering the pledge to bring them down by 100,000 from the inherited figure. Resources for 1999–2000 and beyond are being considered as part of the Comprehensive Spending Review.

### Health Service Administrative Costs

**Mrs. Ewing:** To ask the Secretary of State for Health what are the estimated savings from reducing management and administrative costs in the NHS in the years *(a)* 1998–99 and *(b)* 1999–2000. [48464]

**Mr. Milburn:** On 23 December 1997, I announced a programme of measures to reduce National Health Service management costs by £73 million in England in 1998–99, together with a £7 million reduction in Departmental running costs. Target reductions for 1999–2000 and beyond will be announced in due course.

The White Paper, "The New NHS", sets out a programme of action to release £1 billion from bureaucracy over five years. Reductions planned to date will ensure that by the end of this year £240 million, which would otherwise have been spent on bureaucracy, will have been released for patient care.

### Vitamin B6

**Mr. Hayes:** To ask the Secretary of State for Health what representations his Department has received on the sale of vitamin B6. [49191]

**Ms Jowell:** The Department and the Ministry of Agriculture, Fisheries and Food have received over 12,000 representations from a variety of sources including consumers, organisations representing consumers, Members of Parliament, practitioners and retailers. Many of these are standard letters.

My hon. Friend the Minister of State, Ministry of Agriculture, Fisheries and Food and I met representatives of certain organisations representing consumers,

manufacturers and retailers of dietary supplements, and representatives of complementary medicine interests, to discuss proposed controls.

### Foreign Patients

**Mrs. Gillan:** To ask the Secretary of State for Health how many non-United Kingdom citizens were treated by the NHS between 1 May 1997 and 1 May 1998; and what was the total cost to the NHS. [49145]

**Mr. Milburn:** The information requested is not held centrally.

### In Vitro Fertilisation

**Mr. Oaten:** To ask the Secretary of State for Health how many patients who had had one or more children prior to in vitro fertilisation treatment received such treatment on the National Health Service in 1996–97. [48800]

**Ms Jowell:** The information requested is not collected centrally.

**Mr. Oaten:** To ask the Secretary of State for Health what is the average cost per patient of in vitro fertilisation treatment on the National Health Service. [48803]

**Ms Jowell:** The average cost per patient of in vitro fertilisation treatment on the National Health Service is not collected. However, we have estimated, using information supplied by the Royal College of Obstetricians and Gynaecologists and the national infertility awareness campaign, that the cost is £2,000-£3,000 per cycle.

### Primary Care Groups

**Mr. Laurence Robertson:** To ask the Secretary of State for Health if it is his policy that primary care group areas should be coterminous with the geographical areas of social services responsibilities. [48954]

**Mr. Milburn:** No.

## WALES

### Housing Renovation (Flintshire)

**Mr. Barry Jones:** To ask the Secretary of State for Wales if he will make a statement on his policy concerning the modernisation of housing estates, with particular reference to Flintshire. [47422]

**Mr. Win Griffiths:** We aim to tackle the worst problems on local authority housing estates by co-ordinating efforts to raise the quality of the housing stock, along with social and environmental improvements. In this context, it is for councils to determine their own spending priorities in the light of local needs within the resources available to them. For 1998–99 we were able to increase local authority housing capital provision to £214.2 million, an increase of 11 per cent. on inherited spending plans. Provision for future years is being considered in the Comprehensive Spending Review.

For 1998–99 Flintshire County Council received £1.331 million as the housing element of its Basic Credit Approval; an additional £1.881 million under the Capital Receipts Initiative for housing and housing related works; and an allowance within the housing subsidy calculation of £6.874 million for the management and maintenance of council housing. The Council also received £6.151 million for the renovation of private housing and disabled facilities grants. The Council did not submit a bid under the Estates Partnership Programme.

### Departmental Staff

**Mrs. Ewing:** To ask the Secretary of State for Wales how many staff are employed by his Department, or executive agencies responsible to his Department; where those staff are located; and how many civil servants are directly employed at his Department's offices in London. [48463]

**Mr. Ron Davies:** The number of full time equivalent staff (including casuals) employed by the Welsh Office and its Executive Agency CADW are as follows:

| | *Location* | *Number* |
|---|---|---|
| Welsh Office | Cardiff | 1,602.22 |
| | Out Stations | 504.48 |
| | London | 20.00 |
| CADW | Cardiff | 82.50 |
| | Monument Sites | 119.09 |

### Access to the Countryside

**Dr. Marek:** To ask the Secretary of State for Wales if he will list the principal extensive areas of open countryside in Wales to which public access is not at present available. [48863]

**Mr. Win Griffiths:** The extent of "open countryside" in Wales is estimated to be between 0.8 and 1 million ha. About 0.3 million ha of that is accessible through statutory provisions and voluntary agreements.

There is little information on how much of the remainder is or is not available for public access.

### Roads (A487)

**Mr. Wigley:** To ask the Secretary of State for Wales what is his latest estimate of the starting date of works on the A487 trunk road between Llanllyfi and Groeslon; and if he will make a statement. [49014]

**Mr. Hain:** The A487 Llanwnda—Llanllyfni scheme is subject to the current review of the Welsh trunk road programme. A report on the review will be published later this year.

### Public Registers

**Mr. Cohen:** To ask the Secretary of State for Wales if he will list the public registers for which his Department has responsibility. [47365]

**Mr. Ron Davies** *[holding answer 29 June 1998]:* My Department has responsibility for the following public registers:

Register of independent schools in Wales

Register of approved voluntary children's homes

Register of medical centres in Wales responsible for the administration of yellow fever vaccine

List of Buildings of Special Architectural or Historic Interest

Schedule of Ancient Monuments
Register of Historic Parks and Gardens
Register of Historic Landscapes.

## EDUCATION AND EMPLOYMENT

### Disability Discrimination

**Mr. Oaten:** To ask the Secretary of State for Education and Employment (1) what measures have been taken by each Government department to implement the provisions of the employment code of practice issued in connection with the Disability Discrimination Act 1995; [38758]

(2) what measures have been taken by each Government Department to implement the provisions of the goods, facilities and services code of practice issued under Part B of the Disability Discrimination Act 1995. [38759]

**Mr. Alan Howarth** *[holding answer 20 April 1998]:* In July 1996 the Head of the Civil Service wrote to all Departmental Permanent Secretaries to alert them to the implications of the employment provisions in Part II of the Act and the employment Code of Practice for Government Departments as employers. As a result, Departments have taken a variety of steps reflecting their particular circumstances to ensure that they comply with the provisions. Departments will continue to keep the need for further action under review. All Departments are committed to equal opportunities and do not discriminate against staff or eligible applicants for posts on any grounds including disability.

An action pack entitled "Government as a service provider" was also sent to all Permanent Secretaries. The pack gives guidance to Government officials and those working in executive agencies and associated bodies to assist them in complying with the first rights of access to goods and services introduced under the Act. The guidance was for dissemination to key staff with responsibility for overseeing implementation of these new duties upon providers of services to the public. Departments will continue to keep the need for further action under review.

A selection of actions taken is as follows:

*Cabinet Office*

The Cabinet Office (Office of Public Service) in addition to its role as an employer promotes and monitors the overall effectiveness of the Civil Service's equal opportunities policy. To help departments and agencies with the implementation of the Disability Discrimination Act, the following actions were taken:

General

In 1995 the OPS set up an Inter-departmental Focus Group on the Act to help Departments and Agencies comply with the legislation. The Group looked at issues around monitoring of disabled staff, changes to the recruitment Orders in Council and the revision of the Programme for Action to Achieve Equality of Opportunity in the Civil Service for Disabled People, and the information handbook, Focus on Ability. It also met with officials from the DfEE to discuss the draft Code of Practice and the implications for the Employment Service's *Positive About Disabled People* symbol.

The (revised) Programme for Action

In 1996, the Programme for Action to Achieve Equality of Opportunity for Disabled People was updated and revised to take account of the changes in the law. To help departments and agencies meet these duties, the "checklists" in the revised Programme for Action were highlighted in bold to show they originated from the requirements of the Act. Copies of the revised Programme were issued to departments and agencies through the Equal Opportunities Officers/Disabled Persons' Officers (EOO/DPO) network in November 1996.

Focus on Ability: A Practical Guide to Good Practice in the Employment of Disabled People

A revised copy of the handbook, Focus on Ability: A practical Guide to Good Practice in the Employment of Disabled People, was issued to departments and agencies on the EOO/DPO network in March 1997. The revised handbook included advice on implementing the Act.

Progress Report

On 2 April 1998, Equal Opportunities in the Civil Service: A progress Report 1995–1997 was published. This report demonstrates good progress in promoting equality of opportunity in the Civil Service during the period 1 April 1995 to 31 March 1998, with at least 80 per cent. of departments and agencies reporting specific action to comply with the Act. Some of the more common actions include: issuing guidance notes to staff, organising seminars and workshops, buildings audits, staff surveys, drawing up action plans and updating existing personnel and training guidance notes.

The Civil Service Data Summary

With the introduction of the Act, the disability categories used to collect information for MANDATE were amended to reflect the Act's definition of a disabled person. (MANDATE is the OPS's database of information about Civil Service personnel. It covers most, but not all, Government departments and agencies and is updated quarterly. Because it has records on a person-by-person basis it is possible to examine combinations of features such as grade, age, gender and disability. The records are made anonymous by departments and agencies so that individuals cannot be identified in OPS.)

Cabinet Office (OPS) as an Employer

The Department has integrated the requirements of the employment Code of Practice within its personnel procedures. Disability is included within the ambit of the Department's equal opportunities statement which make it clear that everyone shall have equality of opportunity for employment and advancement on the basis of their ability, qualification and suitability for work. When necessary, reasonable adjustments are made to enable those with disabilities to compete freely and openly for work. This includes the provision of sign language interpreters and consulting the Employment Service's Placing Assessment and Counselling Teams when disabled staff join or become disabled whilst in post. The Department has commissioned a disability audit of its buildings and actions recommended by the report are being carried out. Disability awareness was included in the training of the Department's network of Harassment Contact Officers. The Department is participating on policies which improve the position of disabled people within the Civil Service such as Workable.

The Department has no significant involvement with the provision of goods and services to individual members of the public but selected publications are available in alternative formats; and if a request was received to give information in an alternative format, arrangements would be made for this to happen.

*Ministry of Agriculture, Fisheries and Food*

The provisions have been brought to the attention of all staff. Recruitment practice and all internal procedures for staff have been reviewed. Additional guidance has been issued to personnel staff. Material on equal opportunities for training courses has been updated. Managers of staff who have declared a disability which has an impact on their work have been provided with specific guidance, in addition to the annual guidance issued to all staff on all equal

opportunities aspects of staff appraisal. Additional seminars on disability awareness and the employment considerations of disability have been held for personnel and other staff.

When recruiting, the Ministry welcomes applications from individuals with a disability, and is taking part in the "Workable in the Civil Service" programme. A disability audit of all its buildings is almost complete and many recommendations are already in place or underway.

The Ministry is keeping under review access to services and premises under the Citizens Charter initiative and in the light of responsibilities under the Act. It is ready to respond to requests for information in alternative formats and able to provide guidance and support on the use and completion of forms. The disability audit of the MAFF estate will address the needs of disabled customers as well as staff.

*Department for Culture, Media and Sport*

The Department is committed to equal opportunities and does not discriminate against staff or eligible applicants for posts on any grounds including disability. All possible steps are taken to ensure that staff are treated equally and fairly and that decisions on recruitment, selection, training, promotion and career management are based solely on objective and job related criteria. The Department recently launched a programme of equal opportunities awareness training for all staff, which includes a session on the Act. It has also provided application forms in alternative formats.

All the Department's buildings are accessible to people with disabilities and a full disability access audit was commissioned at the end of 1997. The report is due to be finalised shortly and the Department will then consider what action is necessary.

The Department is largely a policy department and sponsors a wide range of public bodies to deliver its objectives. These bodies are in the front-line of service delivery to the public and are each responsible for ensuring that they do not discriminate against disabled people.

*Ministry of Defence*

The provisions provided an underpinning to many of the Department's existing civilian practices in respect of the employment of disabled people. For example, the Ministry already had a programme to promote the employment of people with disabilities, and used the *Positive About Disability* symbol.

The Department has ensured that its statutory responsibilities towards disabled people, as defined in the Act and its supporting Code of Practice, were communicated to all staff, both civilian and those Service personnel with responsibilities for managing civilian staff. Means used included: publication of a Defence Council Instruction; specific guidance in the MOD Personnel Manual and the proofing of existing Departmental personnel management procedures and practice; disability awareness issues in equal opportunities training programmes and seminars; and articles in in-house journals. Early this Summer, the launch of a new Departmental Programme of Action on Disability, which includes comprehensive guidance on how the needs of disabled applicants or staff should be met, will provide a further opportunity to disseminate best practice aimed at improving the Department's performance as an employer of disabled people.

The Department has communicated to staff those responsibilities relating to the implementation of the goods, facilities and services provisions contained in legislation and in the Code of Practice. Dealings with the public are limited and consequently to many of its personnel the Department's role as a service provider will not be immediately obvious. Nevertheless where there is contact with the public, for example, in the provision of printed information or at "Open Days", the Department has emphasised the need for staff to take into account the needs of disabled people.

*Department for Education and Employment*

The Department has undertaken a number of measures to implement the provisions. A confidential survey was made of all staff to ascertain the incidence and nature of any disability or impairment in DfEE. The survey also covered what help was already being received, if further or new help was required and if there were any need to receive communications in an alternative format. Presentations were held in all locations to promulgate both information about the Act and to impart best practice in the management of staff with disabilities. Copies of the employment Code of Practice were issued to all senior managers.

In November 1996 the Equal Opportunities Team issued a guide to help staff and line managers to understand and comply with the Act. It is now being revised in the light of the issues which have arisen since the provisions came into force. An Advisory Group for People with Disabilities was set up to act as a forum to discuss any issue relating to people with disabilities. The Group has a DfEE Board member as a sponsor who acts as a direct link between the Group and the DfEE Board. The *Positive about Disability* symbol was adopted in April 1996. Its use has been reviewed to ensure that the system is working successfully.

All the Department's Directorates develop and implement action plans to mainstream equal opportunities in all policies and services. The Department has undertaken surveys of all its headquarters sites in anticipation of the Act's provisions, it also considers carefully the impact of any works or alterations on its facilities and provision of services with regard to the Act. The Department has assessed its provision of information to include various media and has made its public inquiry point as accessible to people with disabilities as is practicable.

*Department for the Environment, Transport and the Regions*

Within the central core of the Department, a special working group was established to develop existing employment policy and ensure compliance with the provisions. Initially the group spearheaded an awareness programme which included the issue of a specific guide on the Act for all staff, training modules for practitioners, senior managers, and harassment contact officers; circulation of the DfEE videos, good practice information and questionnaires. The group was recently re-established with a new remit to update departmental guidance material and to consider wider issues such as disability in relation to Investors in People.

As part of the Department's strategy on developing disability policy it has adopted the *Positive About Disability* Symbol; it operates a staff network for disabled staff; and it maintains a special budget for aids and equipment to assist disabled staff.

The Department produced a legal and policy framework for the goods, facilities and services provisions which provided full details of the requirements of this part of the Act and how to comply. All Property Managers within the Department have received copies of the document and were asked to ensure they comply fully. They have been encouraged to undertake Access Audits of their properties and to plan actions appropriately.

*Foreign and Commonwealth Office*

All staff were informed by telegram of the introduction of the Act and its implications. A disabled persons officer co-ordinates reasonable adjustments for disabled staff. A budget is also available for the purchase of aids and equipment. A disability access audit of the FCO main building is being conducted.

The FCO operates a guaranteed interview scheme for people with disabilities who meet the initial sift criteria. There is a requirement for Diplomatic Service recruits to be able to serve at any post overseas; this is not required of people with disabilities.

A disability access audit has been carried out on the plans for the Public Information Centre currently under construction.

*Department of Health*

The Department cascaded details of the employment provisions of the Act to line managers in December 1996. In addition personnel officers received general disability awareness training and specific training on the Act. In terms of recruitment the Department's Job Specific Selection (JSS) process, introduced in August 1996, was based on fair and open competition in line with the Civil Service Commissioners Code. Recruitment panel members received training on JSS which covered equal opportunities and specifically disability issues. In addition, the Department is a *Positive about Disability*

symbol user. The Department has taken steps to monitor retention of staff with disabilities, and its main personnel functions are also monitored regularly for their equal opportunities performance.

A network of harassment advisers was set up to give advice to staff, including for harassment or discrimination on grounds of disability. The Department also has a Disability Working Group, a staff reference group focusing on disability issues including the Act. The Department has made various adjustments to enable existing staff to be retained, for example supplying special computer equipment and secretarial support. For job applicants with disabilities application forms are made available in Braille, large print, and audio tape on request. At the interview stage, special arrangements can be made, for example using an induction loop for candidates with a hearing impairment.

The Department makes publications available in Braille, audio tape and large print. They are generally distributed through agencies who have regular contact with those people who have special needs, including the sensorily impaired.

*Home Office*

Staff have been informed by notices and other publications of the provisions and implications of the Act including specific guidance on the duty of reasonable adj tment. Focus groups and workshops are used for two-way feedback. Disability awareness seminars have been held across the UK and awareness raising continues according to need, such as in relation to hearing impairments. Presentations by the Centre for Accessible Environments have been held for key staff on the physical features that need to be taken into account to make buildings accessible to staff with a range of disabilities.

"Enabling Technology at Work" seminars led by the Computability Centre have taken place and equal opportunities contact points provide advice to staff on all aspects of the Act, including DfEE and DSS booklets. The Home Office is *a Positive about Disability* symbol user. The Home Office has monitored effective implementation through a telephone survey: staff surveys will be carried out later this year to update existing data on the extent and nature of disability.

Reasonable adjustments are made on request and signers are provided for meetings and interviews. Most conference rooms have permanent or portable induction loops. Internal communications have been available in large print and in Braille and audio cassette on request. Health and safety officers are aware of the need to take disabled staff into account when considering health and safety issues. Staff with mobility problems have personal evacuation plans in the event of emergencies. All major office buildings occupied by the Home Office have wheelchair accessible toilets. Where possible, access has been taken into account in refurbishment, and this also applies in the acquisition of new buildings. Evaluation criteria of tender bids take into account the requirements of the Act.

Staff across the Department dealing with the public have received training on the service provisions. Publications are produced in alternative formats whenever practicable. Areas of the Home Office dealing directly with the public have minicom systems and members of staff trained in signed language skills.

The Home Office Constitutional Unit, with disability organisations, is exploring ways of making the electoral process more accessible for disabled electors. A Working Party on Electoral Procedures has considered a number of proposals about improving procedures which affect disabled voters and has authorised work to take these forward.

*Department for International Development*

The Department's equal opportunities policy has been amended to reflect the provisions and staff have received training in its implications. A guide to the law on discrimination has been drawn up and made available to members of recruitment and promotion boards. Other measures include an access audit carried out for the Department by the Centre for Accessible Environments. Adjustments to premises include the installation of induction loops in conference rooms, visual fire alarm warnings, adaptation of toilet facilities and emergency evacuation chairs for people with mobility impairments. Adjustments are also made in response to a number of individual needs. Testing and assessment materials have been modified for use by candidates with visual and hearing impairments.

The Department has no significant involvement in the provision of goods, facilities and services to individual members of the public but these measures have also contributed to meeting its responsibilities towards disabled customers.

*Law Officers' Departments*

These Departments endeavour to meet the provisions by ensuring that all recruitment, induction, general development and promotion opportunities are free from discrimination. Consideration is given, where necessary, to adjustments to working environments to ensure the workplace permits disabled staff to perform their duties to the best of their ability.

The Crown Prosecution Service has implemented a programme of modifications to the premises it occupies and new occupations and refurbishments take into account the requirements of the Act and reflect the needs of disabled users.

*Lord Chancellor's Office*

Detailed guidance has been supplied to all staff and a copy of the employment Code of Practice supplied to all senior managers. Further practical guidance on specific aspects of the Act, internal magazine articles and specialist videos have been widely circulated and guidance notes produced for welfare officers. Internal training courses and procedures for recruitment, induction, selection and appraisal, and a confidential questionnaire to staff have been reviewed and revised. An accommodation user group has been established which includes staff with disabilities.

The Department has commissioned a set of studies throughout the Estate to ensure best practice for the future. These reports were received in February 1998 and are currently being analysed before a schedule of works is produced. Guidelines dealing with the provision of courtroom interpreters for deaf litigants and witnesses have been prepared.

*Northern Ireland Office*

The Equal Opportunities Unit of the Department of Finance and Personnel has issued a revised Code of Practice on the employment of people with disabilities in the Northern Ireland Civil Service. The main aim of the Code is to provide a framework to help Departments in Northern Ireland to achieve equality of opportunity for people with disabilities and to make full use of the skills and abilities that people with disabilities possess, through career development, training, opportunities for flexible working and the provision, where necessary, of adaptations to premises, equipment or support.

A copy of the Code of Practice on access to goods, facilities, services and premises was issued to staff in Northern Ireland Departments with specific responsibility for the Act when the Code was published in Northern Ireland in December 1996. The then Permanent Secretary of the Department of Health and Social Services wrote to all Northern Ireland Permanent Secretaries about the new Act's duties enclosing a copy of the Code of Practice. In August 1996 all Northern Ireland Principal Establishment and Finance Officers and Principal Establishment Officers were alerted to the implications of the Act for Northern Ireland Departments as both employers and service providers.

*Scottish Office*

The Scottish Office set up a steering group to consider the implications of the provisions for all aspects of employment practices, including recruitment, career development, and promotion and dismissal. The Department has undertaken a survey of all staff, giving them the opportunity to self-declare any disability which meets the definition given by the Act. In promotion and recruitment the Department has extended to candidates who self-declare a disability the same support which was previously offered to registered disabled candidates in line with DDA requirements. Training on the Act and disability awareness, which was open to all staff, has been held. Staff with disabilities can also seek specialist support and equipment from a centrally held budget.

The Department has also carried out an access audit on all buildings in the Scottish Office estate. A programme of work has been drawn up to address the areas identified in this exercise. Works being carried out include fixed and portable induction loops for people hard of hearing; fixed and portable wheelchair ramps; automatic doors to some major buildings; tactile floor surfaces on stairways; providing disabled toilet facilities; providing dedicated car parking spaces. All of these will benefit disabled customers as well as disabled staff. Work was started in 1996 and will continue on a rolling programme basis over the coming years.

*Department of Social Security*

The Department has examined its personnel policies and practices to make sure that they are not potentially discriminating and amending them as necessary to take account of the new legislation. It runs legal awareness seminars on the employment provisions of the Act for personnel staff across the Department as well as disability awareness sessions for staff covering the implications of the new legislation. Some business units are also undertaking staff disability surveys using the Disability Discrimination Act definition of disability.

The Department has made all estates staff aware of the content and implications of the Act and of their role in establishing accommodation that is both accessible and suitable for disabled people. An increasing number of buildings occupied by the Department now fully meet the requirements of the new legislation. Now that the ownership and management of most of its buildings have transferred to the private sector, contracts are in place which will ensure that our private sector partners comply with the legislation.

*Department of Trade and Industry*

The Department has issued a notice to all staff setting out the main provisions of the Act and how it may impact on the Department's practices and procedures, providing examples of reasonable adjustments. Guidance material on staff appraisal and internal transfers includes examples of best practice in dealing with applications for promotions and transfers from staff with disabilities. Training liaison officers consider any special requirements which staff attending training events may require. The Department maintains an electronic noticeboard which covers disability issues.

The Department has also established a Disability Group to co-ordinate issues affecting disabled staff and has established focus groups to discuss specific issues. Staff with disabilities are represented on Building User Groups. Central budgets are available to provide adaptations to equipment and information technology.

The Department's Inquiry Unit has a textphone and guidance has been issued to all managers about what they can do to ensure that publications are more accessible to a disabled audience. It has arranged for access surveys to be carried out by RADAR on all DTI headquarters buildings and is currently following up the recommendations as appropriate. The Department has also established a Disability Group to co-ordinate issues affecting disabled people including building access, access to information services and services open to the public.

*HM Treasury*

HM Treasury keeps under constant review all recruitment, accommodation and employment arrangements and is doing so in light of the Act. Action taken so far includes raising awareness with the issue of information to all staff about the employment provisions of the Act, reminding staff of the services of the disabled persons officer and the support which is available and announcing the launch of the Bursary Scheme for Civil Servants with disabilities and inviting all eligible staff to apply. A full disability audit was conducted to identify which employees are, or may be, disabled persons under the terms of the Act and a re-survey will be undertaken soon to try to improve response rates.

The Department is also considering a full audit of the physical features of the buildings used by the department to identify any features which may place disabled staff or visitors at a disadvantage. Meanwhile, it has installed evac-chairs in both buildings and in its main building increased the number of disabled car parking spaces available. Evacuation procedures relating to disabled persons have been revised. Standing instructions on recruitment have been revised to provide for the needs of disabled candidates. Application forms, with specific reference to identifying the needs of disabled candidates, and monitoring procedures covering recruitment, appraisal, postings, and promotion have been revised to reflect the new definitions of disability under the Act.

HM Treasury has notified all staff of their obligations under the Act in the provision of services to the public and their needs will be addressed in the access audits undertaken.

*Inland Revenue*

A major task has been systematically to review personnel policies and practices to ensure that the Act's provisions are met. Additionally, a project team of key personnel was established; the *Positive about Disability* symbol introduced; disabled persons' officers established to provide support and guidance to disabled people, their managers and colleagues. A disability survey was carried out in 1995 and personnel procedures and practices are monitored to ensure they do not impact adversely on disabled people.

Model competence-based schemes have been introduced for recruitment at junior levels. A disability strategy and related programme of action being developed should ensure that disability issues are dealt with in a pro-active manner and employer responsibilities are fulfilled. Regular articles in departmental publications inform employees of developments and build awareness of their responsibilities. A guide for all employees helps them understand the implications of the legislation and their individual responsibilities.

The Inland Revenue has been taking steps to meet its current obligations under Part III of the Disability Discrimination Act 1995 and to prepare for its future obligations to make adjustments. Qualitative research into the needs of disabled customers has been completed which has been used to inform policy and the Department is working towards a written policy statement on services to disabled customers. All new buildings will provide a range of facilities for disabled people. Existing buildings are being audited for disability access, and such items as induction loops provided to help people with hearing problems as part of any modernisation or refurbishment programme. If a disabled taxpayer is unable to visit his/her local Tax Inquiry Centre, or if the building is not accessible, an appointment can be made to see the taxpayer at an outreach clinic, or if necessary, the taxpayer can be visited at home.

The Inland Revenue introduced a Departmental Braille service in 1996 to provide letters for blind customers. It has also produced guidance to staff on how to use large print and audio cassette formats in letters to blind and partially sighted taxpayers. The Department has produced four leaflets in Braille, large print and audio tape and is currently reviewing the possibility of greatly extending this. The Department has also issued guidance to staff on how to help disabled taxpayers fill in their tax forms.

Within Revenue offices, private interview rooms or a quiet room elsewhere in the building can be provided for those with hearing difficulties. Whilst it is not yet a requirement of the Disability Discrimination Act, the Department is working towards providing signers for those taxpayers who wish to use British Sign Language.

*HM Customs & Excise*

All staff were informed of the DDA provisions and the Department's equal opportunities policy. Personnel policies affecting recruitment, conditions of service and appointment, as well as equal opportunities trainer awareness and other courses have been amended to reflect the requirements of the Act. Legal seminars were given to equal opportunities officers and disabled persons officers on interpretation and practice of new provisions of the Act and briefings given to staff assistance officers and other personnel practitioners. The employment Code of Practice and Guidance on disability issues has been issued to personnel practitioners. The Department is a *Positive about Disability* symbol user.

Relevant provisions relating to services are incorporated into the Department's equal opportunities policy and also policy areas affecting estate management and publication of information for

customers. Equal opportunities policy staff are trained in the provisions of the Act. A new Departmental policy on the provision of alternative formats of published information for customers with disabilities has been developed.

An access programme is undertaken of all offices and buildings wherever practicable and an access audit pack was developed with the Centre for Accessible Environments.

*Welsh Office*

The Welsh Office reviewed its personnel policies and procedures and amended them where necessary to reflect the requirements of the Act and the employment Code of Practice.

Those staff involved with the provision of goods, facilities and services have been informed of the requirements of the Disability Discrimination Act 1995.

*Forestry Commission*

The Forestry Commission has introduced a wide range of measures to implement the provisions, covering issues such as recruitment, training, equal opportunities, career development, promotion, grievances, accommodation and technical support.

The Forestry Commission ensures that all new recreational facilities it provides have access for the disabled, and many of its existing facilities such as holiday cabins and visitor centres already have such access. The Commission is also an active participant in the BT "Countryside for All" initiative and has just published a gazetteer which shows the location of all facilities where easy access is provided.

## Student Transport

**Mr. Whittingdale:** To ask the Secretary of State for Education and Employment if he will list the local education authorities which do not provide free travel to schools or colleges for students in post-16 education. [48997]

**Dr. Howells:** The Department does not collect this information.

## Dance and Drama Students

**Mr. Whittingdale:** To ask the Secretary of State for Education and Employment if he will list the local education authorities which do not provide discretionary awards to those studying dance or drama. [48998]

**Dr. Howells:** The Department does not collect the information required to answer the question.

## New Deal (Business Start-ups)

**Mr. Jim Cunningham:** To ask the Secretary of State for Education and Employment what assistance will be offered under the New Deal to young unemployed people who wish to start up new businesses. [48529]

**Mr. Andrew Smith:** The New Deal for young unemployed people provides extensive help and guidance for those who wish to enter self-employment. This includes an initial session to ensure that participants' ideas are viable and that they fully understand the work involved in setting up their own business; further advisory seminars and intensive guidance during the Gateway; financial support and advice throughout the Employment Option—Self Employment; and the provision of a supporter with experience in the field of self-employment. During the follow-through stage of the New Deal, people who did not originally opt to enter self-employment but who have, through their experience on other options, come to view self-employment as a possibility, will be given advice and training.

## Undergraduates

**Mr. Love:** To ask the Secretary of State for Education and Employment if he will list the numbers and percentage of undergraduates accepted in each of the last 10 years by *(a)* Oxford and Cambridge universities, *(b)* other universities and *(c)* those universities previously incorporated as polytechnics from (1) independent schools, (2) grammar schools, (3) church schools, (4) grant maintained schools, (5) local authority schools and (6) other institutions. [48465]

**Dr. Howells:** The available information is in the following table, covering UK applicants accepted onto full time first degree, HND and DipHE courses through the Universities and Colleges Admissions Service (UCAS) for 1994 to 1997. Prior to 1994 there were two application systems, the Universities Central Council on Admissions (UCCA) and the Polytechnics Central Admissions System (PCAS), and the required information is not available. Such information as was published by UCCA and PCAS appears in their annual reports, available in the Library.

*Numbers and percentages of UK domiciled UCAS applicants accepted onto full time first degree, HND and DipHE courses by university groups and previous educational establishment 1994 to 1997*

| | Year of entry | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 1994 | | 1995 | | 1996 | | 1997 | |
| Previous educational establishment | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage |
| *Oxford and Cambridge Universities* | | | | | | | | |
| Independent | 2,780 | 47 | 2,783 | 48 | 2,717 | 48 | 2,838 | 48 |
| Maintained[1] | | | | | | | | |
| Grammar | 755 | 13 | 749 | 13 | 801 | 14 | 788 | 13 |
| Sixth Form Centre | 50 | 1 | 41 | 1 | 63 | 1 | 32 | 1 |
| Comprehensive | 1,322 | 22 | 1,314 | 23 | 1,274 | 22 | 1,324 | 22 |
| Other | 20 | 0 | 15 | 0 | 18 | 0 | 17 | 0 |
| Other[2] | 955 | 16 | 935 | 16 | 842 | 15 | 944 | 16 |
| Total | 5,882 | 100 | 5,837 | 100 | 5,715 | 100 | 5,943 | 100 |

*Numbers and percentages of UK domiciled UCAS applicants accepted onto full time first degree, HND and DipHE courses by university groups and previous educational establishment 1994 to 1997*

| | Year of entry | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 1994 | | 1995 | | 1996 | | 1997 | |
| *Previous educational establishment* | *Number* | *Percentage* | *Number* | *Percentage* | *Number* | *Percentage* | *Number* | *Percentage* |
| *Other former UFC funded universities* | | | | | | | | |
| Independent | 19,572 | 15 | 19,883 | 15 | 20,810 | 15 | 21,756 | 15 |
| Maintained[1] | | | | | | | | |
| Grammar | 11,111 | 9 | 11,899 | 9 | 12,125 | 9 | 13,422 | 9 |
| Sixth Form Centre | 1,807 | 1 | 1,925 | 1 | 1,973 | 1 | 1,472 | 1 |
| Comprehensive | 38,605 | 30 | 39,651 | 30 | 41,988 | 31 | 44,597 | 31 |
| Other | 515 | 0 | 617 | 0 | 709 | 1 | 743 | 1 |
| Other[2] | 57,286 | 44 | 59,156 | 44 | 59,367 | 43 | 63,747 | 44 |
| Total | 128,896 | 100 | 133,131 | 100 | 136,972 | 100 | 145,737 | 100 |
| *Former polytechnics* | | | | | | | | |
| Independent | 5,020 | 6 | 5,093 | 6 | 4,857 | 6 | 5,151 | 5 |
| Maintained[1] | | | | | | | | |
| Grammar | 2,936 | 4 | 3,031 | 4 | 2,946 | 3 | 3,234 | 3 |
| Sixth Form Centre | 1,132 | 1 | 1,169 | 1 | 1,266 | 1 | 852 | 1 |
| Comprehensive | 18,004 | 22 | 18,698 | 22 | 19,698 | 22 | 21,724 | 21 |
| Other | 315 | 0 | 371 | 0 | 436 | 0 | 521 | 1 |
| Other[2] | 54,575 | 67 | 57,915 | 67 | 58,597 | 67 | 70,769 | 69 |
| Total | 81,982 | 100 | 86,277 | 100 | 87,800 | 100 | 102,251 | 100 |

[1] Includes both grant-maintained and local authority schools
[2] Includes further education institutes and not known
[3] Church schools cannot be separately identified

## SOCIAL SECURITY

### Women's Refuges

14. **Mr. Mackinlay:** To ask the Secretary of State for Social Security what methods and what criteria are used in the allocation and distribution of funds for women's refuges. [47481]

**Ms Ruddock:** Refuges are supported through a complex patchwork of funding. Most comes from Local Authorities or through the Housing Corporation. Resources may also be available from Housing Association schemes. Refuges charge rents and many women residents claim Housing Benefit.

We recognise that refuge funding is complex, and needs to be made simpler and more effective. That is why we are supporting research into their needs.

### Pensioners

22. **Mr. Lock:** To ask the Secretary of State for Social Security what representations the Government have received on inequalities in income amongst pensioners. [47492]

**Mr. Bayley:** To ask the Secretary of State for Social Security what assessment she has made of *(a)* present and *(b)* future inequalities of pensioner incomes; and what action she plans in this area. [47501]

**Mr. Denham:** We want today's and tomorrow's pensioners to enjoy security in retirement. Income inequality between the best and worst off pensioners has grown since 1979, and estimates show that this inequality is set to widen in the future.

Our first priority is to get extra help to the poorest pensioners. Preliminary findings from our pilot projects and research published recently show that the pilots have so far discovered pensioners who are missing out between 24 pence and £51 a week. They would also be missing out on their £50 winter fuel payment as well as cold weather payments.

It is a scandal that so many pensioners are living below the breadline. The research and pilots are an important step towards putting that right. The full results should be available early in the New Year.

### Child Support

23. **Dr. Starkey:** To ask the Secretary of State for Social Security what assessment the Government have made of the need to reform the current system of child support. [47493]

28. **Mr. Stringer:** To ask the Secretary of State for Social Security if she will make a statement on the Government's proposals to reform child support. [47498]

**Mr. Keith Bradley:** I refer my hon. Friends to the statement made earlier today by my right hon. Friend the Secretary of State for Social Security.

**Ms Beverley Hughes:** To ask the Secretary of State for Social Security what proportion of non-resident parents with a child support assessment are not paying maintenance. [48827]

**Mr. Keith Bradley:** Of the 740,000 non-resident parents assessed by the Child Support Agency, more than half are not paying any maintenance.

### Benefits (Scotland)

25. **Mr. Dalyell:** To ask the Secretary of State for Social Security pursuant to her oral answer of 8 June 1998, *Official Report*, column 698, concerning delivery of benefits in Scotland, to which new initiatives to ensure a better service for all customers in Scotland the answer referred. [47495]

**Mr. Keith Bradley:** The Department is currently engaged in a wide variety of initiatives such as our New Deal for Lone Parents and Poorer Pensioners pilots which are designed to provide better, more integrated and secure services for our customers. These initiatives are at the heart of the development of Active Modern Service and have been piloted in a variety of locations. The lessons and best practice learnt will benefit our customers throughout the United Kingdom.

### Part-time Working Directive

26. **Siobhain McDonagh:** To ask the Secretary of State for Social Security if she will make a statement on the effect of the part-time working directive on women. [47496]

**Ms Ruddock:** We are committed to part-time workers having at least the same rights as full-time workers. This is particularly important for women as 83 per cent. of part-time workers are women. Implementation of the Part-time Working Directive will remove discrimination against them and increase the status of part-time work generally. This is a positive step for all those who choose to work part-time in order to balance work and family life.

### Flood Victims (Northampton)

27. **Ms Keeble:** To ask the Secretary of State for Social Security what steps she is taking to improve benefit payments to flood victims in Northampton. [47497]

**Mr. Denham:** The Government fully recognise the distress and suffering caused to people in Northampton who were victims of the recent floods. While compensation would normally be through insurance policies we recognise that those without insurance may need help from the social security system. The discretionary social fund can help in such circumstances.

Most of the flood victims who applied to the social fund for help have received it. However, in view of representations received, officials will be reviewing social fund provision for victims of disasters.

### Benefit Fraud

29. **Miss McIntosh:** To ask the Secretary of State for Social Security what targets she has set for the reduction of the levels of benefit fraud over the next five years. [47499]

**Mr. Field:** The Government are committed to tough action to stop social security fraud. We are currently reviewing all existing counter fraud arrangements to ensure they meet the Government's strategic objective of working towards a permanent, structural reduction in benefit fraud. Our approach contains three elements; improved detection, more effective deterrence and better prevention. We have not set a numerical target for the reduction in the level of benefit fraud over the next five years.

### Child Support Agency

30. **Mr. Baldry:** To ask the Secretary of State for Social Security when she next expects to meet the chief executive of the Child Support Agency to discuss the work of the Child Support Agency. [47500]

**Mr. Keith Bradley:** My noble Friend Baroness Hollis of Heigham the Minister with day to day responsibility for child support, has regular meetings with the Chief Executive of the Child Support Agency to discuss operational issues.

32. **Mr. Borrow:** To ask the Secretary of State for Social Security if she will make a statement on her Department's plans to change the distribution of offices of the Child Support Agency. [47504]

**Mr. Keith Bradley:** The Child Support Agency has recently transferred the routine processing work, which does not involve face to face contact, from its local sites to the six large Child Support Agency Centres. This will mean that it can be handled more efficiently. This change has released resources to deal with rising workloads and it will allow the Agency to offer significantly more face to face contact with its clients in a greater range of locations, including, in the future, local Citizens Advice Bureaux.

**Mr. Cox:** To ask the Secretary of State for Social Security (1) what are the current estimated arrears which are owed to the Child Support Agency; [47343]

(2) how many requests have been received from a parent wishing to have a personal interview with a Child Support Agency official in England and Wales during the last 12 months. [47340]

**Mr. Keith Bradley:** The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to my hon. Friend.

*Letter from Faith Boardman to Mr. Tom Cox, dated 3 July 1998:*

I am replying to your Parliamentary Questions to the Secretary of State for Social Security about arrears which are owed to the Child Support Agency and interviews with officials of the Child Support Agency.

The amount of child support full maintenance assessment debt outstanding at the 31 May 1998, was £731,620,185.51. The Agency undertakes a Debt Analysis exercise at the end of each financial year. The Debt Analysis exercise for 1996–97 indicated that the percentage of full maintenance assessment debt regarded as probably uncollectable was 38%. Similar analysis is being carried out for 1997–98 and the results will be published in the Agency's 1997–98 Annual Report and Accounts in July 1998, in a format which will satisfy the Committee of Public Accounts recommendation that the Agency " ... examine the scope for eliminating a significant amount of this debt, since it is unlikely ever to be collected ... ".

We now have a computerised Debt Management System which identifies cases promptly where payment comes overdue. The system allows staff to automatically track debts and to prioritise cases for early telephone contact with defaulting non-resident parents. The voice link system automatically dials the defaulters and presents answered calls to staff, giving details of the relevant cases on the computer screen which saves considerable staff time. Early dialogue is then established with the non-resident parent to seek to re-instate payments. This robust approach [illegible] non-compliant

non-resident parents will lead to progressive improvements in collection and enforcement. Such contact with the non-resident parent also leads to early identification of changes of circumstances which can prevent inappropriate debt accruing.

As part of its ongoing commitment to provide a high quality service to its customers, the Agency offers face to face interviews to both non-resident parents and parents with care.

The facility for face to face interviews is widely publicised by means of:

The Child Support Agency Charter.

The Maintenance Application pack and Maintenance Enquiry pack include notes for parents telling them that they can contact an Agency local office if they want advice or further information.

Parents contacting the Child Support Agency national Enquiry Line are advised of the facility for face to face interviews, where appropriate.

During the 12 months up to 31 March 1998, the total number of interviews held by the Agency was 55,577; 51,368 of these were in England and Wales.

These figures are collated to measure performance against the Agency's Charter Standard to see callers within 10 minutes of arrival when an appointment has been made; this has been achieved for over 2 years in all cases.

I am quite convinced of the need for much increased face-to-face contact, not least because of its effectiveness in reducing the incidence of fraud, improving the explanations available to customers, and improving their compliance and co-operation.

We have recently changed our organisational structure, and we aim to offer significantly more face to face contact on a peripatetic basis, in a greater range of locations which we hope in future will also include for example, CAB premises.

As part of the wider strategy to improve face-to-face contact with DSS customers, the Government announced last year that CSA would be working more closely with their colleagues in the Benefits Agency which will provide customers with a one stop service. From 1 April 1998, Benefits Agency staff have been interviewing and assisting all new Income Support parents with care to complete their maintenance application form, where appropriate. The latest available figures show that between 1 April 1998 and 17 April 1998 the Benefits Agency have interviewed approximately 8,000 customers with Child Support Agency interest.

I hope this is helpful.

**Mr. Burns:** To ask the Secretary of State for Social Security what are the total arrears for *(a)* category A interim assessments and *(b)* full maintenance assessments which are owed to the Child Support Agency. [48859]

**Mr. Keith Bradley:** The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to the hon. Member shortly.

*Letter from Faith Boardman to Mr. Simon Burns, dated 3 July 1998:*

I am replying to your Parliamentary Question to the Secretary of State for Social Security about arrears owed to the Child Support Agency.

A large proportion of the maintenance outstanding attributable to category A interim maintenance assessments relates to the first two years of the Agency when interim maintenance assessments were more frequently imposed because of non co-operating non-resident parents. The Agency is developing the way it contacts non-resident parents, and the emphasis is now to make personal contact with non-resident parents as early in the assessment process as possible to reach agreement. In a large proportion of cases this now avoids the need to impose an interim maintenance assessment and prevents arrears of maintenance building up.

The total amount of category A interim maintenance assessments outstanding (accrued since 1993) at 31 May 1998 was £728,203,563.

The move away from imposing punitive category A interim maintenance assessments to concentrating on completing full maintenance assessments has therefore led to an increase in the total full maintenance assessment debt. But this puts the Agency in a better, more realistic position to increase the flow of maintenance to parents with care, because the assessment reflects the actual circumstances of the non-resident parent. This is demonstrated by maintenance of £547.14 million being collected or arranged in 1997–98; an increase of 37 per cent. on the amount achieved in 1996–97. For 1998–99 the Secretary of State target requires £750 million of child maintenance to be collected and arranged by the Agency.

The information on full maintenance assessment debt has recently been disclosed in response to a Parliamentary Question, 9 June 1998, *Official Report*, column 552.

The amount of child support full maintenance assessment debt outstanding at the 31 May 1998, was £731,620,186. For £341,376,152 of this amount the Agency has obtained agreement from the non-resident parent to pay off the arrears by regular instalments. A large proportion of the remainder is either possibly or probably uncollectable. The Agency undertakes a Debt Analysis exercise at the end of each financial year. The Debt Analysis exercise for 1996–97 indicated that the percentage of full maintenance assessment debt regarded as probably uncollectable was 38 per cent. Similar analysis has been carried out for 1997–98 and the results will be published in the Agency's 1997–98 Annual Report and Accounts later this month, in a format which will satisfy the Committee of Public Accounts recommendation that the Agency " ... examine the scope for eliminating a significant amount of this debt, since it is unlikely ever to be collected ...".

I hope this is helpful.

**Mr. Barnes:** To ask the Secretary of State for Social Security if she will estimate the impact of introducing a £15 per week disregard for income support when CSA assessments are awarded to income support recipients. [48459]

**Mr. Keith Bradley:** The estimated cost of disregarding £15 a week of maintenance received in Income Support is £140 million in 1999–2000. The Green Paper "Children First" presented to Parliament today by my right hon. Friend the Secretary of State for Social Security proposes allowing lone parents on Income Support to keep up to £10 a week of any maintenance paid, bringing real help to children in the poorest families.

## Lone Parents

33. **Mr. Brady:** To ask the Secretary of State for Social Security if she will make a statement on the number of lone parents finding work under the new deal for lone parents. [47505]

**Mr. Keith Bradley:** Full independent evaluation of the New Deal for Lone Parents is being carried out. Interim findings of the research, published on 21 May 1998 show that the programme is having a real and measurable impact on the lives of lone parents and their children, with a marked effect on the rate at which lone parents move off Income Support.

Cumulative results for the period up to and including 29 May 1998 show that: 23,881 initial letters have been issued; 9,932 initial interviews have been arranged; 7,740 lone parents have attended interviews; 6,888 lone parents have agreed to participate in the programme following their initial interviews; and 2,241 lone parents have found jobs following agreement to participate in the programme.

A copy of the interim report is in the Library.

The final evaluation report will be available in Autumn 1999.

*Notes:*

1. Since 6 April, when the New Deal for Lone Parents was extended to all lone parents making a new claim to Income Support (phase 2), the monthly results have been collated by the Employment Service. Results for the eight prototypes (phase 1) have been amalgamated with those for phase 2.

2. The figures are subject to further validation.

35. **Mrs. Gorman:** To ask the Secretary of State for Social Security if she will make a statement on the interim report on the new deal for lone parents. [47507]

**Mr. Keith Bradley:** The interim findings of research into the initial phase of the New Deal for Lone Parents shows that it is having a modest but marked effect on the lives of lone parents and their children. The research shows that there has been a reduction of 1.9 per cent. on the overall target population in the New Deal areas, as compared to control areas. And, for new claims, the effect is greater: by 31 March, the numbers of lone parents who started new or repeat claims for Income Support since July 1997 was 6.6 per cent. lower in New Deal areas than in Control areas.

The findings translate into around 800 lone parents and an estimated 1,600 children who have left Income Support because of the New Deal for Lone Parents in the eight prototypes. Those lone parents who have moved into work are, according to DSS calculations, on average £39 per week better off. Not only are these lone parents in work better off, but they have each reduced their benefit dependency—by approximately £42 per week.

In helping lone parents reduce their benefit dependency we are able to offer lone parents the same opportunity to gain financial independence as everybody else. The key to the success of the New Deal for Lone Parents is the role of the Personal Adviser who gives lone parents help and information on jobsearch, skills training, child care and in-work benefit.

*Notes:*

1. Target population refers to those lone parents on Income Support whose youngest child is of school age.

2. The interim report provides an initial estimate of what the New Deal for Lone Parents has achieved in its first eight months. The final evaluation report will be available in late 1999.

**Mr. Bob Russell:** To ask the Secretary of State for Social Security if she will make a statement on Government action to help the poorest lone parent families during the last year. [47489]

**Mr. Denham:** Our New Deal for Lone Parents has already helped some of the poorest lone parents to improve their living standards by moving off Income Support into work. Lone parents who have been helped into work are better off by, on average, £39 a week.

We have announced a Working Families Tax Credit which will include a child care tax credit. This will provide lone parents with more help with child care costs than ever before.

We are also increasing Child Benefit for the eldest child and the family premium in the income related benefit by £2.50 a week from next April. Earlier help will be directed towards families with young children from this November through a £2.50 increase in the child allowances in the income-related benefits.

These measures will mean that around one and a half million lone parents will be better off overall, after taking account of the measure to align Child Benefit and family premium rates.

### Women's National Commission

34. **Lorna Fitzsimons:** To ask the Secretary of State for Social Security if she will make a statement about the effects which the Government's review of the Women's National Commission will have on women. [47506]

**Ms Ruddock:** A full report of the recommendations of the Government review of the Women's National Commission (WNC) will be published shortly. The Government Review Group attended the WNC plenary meeting on 23 June to discuss their findings. In many areas these coincided with those of the WNC's own review.

Some of the key conclusions that we have agreed with the WNC include the Commission retaining the status of a non-departmental public body funded by Government; the membership being increased by fifty per cent., to seventy five full member organisations; clear targets, objectives and priorities being agreed with Ministers; and regular liaison meetings between the WNC and the Ministers for Women.

Full implementation of the recommendations will result in the WNC becoming a more focused, responsive and influential organisation; better able to represent the views of a broader spectrum of women's organisations, and thereby a greater range of women; and in direct communication with Government.

### Women's Juries

**Mr. Stephen Twigg:** To ask the Secretary of State for Social Security what assessment she has made of the value of women's juries in influencing policy. [47476]

**Ms Ruddock:** The pilot juries have been a valuable exercise and a positive experience for those involved in them. They have provided an opportunity for women whose voices are not normally heard to contribute more directly to the policy making process. The two juries made over 60 recommendations, covering a range of issues including the regulation of childcare, parental leave, and part-time working. The responses are being fed into the consultation processes on "Fairness at Work" and "Meeting the Childcare Challenge".

I wrote to each of the jurors last week enclosing a copy of the Government's response. A copy of each set of recommendations and the Government response is being placed in the Library today.

A formal evaluation of the contribution juries can make to our Dialogue with Women and their effectiveness as a consultative mechanism will be carried out over the summer months.

### Disability Living Allowance

**Mr. Bercow:** To ask the Secretary of State for Social Security what representations she has had on the taxing of disability living allowance. [47494]

**Mr. Field:** We have had representations from a number of sources on this issue, most recently in the Social Security Committee's fourth report on DLA published on 20 May. We have made it clear in our Green Paper that DLA will remain a national and universal benefit and as such it will not be subject to a means test. Taxation is a matter for my right hon. Friend the Chancellor.

### Pensions Review

**Mr. Waterson:** To ask the Secretary of State for Social Security what representations she has received on progress with her pensions review. [47503]

**Mr. Denham:** We received more than 2,000 responses to the first part of the Pensions Review, and more than 200 responses to the technical consultation document on our proposals for stakeholder pensions. We are continuing to receive contributions and ideas from a wide range of people and organisations with an interest in pensions.

As set out in the Green Paper, "New ambitions for our country: A New Contract for Welfare" (CM 3805), we will publish a Green Paper on pensions later this year. There will then be a period of further consultation before final proposals are developed.

### Benefit Integrity Project

**Mr. Burns:** To ask the Secretary of State for Social Security (1) if she will list the subject matters of the *(a)* oral briefing and *(b)* written briefing and submissions given by civil servants to each Minister in her Department on the policies being pursued by her Department between 28 April and 20 May 1997 and on related issues, and the dates on which these briefings and submissions were made; [47093]

(2) if she will list the dates when each Minister in her Department was first informed by civil servants orally or by written submissions or briefings of the Benefit Integrity Project; [47094]

(3) what oral or written briefings or submissions each Minister in her Department received from civil servants on aspects of the Benefit Integrity Project prior to 29 May 1997. [47095]

**Mr. Denham** *[holding answer 24 June 1998]:* At the time of the election, briefing was prepared for newly appointed Ministers. An initial pack providing an overview of the Department's activities and the main current issues was given to my right hon. Friends the Secretary of State and the Minister for Welfare Reform, on 3 May 1997 and to me and other ministers at the beginning of the following week. The Benefit Integrity Project was not mentioned in this initial pack.

A general briefing pack on disability benefits was provided for my noble Friend Baroness Hollis on 9 May. My noble Friend had a wide-ranging introductory meeting with officials on 21 May based on the written briefing pack. The briefing pack included a paragraph which described the Project but which did not highlight the project as an issue of particular concern or about which decisions needed to be made, and it was not discussed at the meeting.

Also on 21 May, the House of Lords gave judgments on two cases about the scope of Disability Living Allowance. A briefing note was sent to all Ministers on the cases on the same day about the judgment. There was no direct connection between the two cases and the Project, but there was a brief description of it in a general briefing note on Disability Living Allowance attached to the paper. The handling of the paper within each Minister's office is set out in the table.

The attention of my noble Friend Baroness Hollis was not drawn to the project until 29 May, following a meeting between officials and representatives of disability organisations. On 30 May a paper describing the Project in detail was sent to all Ministers. The handling of the paper within each Minister's office is also set out in the table. The Project was discussed at a meeting at which all Ministers were present on 5 June.

| | *Submission about House of Lords judgments, 21 May* | *Submission about Benefit Integrity Project, 30 May* |
|---|---|---|
| Harriet Harman | Seen by the Secretary of State | Seen by the Secretary of State |
| Frank Field | Papers not retained, so no firm evidence, but office policy at the time was to show all submissions to the Minister | Papers not retained, so no firm evidence, but office policy at the time was to show all submissions to the Minister |
| Keith Bradley | Papers not retained, so no firm evidence, but office policy at the time was to show all submissions to the Minister | Papers not retained, so no firm evidence, but office policy at the time was to show all submissions to the Minister |
| John Denham | Papers not retained, so no firm evidence, but office policy at the time was to show all submissions to the Minister | Seen by the Minister |
| Patricia Hollis | Seen by the Minister | Seen by the Minister |

### Winter Fuel Payments

**Mr. Baker:** To ask the Secretary of State for Social Security if she will make a statement on her Department's monitoring of the administration of winter fuel payments. [47487]

**Mr. Denham:** We were kept informed of all significant developments as they arose. The delivery of these payments to almost ten million eligible pensioners in over seven million households was an enormous and unprecedented achievement for the Department.

The experience of making those payments will be used to inform the delivery of next winter's payments.

## Disability Benefits (High Peak)

**Mr. Levitt:** To ask the Secretary of State for Social Security how many residents of High Peak, within the last 12 months for which records are available or on the last available date, *(a)* are claiming sickness or disability related benefit, *(b)* have been investigated by the Benefit Integrity Project, *(c)* have had their benefits reduced by the Benefit Integrity Project, *(d)* have had their benefits increased by the Benefit Integrity Project, *(e)* have appealed against their level of benefit and *(f)* have won appeals against their level of benefit. [47701]

**Mr. Denham:** The administration of the Benefit Integrity Project is a matter for Peter Mathison, the Chief Executive of the Benefits Agency. He will write to my hon. Friend.

*Letter from Alexis Cleveland to Mr. Tom Levitt, dated 3 July 1998:*

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Question asking how many residents of High Peak, within the last 12 months for which records are available or on the last available date *(a)* are claiming sickness or disability related benefit, *(b)* have been investigated by the Benefit Integrity Project (BIP), *(c)* have had their benefits reduced by the BIP, *(d)* have had their Benefits increased by the BIP, *(e)* have appealed against their level of benefit and *(f)* have won appeals against their level of benefit. As Mr. Mathison is on annual leave, I am replying.

The number of residents in High Peak claiming sickness and disability benefits is shown in the table at Annex 1.

The information concerning the BIP is not available in the format requested. To provide geographical information routinely would incur high costs and disrupt processing of ongoing casework. Figures are available on a national basis only.

As at 30 April 1998, a total of 172,026 cases, including 27,991 renewal cases have been selected for action under the BIP. At the same date a total of 81,221 cases have been examined. Of the total cases dealt with 1,864 have had their benefit increased, 63,380 have remained unchanged, 10,058 have had their benefit reduced and 5,919 have had their benefit stopped.

The total included 16,366 renewal cases of which 505 had their benefit increased, 8,407 have remained unchanged, 4,436 have had their benefit reduced and 3,018 have had their benefit stopped.

1,513 requests for an appeal have been received, of these 1,103 have been sent to the Independent Appeals Tribunal (ITS) for action, 61 have been finalised by ITS. Of the 61 cases, 10 had the Benefit Integrity Project decision maintained, 36 were restored to the original award, 7 were awarded at a lower rate than their original award and 8 were awarded at a higher rate than their original award.

A monthly statistical report, concerning the BIP, can be found in the House of Commons Library.

The number of residents in High Peak who have appealed against their level of benefit and who have won appeals against their level of benefit is shown in the table at Annex 2.

I hope you find this reply helpful.

*Annex 1: Residents of High Peak in receipt of sickness and disability benefits*

| *Benefit* | *Number* |
|---|---|
| Disability Living Allowance[2] | 2,641 |
| Attendance Allowance[2] | 1,915 |
| Incapacity Benefit[1] | 2,743 |
| Severe Disablement Allowance[1] | 452 |
| Income Support claimants in High Peak and Derbyshire Dales | 1,000 |
| LA districts with a disability premium[4,5,6] | |

[1] These figures do not take account of benefit overlap
[2] Figures relate to 31 May 1998
[3] Figures relate to 30 November 1997
[4] Figures relate to 30 November 1995, rounded to nearest thousand
[5] Information by parliamentary constituency is not available. The figure has been produced by combining information on those Local Authority districts within High Peak. It should be noted that Local Authority districts may contain parts of more than one parliamentary constituency and will therefore also include customers from other constituencies e.g. Derbyshire Dales is found in both High Peak and West Derbyshire Parliamentary Constituency. The figures cannot therefore be taken as actual estimates for Parliamentary Constituencies.
[6] Disabled are defined as benefit units for whom the Disability premium is in payment
[7] Figures not available for Council Tax Benefit and Housing Tax Benefit.

*Source:*
1. Disability Living Allowance and Attendance Allowance: Analytical Services Division: 100 per cent. data
2. Incapacity Benefit and Severe Disablement Allowance: 5 per cent. sample of the benefit computer system, which excludes a small number of cases held clerically, a rating factor has been used to account for missing Post Codes
3. Income Support Quarterly Statistical Inquiry: 5 per cent. sample

*Annex 2: Residents of High Peak who have appealed against the level of sickness and disability benefit*

| *Benefit* | *Lodgements* | *Heard and decided* *Total* | *In appellant's favour* | *Per cent.* |
|---|---|---|---|---|
| Total Benefits | 278 | 149 | 43 | 28.9 |
| All sickness and Disability related benefits | 174 | 84 | 30 | 35.7 |
| SDA | 3 | 1 | — | — |
| IIDB | 16 | 1 | — | — |
| DLA | 77 | 31 | 9 | 29.0 |
| DisBen | 2 | 1 | — | — |
| ICA | 2 | — | — | — |
| AA | 10 | 2 | 1 | 50.0 |
| IB (not AWT) | 5 | 4 | 1 | 25.2 |
| IB (AWT) | 40 | 27 | 14 | 51.2 |
| AWT (not IB) | 19 | 17 | 5 | 29.4 |

*Note:*
1. The information encompasses all appeals lodged with the Independent Tribunal Service (ITS) or heard and decided between 1 October 1997 and 31 March 1998.
2. Information on appeals relating to the disability premiums of Income Support, Housing Benefit/Council Tax is unavailable

## Jobseeker's Allowance

**Mr. Chope:** To ask the Secretary of State for Social Security when her Department expects to pay Mr. Le Feuve the jobseeker's allowance awarded to him on appeal by the Independent Tribunal Service on 22 March; and if she will make a statement. [48851]

**Mr. Keith Bradley:** The administration of Jobseeker's Allowance is a matter for Peter Mathison, the Chief Executive of the Benefits Agency. He will write to the hon. Member.

*Letter from Alexis Cleveland to Mr. Christopher Chope, dated 3 July 1998:*

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent parliamentary Question asking when her Department expects to pay Mr. Le Feuve the Jobseeker's Allowance (JSA) awarded to him on appeal by the Independent Tribunal Service (ITS) on 22 March. As Mr. Mathison is on annual leave, I am replying.

The Tribunal's summary decision on Mr. Le Feuve's appeal was received at his local Benefits Agency Office on 1 April. On receipt of the decision an independent Adjudication Officer (AO) identified this case as being potentially worthy of an appeal to the Commissioner and requested a full statement of the facts and reasons for the decision from the ITS. This request was made on 14 April and further requests were made on 15 May and again on 5 June.

Until the information is received from the ITS a decision on whether an appeal to the Commissioner is appropriate cannot be made. Payment of benefit awarded by a Tribunal may be suspended whilst an AO considers an appeal to the Commissioner for a maximum of three months from the date the decision is received. This can be extended if the customer is given written notice.

However, as Mr. Le Feuve has not received any notice from the AO, payment of benefit is due. Mr. Le Feuve has therefore received payment of JSA for the period 19 to 21 July 1997, amounting to £21.07. The payment was sent to him on 2 July.

I hope that this is helpful.

### Research Projects

**Mr. Oaten:** To ask the Secretary of State for Social Security (1) when the research undertaken by the Centre for Research in Social Policy, Loughborough, into incapacity benefit and the contributory principle will be published; and if she will place a copy in the Library; [48801]

(2) when the research undertaken by Market Opinion Research International on attitudes towards disability benefits will be published; and if she will place a copy in the Library. [48802]

**Mr. Webb:** To ask the Secretary of State for Social Security (1) when the research undertaken by Alan Hedges, on pensions and retirement planning is due to be published; and if she will place a copy in the Library; [49179]

(2) when the research undertaken by Market Opinion Research International on attitudes towards welfare reform will be published; and if she will place a copy in the Library. [49151]

**Mr. Denham:** These four research projects form part of a wider programme of research on public attitudes to welfare reform issues. We plan to draw together the findings of these and other studies in a report which we expect to publish towards the end of this year. As appropriate, some of the studies will also be published individually. The work on Pensions and Retirement Planning will be published as part of the DSS Research Report Series by early Autumn. Copies of these research reports will be placed in the Library.

## AGRICULTURE, FISHERIES AND FOOD

### BSE

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the losses incurred by lowland suckler farmers during the period when BSE has been in the UK beef herd; and what public funds they have received in respect of the effect of BSE on their businesses. [47851]

**Dr. John Cunningham** *[holding answer 1 July 1998]:* In March 1997, the UK Agriculture Departments and HM Treasury commissioned an independent study from DTZ Pieda Consulting to assess the economic impact of BSE on the UK economy. The study was completed in March of this year and a copy of the published report has been placed in the Library of the House. The report includes an estimate of the impact of BSE on the beef sector as a whole, but not for lowland suckler farmers separately.

Producers of animals suspected of having BSE receive compensation based on average market prices. Additional public funds, totalling in excess of £2.5 billion, have been spent on BSE-related measures since March 1996. Lowland suckler producers will have benefited, directly or indirectly, under many of these measures, but it is not possible to quantify the sums involved.

### Meat Imports

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food from which countries Britain imports meat from any species in respect of which the abattoirs do not comply precisely with EU requirements. [47854]

**Dr. John Cunningham** *[holding answer 1 July 1998]:* Controls on the hygienic production of fresh meat for sale for human consumption are set out in Council Directive 64/433/EEC. This sets out the licensing, structural and veterinary supervision requirements to be applied in all abattoirs in all Member States. Implementation of the requirements is a matter for each Member State. The European Commission is responsible for ensuring that all Member States comply with their Community obligations in properly implementing and applying the Directive. The Directive applies similar requirements on third country establishments wishing to export to the Community. These establishments are also inspected by the Commission to ensure that they comply. They are approved on a Community basis, not by individual Member States.

**Mr. Evans:** To ask the Minister of Agriculture, Fisheries and Food what instructions have been issued to Her Majesty's Customs and Excise with regard to meat imports. [48782]

**Mr. Rooker** *[holding answer 3 July 1998]:* Meat imported from non-EU countries must enter the Community at approved Border Inspection Posts (BIPs), most of which are operated by local authorities. HM Customs and Excise have a statutory responsibility to withhold clearance of this meat until they have been notified by the Official Veterinary Surgeon at the BIP that relevant veterinary checks have been completed satisfactorily. These responsibilities have been promulgated to operational staff at ports and airports.

### Beef Industry

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food what plans he has to implement the recommendations of paragraph 31 of the Agriculture Committee's report on the UK Beef Industry (Third report, Session 1997–98, HC 474). [47892]

**Dr. John Cunningham** *[holding answer 1 July 1998]:* I have nothing to add to the reply on this point provided on page iv of the Government response (HC 720) to the Agriculture Committee's report.

### Rabies

**Mr. Flynn:** To ask the Minister of Agriculture, Fisheries and Food if the central veterinary laboratory will test animal sera submitted by British veterinary surgeons for antibodies to rabies; and what is the current scale of fees for testing by the RFFIT technique. [47995]

**Mr. Rooker:** The testing of animal sera is the responsibility of the Veterinary Laboratories Agency. I have asked its Chief Executive to reply to my hon. Friend direct.

*Letter from T. W. A. Little to Mr. Paul Flynn, dated 6 July 1998:*

The Minister has asked me to reply to your question on whether the Central Veterinary Laboratory (CVL) test animal sera for antibodies to rabies.

The Veterinary Laboratories Agency, formerly called the CVL, will test animal sera submitted by British veterinary surgeons for the presence of antibodies to rabies. The current fee for a single test is £38.50, excluding VAT. For ten or more tests submitted at the same time, the price is £28.50 per test, exclusive of VAT.

### Livestock

**Mr. Evans:** To ask the Minister of Agriculture, Fisheries and Food what measures he proposes to take to improve the standard of livestock in the United Kingdom. [48781]

**Mr. Rooker** *[holding answer 3 July 1998]:* In the financial year 1997–98, the Department spent some £10 million on research into livestock science, the broad thrust of which is to improve the performance of British livestock.

**Mr. Evans:** To ask the Minister of Agriculture, Fisheries and Food what criteria he uses to determine the standard of livestock in the United Kingdom. [48780]

**Mr. Rooker** *[holding answer 3 July 1998]:* EU legislation provides for the classification of carcases of slaughtered cattle, sheep and pigs by reference to conformation and fat cover. Abattoir operators are encouraged (but not required) to fix prices to producers on the basis of the classification reached by carcases at slaughter.

### Bovine Tuberculosis

**Mr. Hayes:** To ask the Minister of Agriculture, Fisheries and Food what representations his Department has received on the implementation of the Krebs report. [49223]

**Mr. Rooker:** We received over 300 responses to the formal consultation on the Krebs report and have received more since it ended. Respondents fell into five main groups: badger groups and individuals interested in badger conservation; other welfare and wildlife interests; farmers and farming organisations; the veterinary profession; and research interests. I am hoping to make an announcement before the House rises for the summer recess.

### New Zealand Lamb Quota

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food when the New Zealand lamb quota will next be renegotiated. [47850]

**Dr. John Cunningham** *[holding answer 1 July 1998]:* The current import quota for New Zealand sheepmeat was negotiated in the context of the GATT Uruguay Round. The basis for the quota is actual sendings in the years 1986–1988. The next round of World Trade Organisation multilateral trade negotiations will begin in 2000.

### Vitamin B6

**Mr. Hayes:** To ask the Minister of Agriculture, Fisheries and Food when he will announce the Government's policy on the sale of vitamin B6 following the completion of his recent consultation exercise. [49199]

**Mr. Rooker:** Ministers will consider the results of the consultation exercise on the Government's proposals on restrictions on the sale of vitamin B6, together with the report of the Agriculture Committee, before deciding how to proceed. An announcement on the Government's policy will be made as soon as we are in a position to do so.

**Mr. Hayes:** To ask the Minister of Agriculture, Fisheries and Food if he will list the individuals and organisations consulted on the subject of vitamin B6 during the consultation period on the draft statutory instrument on its retail sale. [49192]

**Mr. Rooker:** The lists of those to whom the consultation document on the Government's proposals on vitamin B6 was sent are set out.

In accordance with normal procedures for consultations on Government proposals, full details of the consultation will in due course be placed in the MAFF Main Library, 3 Whitehall Place, London SW1A 2HH for public scrutiny. This will include copies of the responses received, other than those requesting confidentiality. A copy of the consultation document and the list of respondents will also be placed in the Library of the House. Separate consultations were undertaken in Scotland and Northern Ireland.

*List of organisations to whom consultation letter was originally sent*

Association of British Pharmaceutical Industries
Association of County Councils
Association of District Councils
Association of Manufacturers of Medical Preparations
Association of Metropolitan Authorities
Association of Port Health Authorities
Association of Public Analysts
British Complementary Medicine Association
British Association of Nutritional Therapists
British Diabetic Association
British Dietetic Association
British Health Food Trade Association
British Heart Foundation
British Herbal Medicines Association
British Medical Association
British Nutrition Foundation
British Retail Consortium
British Society of Nutritional Medicine

British Society for Allergy Environmental and Nutritional Medicine
Community Practitioners and Health Visitors Association
Consumers for Health Choice
Consumers in Europe Group
Consumers' Association
Co-operative Union Ltd.
Council for Nutrition Education and Therapy
Council for Responsible Nutrition
Environmental Medicine Foundation
Food Commission
Food and Drink Federation
Foresight
Guild of Natural Medicine Practitioners
Health Food Manufacturers Association
Infant and Dietetic Food Association
Institute for Complementary Medicine
Institute of Grocery Distribution
Institute of Health Food Retailing
Institute of Optimum Nutrition
Institute of Trading Standards Administration
LACOTS
National Association of Health Stores
National Association of Premenstrual Syndrome
National Association of Shopkeepers and Self Employed
National Consumer Council
National Council of Women of Great Britain
National Federation of Consumer Groups
National Federation of Women's Institutes
National Food Alliance
National Housewives Association
National Pharmaceutical Association
National Union of Townswomen's Guilds
Natural Medicines Society
Nutrition Consultants Association
Nutrition Society
PMS Help
Premenstrual Society
Proprietary Association of Great Britain
Register of Nutritional therapists
Royal Institute of Public Health and Hygiene
Royal Pharmaceutical Society of Great Britain
Society for the Promotion of Nutritional Therapy
Vegan Society
Vegetarian Society

*Individuals and organisations to whom copies of vitamin B6 consultation document were sent on request*

*Individuals*

Ms S. Beatson
Mr. R. G. Burden
Mrs. J. Chambers
Mr. S. Chmelik
Miss J. M. Cochrane
Ms C. Combie
Ms B. A. Crouch
Mr. M. M. D'Souza
Ms P. Easten
Mrs. S. Flynn
Mr. A. French
Mr. S. Gallant
Ms J. A. Green
Ms M. Halliday
Mrs. S. Halliday
Ms A. Hargreaves
Mr. and Mrs. A. Hood
Ms L. Howells
Mr. D. Hurford
Ms A. Johnstone
Mr. J. Kennedy
Ms M. Kirkham
Mr. R. Levin
Mr. A McCormack
Ms D. McCrea
Dr. C. E. McFarlane
Mrs. G. Moffatt
Mr. C. Morrow
Mrs. M. M. Myers
Mrs. J. E. C. Nelson
Ms H. Overland
Ms J. Pearce
Miss J. S. Prescott
Mr. P. Rattigan
Ms T. Sabine
Mr. R. Simpson
Mr. D. Skellon
Ms N. Smith
Mr. R. E. Sullivan
Ms S. Walford
Ms A. Webber
Ms L. Winterbottom
Mrs. V. Wolseley
Mrs. H. Woollin

*Organisations*

Ms A. Bartlett—Westminster Strategy
Professor Arnold Beckett—Vitamin B6 Scientific Task Group
Mr. I. Bell—Kellogg Supply Services Europe Ltd.
Ms J. Blondel—The Naturopathic Health and Beauty Company
Ms S. Bunday—Hyperactive Childrens' Support Group
Miss L. Bunn—West Bromwich Library
Ms P. Clarke—National Pharmaceutical Association
Mrs. J. Costello—The Happy House Surgery
Ms S. Flynn—Holland Barrett
Ms S. Gaze—Clifton Housing Services
Mr. D. Gresswell—Smith Kline Beecham
Mr. B. Hampton—The Caring Clinic
Ms A. Hecks—Hartley Library, University of Southampton
Ms M. Hills and Ms C. Horner—The Margaret Hills Clinic
Ms A. Jenkins—Natural Life
Mr. A. Joy—Natural World Foods Ltd.
Ms L. Kellar—Central Lobby Consultants
Mr. I. Lawson—RHM Technology
Ms A. Martin—Simmons and Simmons
Judy Mallaber MP
Mr. B. McKinley—Chelgate Ltd.
Mr. B. McLoughlin—Health for Business Magazine
Mr. J. McShane—GJW Government Relations

Ms E. Munsey—Leicester Reference Library
Ms H. Nicholson—Food and Health Forum
Mr. D. Potter—National Autistic Society
Ms E. Quinn—Chipping Campden Food Research Association
Mr. M. Rice—OTC Bulletin
Ms V. Rudd—Barbour Index Plc.
Ms J. Smith—Leatherhead Food Research Association
Mrs. Stow—Bromley Central Library
Mr. B. Strong—Aylesbury Reference Library
Ms C. Thallon—Solgar Vitamins
Mr. M. Thompson—The Pharmaceutical Journal
Mr. I. Tillett—Scotmart Ltd.
Ms M. Webster—Browne Jacobson Ltd.
The Editor—Chemist and Druggist Magazine
Information Section—Andersonian Library, University of Strathclyde

# Written Answers to Questions

*Tuesday 7 July 1998*

## NORTHERN IRELAND

### Government Policies

**Mr. Fabricant:** To ask the Secretary of State for Northern Ireland if she will list the projects undertaken by her Department since 1 May 1997 to research public reaction to *(a)* Government policies and *(b)* potential new policies; and if she will place the results of the research in the Library. [46678]

**Mr. Paul Murphy** *[holding answer 30 June 1998]:* In line with the practice of successive Administrations, the Northern Ireland Office and Northern Ireland Departments routinely consult the public, interested parties and client groups, by way of consultation papers, discussion papers, and White Papers on a wide range of policies and proposed legislation. I have therefore confined my reply to other major exercises.

*9 March-18 May 1998*

Research to assess public attitude and reaction to a range of issues covering personal confidence in the future; attitudes to paramilitary violence; and the Belfast Agreement. The results are available on request to political parties.

### Integrated Schools

**Mr. Barnes:** To ask the Secretary of State for Northern Ireland if she will list the *(a)* numbers and *(b)* percentage of the total, of those studying in integrated schools in the (i) nursery, (ii) infant, (iii) junior, (iv) secondary, (v) further education, (vi) higher education and (vii) teacher training sectors of education in Northern Ireland; and if she will make a statement. [48298]

**Mr. Worthington:** In the schools sector, only primary and secondary schools have integrated status. There are 3,846 pupils at integrated primary schools, which represents 2.1% of total primary enrolments and 4,308 pupils at integrated secondary schools which represents 2.8% of total post-primary enrolments.

The religious composition of students at further education college and universities is mixed. There are 85,669 enrolments at further education colleges and 39,178 enrolments at universities in Northern Ireland.

There are 1,530 enrolments on initial teacher training courses in Northern Ireland. Of these, 25.4% are at universities where the religious composition is mixed. The remaining 74.6% are at: St. Mary's College, where the religious composition of enrolments is predominantly Roman Catholic, and Stranmillis College, where the religious composition of enrolments is predominantly Protestant.

### Belfast Harbour

**Mr. Mallon:** To ask the Secretary of State for Northern Ireland what is the value of the contract for the development of Belfast Harbour Exchange Retail and Leisure Park. [47894]

**Mr. Paul Murphy** *[holding answer 3 July 1998]:* I understand from the Belfast Harbour Commission that the value of the development agreement between the Commissioners and the developer of the D5 site, is represented by future rental income for the land resulting from the granting of leases to future occupiers of the development when completed. As these leases have still to be finally negotiated, it is not possible to put a specific value on the rental flow.

The £65 million estimate mentioned in recent press reports is the value which the commercial property market might place on the development when completed and fully let, and does not reflect the cost of constructing the development, which is the responsibility of the developer.

**Mr. Mallon:** To ask the Secretary of State for Northern Ireland which company has been awarded the contract for the development of the Belfast Harbour Exchange Retail and Leisure Park. [47895]

**Mr. Paul Murphy** *[holding answer 3 July 1998]:* I am advised by the Belfast Harbour Commissioners that they have appointed the joint venture group of Aquis Estates Limited and Anglia General Developments (Harbour Exchange) Limited as the preferred developer of the D5 site, known as Belfast Harbour Exchange.

### Fair Treatment Analyses

**Mr. McNamara:** To ask the Secretary of State for Northern Ireland what plans she has to make policy appraisal and fair treatment analyses available to those who contribute to, or are affected by, them. [48357]

**Mr. Worthington** *[holding answer 6 July 1998]:* Appraisals carried out under the terms of the 1993 Policy Appraisal for Fair Treatment (PAFT) guidelines are not published. The implementation of PAFT is reported on in annual reports, which are available from the Central Community Relations Unit free of charge. A report for 1997 is in preparation. The White Paper 'Partnership for Equality', contains proposals for a statutory obligation on the public sector to promote equality of opportunity which would include a requirement for equality appraisals of policies, superseding the PAFT initiative.

### Injuries Compensation (Lisnevin)

**Mr. McNamara:** To ask the Secretary of State for Northern Ireland how many boys have been compensated for injuries received in Lisnevin which were inflicted by *(a)* staff and *(b)* other children since 1991. [48351]

**Mr. Ingram** *[holding answer 6 July 1998]:* Two boys were compensated for injuries allegedly inflicted by staff in Lisnevin during the eight-year period. One incident occurred in 1995 and the other in 1996.

### Training Schools

**Mr. McNamara:** To ask the Secretary of State for Northern Ireland if she will list all Social Services Inspectorate reports on training schools since 1991. [48353]

**Mr. Ingram** *[holding answer 6 July 1998]:* The Social Services Inspectorate have carried out part or full inspections of the four Training Schools as set out in the table.

| *Year* | *Training schools* |
|---|---|
| 1991 | None |
| 1992 | All training schools |
| 1993 | Rathgael and St. Patrick's |
| 1994 | St. Joseph and Lisnevin |
| 1995 | None |
| 1996 | All training schools |
| 1997 | Rathgael, St. Patrick's and Lisnevin |
| 1998 | St. Joseph's |

**Mr. McNamara:** To ask the Secretary of State for Northern Ireland what was the maximum capacity of each training school in relation to *(a)* boys and *(b)* girls in (i) 1993, (ii) 1994, (iii) 1995, (iv) 1996, (v) 1997 and (vi) 1998. [48354]

**Mr. Ingram** *[holding answer 6 July 1998]:* The table indicates the capacity in each of the Training Schools for offenders over the period 1993 to 1998. Rathgael is the only school which accommodates boys and girls and there are no limits imposed on the maximum number of either sex within the capacity of the Centre.

| | *1993* | *1994* | *1995* | *1996* | *1997* | *1998* |
|---|---|---|---|---|---|---|
| Rathgael (Boys and Girls) | 50 | 50 | 50 | 50 | 50 | 50 |
| St Patrick's (Boys) | 54 | 54 | 19 | 19 | 19 | 19 |
| St Joseph's (Girls) | 5 | 5 | 5 | 5 | 4 | 4 |
| Lisnevin (Boys) | 56 | 56 | 40 | 40 | 40 | 40 |

**Mr. McNamara:** To ask the Secretary of State for Northern Ireland on what date Rathgael Training School ceased to be classified for use by non-Roman Catholics; and what the reasons were for the change. [48350]

**Mr. Ingram** *[holding answer 6 July 1998]:* At no time has Rathgael Training School been classified for use by non-Roman Catholics only. The Rathgael and Whiteabbey Management Board have always run the Centre on a non-denominational basis.

## Ombudsman

**Mr. McNamara:** To ask the Secretary of State for Northern Ireland what plans she has to extend the remit of the Northern Ireland Ombudsman to include the operation of the Northern Ireland Office (Criminal Justice Services) and related agencies. [48352]

**Mr. Paul Murphy** *[holding answer 3 July 1998]:* The Northern Ireland Office and its agencies come within the remit of the GB Parliamentary Commissioner for Administration. There are no plans to extend the remit of the Northern Ireland Ombudsman.

## Forensic Science Agency

**Dr. Godman:** To ask the Secretary of State for Northern Ireland what key targets were set for the Forensic Science Agency of Northern Ireland in 1997–98; what further plans have been prepared by the Agency; and what arrangements have been made for the publication of this year's plans. [49637]

**Mr. Ingram:** The following key targets were set for the Forensic Science Agency of Northern Ireland in 1997–98.

*Service Provision*

1. To have satisfied the Royal Ulster Constabulary that their essential needs for forensic science services are being met, through appropriate measurement by survey.

*Financial Performance*

2. To recover the full economic costs of the Agency.

3. To have service level agreements in place by 1 April 1998 with the Agency's main customers which quantify the volume of service expected, the quality of the service and the estimate of cost.

*Quality of Service*

4. To turnaround 97 per cent. of alcohol analyses within 30 days of the job request and all within 40 days throughout the year.

5. Based on a maximum intake of 4,250 other cases, to turnaround an average for the year of 42 per cent. within 30 days of the job request and 90 per cent. within 120 days. The target will be modified depending on the intake as shown in the Business Plan.

6. Based on an annual intake of 240 cases in which people are remanded in custody, to produce 90 per cent. of reports within 90 days of first remand (or of notification if that happens to be more than 10 days after first remand). The target will be modified depending on the intake as shown in the Business Plan.

7. To have reduced the number of cases older than 120 days to 75 at 31 March 1998.

*Quality of Science*

8. To have retained accreditation for the named scientific processes whose continued accreditation is justified by the business needs of the Agency.

9. To have made formal application for the accreditation of the named scientific processes by 31 March 1998.

10. To receive accreditation for the named scientific processes.

*Human Resources*

11. By 31 March 1998, the competencies of appropriate staff to carry out the named processes will have been assessed against competence frameworks.

*Efficiency*

12. To secure efficiency savings of £40k.

13. To have an accurate unit cost for the Agency calculated for the year ending 31 March 1998.

Achievement against these key targets will be recorded in the Agency's Annual Report for 1997–98 which will be published as soon as possible.

The Agency has published a summary of its Corporate Plan 1998–2001 and Annual Business Plan 1998–99 which explains its business and organisation, describes its key targets for 1998–98, and sets out the assumptions about workloads and resources which support its planned activities. Copies of the summary plans have been placed in the Library of the Houses. Copies will be available to the public from the Agency.

## Prison Service

**Dr. Godman:** To ask the Secretary of State for Northern Ireland when the Northern Ireland Prison Service intends to publish its 1998–2001 Corporate and Business Plan; and what performance targets have been set for 1998–99. [49638]

**Mr. Ingram:** The Northern Ireland Prison Service's Corporate and Business Plan for 1998–2001 was published today. The following key performance targets have been set for 1998–99:

1. To ensure 100 per cent. security for prisoners in high and top risk categories.
2. To ensure at least 99.5 per cent. security for prisoners in medium and low risk categories.
3. To ensure that the number of significant breaches during 1998–99 does not exceed 7.1 per 100 prisoners.
4. To increase the target number of hours of constructive activity undertaken each week by prisoners by 3 per cent. from 23 hours to 23.7 hours.
5. To establish baseline information for each establishment on the number and duration of, and potential improvements to, visits.
6. To offer sentence planning to all eligible prisoners and to achieve a 50 per cent. uptake.
7. To achieve an average of 5 days training and development per member of staff.
8. To ensure that the average cost per prisoner place does not exceed £75,766 (a reduction in real terms of 3.9 per cent. on the target for 1997–98).

The average cost per prisoner place is based on a staffed prisoner places figure of 1776. Due to the completion of two new house blocks at Maghaberry and events elsewhere in the prison estate, this figure may change during the year.

### Assembly (Verbatim Record)

**Mr. Barnes:** To ask the Secretary of State for Northern Ireland what will be the estimated cost of the published verbatim record of proceedings of the Northern Ireland Assembly. [49462]

**Mr. Paul Murphy:** The cost will depend, in part, on the number of plenary meetings during the year—a matter not yet discussed by the Assembly. As an indication of cost, one meeting each week for 40 weeks in a full year is estimated to cost in the region of £800,000 per annum.

**Mr. Barnes:** To ask the Secretary of State for Northern Ireland if she will ensure that a verbatim record of proceedings of the Northern Ireland Assembly will be available *(a)* in the Vote Office and *(b)* on the Internet. [49461]

**Mr. Paul Murphy:** An official report of debate on the Northern Ireland Assembly will be available in the Vote Office. Whether it will be on the Internet is a matter which the Assembly might wish to decide.

### Rough Sleepers

**Mr. Flynn:** To ask the Secretary of State for Northern Ireland how much has been spent on dealing with problems of rough sleepers in each of the past five years; and what estimates he has made of the total numbers sleeping rough for each of those years. [49184]

**Mr. Paul Murphy:** This is a matter for the Northern Ireland Housing Executive whose Chief Executive has advised me that research has failed to find evidence of a rough sleeping problem in Northern Ireland. Nevertheless, the Executive is to be represented on a steering group which will provide a "street outreach service" in Belfast, which should assist with early identification of problems and inform decisions on whether any further research may be necessary.

## ATTORNEY-GENERAL

### Over-lenient Sentences

**Mr. Cox:** To ask the Attorney-General in how many cases in 1997 appeals against over-lenient sentences resulted in an increase in sentence. [48325]

**The Attorney-General:** In 1997, the Law Officers referred the sentences imposed on 70 offenders to the Court of Appeal for their sentences to be reviewed under the provisions of section 36 of the Criminal Justice Act 1988. Of the References that have been heard, sentences have been increased in respect of 43 offenders. One References was withdrawn. Three References are yet to be heard.

## PRIME MINISTER

### Rough Sleepers

**Mr. McNulty:** To ask the Prime Minister if he will make a statement on the work of the Social Exclusion Unit on rough sleepers. [49465]

**The Prime Minister:** I am today publishing the Government's conclusions on the second report of the Social Exclusion Unit on rough sleeping. The report sets out a new strategy to cut the numbers of people sleeping rough by two thirds within three years.

A new Ministerial Committee, led by the Minister for Local Government and Housing, will be responsible for co-ordinating the policy across Government.

The Committee will lead a programme of prevention to ensure that the most vulnerable, often from institutional backgrounds, are better equipped to live on their own.

In London, where the problem is most acute, the Government will consult on setting up a new body to take over all the different programmes currently targeted on rough sleepers. Outside London, local authorities will be helped to coordinate activity better.

The rules of the New Deal will be changed to mean rough sleepers can qualify for the intensive help available under the scheme from the moment they sign on for benefit. This is a tremendous opportunity to break the "no home, no job" cycle. Finally, there will be a programme to challenge the business and voluntary sectors and the worlds of art and sports to make their own commitment to help rough sleepers. The Government will support a rough sleeper mentoring initiative if a suitable proposal is made.

Copies of the report are available in the Libraries of both Houses.

## HOME DEPARTMENT

### Hunting

**Jackie Ballard:** To ask the Secretary of State for the Home Department what plans he has to bring forward legislation to give local authorities the power to license or not license hunting with hounds. [47641]

**Mr. George Howarth:** Several approaches to the question of hunting with hounds are being discussed, including the option of local referendums.

### Immigration (Carriers' Liability) Act 1987

**Mr. Burnett:** To ask the Secretary of State for the Home Department what is the total amount of charges (i) imposed, (ii) collected and (iii) waived since 1987 under the Immigration (Carriers' Liability) Act 1987; and what is the total amount of charges outstanding. [49169]

**Mr. Mike O'Brien:** Charges totalling £117.3 million had been levied to 31 May 1998. Of this sum, £78.3 million had been paid, and £28.7 million waived following representations from carriers. £10.3 million remained outstanding.

### Departmental Staff

**Mr. Brake:** To ask the Secretary of State for the Home Department how staff numbers in his Department have varied between 1 May 1997 and 31 March 1998. [48872]

**Mr. Straw:** Figures covering the period 1 April 1997 to 1 January 1998 (available in the Library[1], and on the Internet[2]) are summarised in the table. It is not possible to provide information retrospectively for the specific dates requested except at disproportionate cost.

| *Area* | *FTE[3] staff numbers at 1 April 1997* | *FTE staff numbers at 1 January 1998* |
|---|---|---|
| Home Office Main (excluding Agencies) | 9,358 | 9,195 |
| Fire Service College | 215 | 261 |
| Forensic Science Service | 1,185 | 1,208 |
| UK Passport Agency | 1,407 | 1,220 |
| Home Office Main (including Agencies) | 12,165 | 11,884 |
| Her Majesty's Prison Service | 37,704 | 38,779 |
| Total Home Office including Agencies and Prison Service | 49,869 | 50,663 |

[1] Civil Service staff in post summary at 1 April 1997
[2] www.open.gov.uk/co/cseg/pmcsd/stats/apr97int.htm
[3] Full Time Equivalents: in FTE part-time staff are counted as a proportion of full-time hours worked

### Ministers (Threats)

**Mr. Paul Marsden:** To ask the Secretary of State for the Home Department if Ministers are personally informed of the details of threats made against them. [49134]

**Mr. Straw:** Ministers are personally briefed if there is a significant threat to their personal security.

### Mr. Roderick Henderson

**Mr. Fallon:** To ask the Secretary of State for the Home Department if he will offer the assistance of Scotland Yard to the French police in their investigation the death of Mr. Roderick Henderson in Paris. [48864]

**Mr. Michael:** The investigation into the death of Roderick Henderson is a matter for the authorities in France, where he died. The police in England and Wales do not offer their services to investigating authorities overseas but will respond positively to requests for assistance; the French authorities have not requested the presence of a British police officer in France to assist with this investigation.

Mr. Henderson was attacked on the Champs Elysees in Paris by a gang of rollerbladers during the early hours of Sunday 27 October 1997. He was kicked in the head by a rollerblade and died on 28 October from his injuries. He was with his son-in-law at the time. His wife and daughter had returned to their hotel by taxi.

French police have confirmed that the case is being treated as a murder investigation. An Examining Magistrate, M. Deparis, has been placed in charge of the investigation. Consular officials do not have access to the Magistrate's confidential file on the investigation. However, Mrs. Henderson's lawyers do have access to this file.

The Foreign and Commonwealth Office, through consular staff in Paris, are in regular communication with the Examining Magistrate and the French Police regarding the investigation. Our Consul met the Examining Magistrate on 29 April to underline the importance that is attached to the case and our Deputy Head of Mission raised the matter with the French Diplomatic Adviser to M. Chevenement, the French Interior Minister.

The French authorities have confirmed that police officers are assigned full-time to the investigation. They appear to have made little progress and have few leads to follow.

The Coroner for North Kent has opened an inquest and, through the consulate, has requested copies of reports relating to Mr. Henderson's death. Kent Constabulary are in liaison with the family and are assisting the Coroner with his inquiries. The National Central Bureau of Interpol are liaising with the French Police as are the European Liaison Unit of Kent Constabulary.

### Immigration Appeals

**Mr. Malins:** To ask the Secretary of State for the Home Department how many explanatory statements have been *(a)* received and *(b)* dispatched to the Independent Appellate Authority for listing of appeals from the date on which his Department assumed responsibility for the dispatch of explanatory statements following refusal of applications by entry clearance offices in British missions overseas; and if he will make a statement. [48742]

**Mr. Mike O'Brien:** Since 1 December 1997, 3,625 explanatory statements have been received and 3,194 dispatched. These include approximately 900 explanatory statements processed under the previous arrangements but received after 1 December 1997. I regret that the necessity of dealing with this backlog, together with other administrative problems, which have now been addressed, initially caused delays in dispatch.

### Correspondence

**Mr. Kaufman:** To ask the Secretary of State for the Home Department when he intends to reply to the letters dated 12 March, 16 April and 21 May sent to him by the right hon. Member for Manchester, Gorton with regard to Mr. Abdul Wahort, 208 Park Bank Lane. [48146]

**Mr. Straw:** I sent a reply to my right hon. Friend yesterday. I regret the delay in responding.

## CULTURE, MEDIA AND SPORT

### Royal Collection

**Mr. Gordon Prentice:** To ask the Secretary of State for Culture, Media and Sport when the inventory of works of art in the Royal Collection was completed; and if he will make a statement. [48501]

**Mr. Fisher:** I understand from the Royal Household, which is responsible for the Royal Collection Department, that the computerised inventory of the Royal Collection was completed in December 1997. Further development work on the use of the inventory, especially to enhance electronic public access to the Royal Collection, will take place over the next five years.

### Listed Buildings

**Mr. Gordon Prentice:** To ask the Secretary of State for Culture, Media and Sport how many Grade I and Grade II listed buildings have been destroyed since 1992. [48600]

**Mr. Raynsford:** I have been asked to reply.

I refer my hon. Friend to the answer given to him on 7 February 1996, *Official Report*, column *284*, which gives the figures for the financial years 1993–94 and 1994–95, and the answer given to him on 14 May 1996, *Official Report*, column *438*, which gives the figures for 1992–93. The figures for the last three years are:

| | *1995–96* | *1996–97* | *1997–98* |
|---|---|---|---|
| Grade I | 2 | 1 | 0 |
| Grade II* | 0 | 5 | 2 |
| Grade II | 49 | 55 | 56 |

The figures represent cases where local planning authorities notify the Department that they intend to grant consent for the total demolition of a listed building, consents which the Department issues and other total demolitions which are brought to the Department's attention. Since the House of Lords judgment in the case of Shimizu (UK) Limited *v.* Westminster City Council, the demolition of a curtilage building is likely to amount only to an alteration and hence is no longer included in the demolition statistics form 1997–98.

## TREASURY

### Mortgage Companies

**Mr. Flynn:** To ask the Chancellor of the Exchequer what new action the Government are planning in respect of mortgage companies which specialise in attracting clients with poor credit ratings. [49181]

**Mrs. Liddell:** In response to the question from my right hon. Friend the Member for Hove (Mr. Caplin), I announced on 7 April 1998, *Official Report*, column *151*, that the proposed legislation to establish the Financial Services Authority as a single regulator will include reserve powers which could enable it to regulate mortgages. The Treasury is monitoring the operation of the mortgage code introduced by the Council of Mortgage Lenders (CML) to see whether it is capable of protecting all mortgage borrowers—not just those with poor credit ratings—to the standard that the Government are determined to see achieved.

### Royal Mint

**Mr. Livsey:** To ask the Chancellor of the Exchequer if a prior options review will be undertaken at the Royal Mint. [49423]

**Mrs. Liddell:** The Government will be reviewing all the options for a public/private partnership for the Royal Mint, including full and partial sale and other forms of private-sector involvement, to enable it to take advantage of new commercial opportunities.

### Channel Tunnel Rail Link

**Mr. Gibb:** To ask the Chancellor of the Exchequer, pursuant to his answer of 29 June 1998, *Official Report*, column *28*, on the Channel Tunnel Rail Link guarantee, what risk assessment the Government applied to the project; and what were their conclusions. [48691]

**Mr. Darling** *[holding answer 3 July 1998]:* The Government commissioned external consultants' assessments of the commercial and construction risks. The assessments concluded that, under the deal announced on 3 June 1998, the various private sector parties are taking a substantial level of risk. My right hon. Friend the Deputy Prime Minister set out the conclusions regarding Government support of the project in his statement to the House of 3 June 1998, *Official Report*, columns 367–70.

**Mr. Gibb:** To ask the Chancellor of the Exchequer, pursuant to his answer of 29 June 1998, *Official Report*, column *28*, on the Channel Tunnel Rail Link, if he will place a copy of *(a)* the assessment and *(b)* the review of that assessment prepared by external consultants, in the Library. [48690]

**Mr. Darling** *[holding answer 3 July 1998]:* No. The model of London and Continental Railways' future finances, which was reviewed by external consultants, is commercially confidential.

### Education Spending

**Mr. Maude:** To ask the Chancellor of the Exchequer by how much capital spending on education increased *(a)* on average over the period 1978–79 to 1997–98 and *(b)* in 1998–99. [46432]

**Mr. Darling:** Table 3.7 of *Public Expenditure: Statistical Analyses 1998–99* (Cm 3901) shows figures for central Government and local authority capital spending on education for 1992–93 to 1997–98. An equivalent figure for total capital spending on education in 1998–99 has not yet been published. Data on a comparable basis are not readily available back to 1978–79, and could be provided only at disproportionate cost. National Accounts data for general government capital expenditure on education, which use a slightly different definition and are presented on a calender year basis, show an average fall in real terms of around 0.2 per cent. per annum over the period 1978 to 1996. A figure consistent with this series for 1997 is not yet available.

### European Structural Funds

**Mr. Wigley:** To ask the Chancellor of the Exchequer what steps he takes to ensure that payments made from European structural funds towards projects in Wales and Scotland are additional to the expenditure blocks defined by the Barnett formula; and if he will make a statement. [48818]

**Mrs. Liddell:** Article 9 of Structural Funds Regulation No 2082/93 stipulates that Structural Funds allocations may not replace structural or comparable expenditure undertaken by the Member State. This additionality requirement applies to each of the Structural Fund Objectives in the whole of the territory eligible under that Objective. So, for example, the UK must demonstrate each year that it has complied with the additionality requirement for Objective 2, taking the expenditure in all eligible regions of Scotland, Wales and England into account.

### Forecasting Staff

**Mr. Tyrie:** To ask the Chancellor of the Exchequer what are the staff numbers involved in forecasting in his Department; and what is the estimated cost of forecasting to his Department in the current financial year. [48996]

**Mrs. Liddell:** Around 8 members of staff in the Treasury work mainly in preparing forecasts of the economy and the public finances. Their full costs, including pay, employers' contributions, superannuation, and share of accommodation and other common services will range from about £44,000 to £73,000 per head in the current financial year depending on grade.

These individuals are engaged mainly, but not exclusively, in forecasting activities. Similarly, other members of staff contribute to the Treasury forecasts but are engaged mainly with other duties. KPMG Management Consulting's Final Report "Market Testing the Treasury's Macro-Economic Forecasting Function" (May 1997) gave a breakdown of resources devoted to forecasts and other forecast-related activities on a full-time equivalents basis (Table 1, page 15).

That report concluded that the quality of Treasury forecast output is generally perceived to be high, and that the potential for net quality improvements or net resource savings was not sufficient to justify a market test. A copy of the Report is available in the House of Commons Library.

### Millennium Compliance

**Mr. David Atkinson:** To ask the Chancellor of the Exchequer what contingency plans his Department is making in the event of the failure of computer systems to recognise the year 2000; when he expects them to be in place, and tested; and if he will make a statement. [48841]

**Mrs. Liddell:** The Treasury is currently working on a wider review of the business continuity plans for the Department as a whole. We shall build on the results of this review to ensure that Treasury's plan deals adequately with year 2000 issues. We aim to have this completed by the end of 1998.

### NUTS 2

**Mr. Wigley:** To ask the Chancellor of the Exchequer if he will make it his policy not to support a reduction in the size of the EU structural funds for the period 2000 to 2006 in a manner which will lessen the chances of those NUTS 2 areas which, on current criteria, would qualify for Objective I status, from so qualifying. [48899]

**Mrs. Liddell:** The Government believe that it is in the interests of the United Kingdom, as a substantial net contributor to the EC budget, to resist any large increase in the size of the Structural and Cohesion Funds, particularly in the light of the forthcoming enlargement of the EU to Central and Eastern Europe. This view is shared by all the major net contributors to the EC budget.

At the same time, the Government are actively seeking a fair deal for the United Kingdom and its constituent countries and regions. The Government recognise that, in order to ensure that enlargement is affordable, all the current Member States must be prepared to accept reductions in their Structural Fund receipts. But those reductions must be shared equitably: the Government would strongly resist any proposals which hit the United Kingdom disproportionately hard, particularly in comparison with richer Member States.

**Mr. Wigley:** To ask the Chancellor of the Exchequer, pursuant to his answer of 29 June 1998, *Official Report*, column *24*, if he will make a statement on those areas contained in the new NUTS 2 areas for Wales. [48822]

**Mrs. Liddell:** The statistical justification for the new NUTS 2 areas for Wales was provided in my response to my hon. Friend the Member for East Ham (Mr. Timms) of 29 June 1998, *Official Report*, column *24*.

### Personal Pensions

**Ms Lawrence:** To ask the Chancellor of the Exchequer what action he has taken to encourage independent financial advisers to complete their reviews of personal pensions. [49559]

**Mrs. Liddell:** Today, I have met senior representatives from large firms of independent financial advisers (IFAs), and the IFA networks to emphasise the priority the Government attach to early action to put right past mis-selling and to ask them to take personal responsibility for their firms' actions. Together, the 30 firms invited account for over half the IFA market.

Last year, I called in senior representatives from over 40 large firms, mostly life insurance companies, to give them the same message. I have been reporting to this House on their progress, most recently on 17 June 1998, *Official Report*, columns *208–10*.

At last, most of those firms have now made big strides—both in terms of their actual progress with the review and in their attitude towards the review.

The picture in the IFA sector is strikingly different. Little progress has been made by many IFAs, and all too many firms still seem to have the attitude that their inaction is defensible. I have been particularly troubled to see how many IFAs, when faced with the second phase of the mis-selling review, have chosen to blame everyone except themselves for the problem. The truth is people have lost out as a result of having been sold products that

were wrong for them. IFAs have a clear responsibility to sort out whether any of their customers deserve redress as a result and to make redress where that is warranted.

Yesterday, the Personal Investment Authority announced disciplinary action taken against 41 IFAs for failings connected with the pensions review. This makes absolutely clear to all IFAs that discipline is a real prospect if they fail to deal with their cases. IFAs' reviews must be tackled with professional diligence and businesslike rigour.

IFAs rightly make much of their independence, their ability to provide impartial advice as agent of the customer, to offer a full financial planning service, and deliver ongoing customer care. The reality as displayed by many firms' conduct in the pensions review is that, all too often, the customer is neglected. Failure to take reasonable steps to identify cases, failure to conduct reviews properly, inadequate resourcing, and ultimately failure to resolve and redress cases. All these failings are failures of customer care. In the long term, if the IFA sector fails to put its house in order, and genuinely command the trust of customers, it will call into question not only the viability, but possibly the desirability, of the current industry structure.

In my opinion, people should think long and hard before using an IFA. Some have clearly set their faces against doing a proper job of finding and putting right past mis-selling, and hopelessly poor progress has been made by others. My recommendation to anyone thinking of taking advice is to check out the IFA thoroughly. Check their attitude to the consumer protection that regulation provides, and to putting right past problems—including their progress with the pension review. Ask if they have ever been fined or disciplined by the regulators.

## Hospital Repairs

**Mr. Gibb:** To ask the Chancellor of the Exchequer, pursuant to his answer to the right hon. Member for Wells (Mr. Heathcoat-Amory) of 29 June 1998, *Official Report*, column *29*, if he will publish the classification rules for the national accounts. [48792]

**Mrs. Liddell** *[holding answer 30 June 1998]:* The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to reply.

*Letter from Tim Holt to Mr. Nick Gibb, dated July 1998:*

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on the classification rules of the national accounts.

The methodology underlying the national accounts is, like all methodology underlying ONS outputs, made available to users. In this case the current rules on the treatment of hospital repairs are in Chapter 12 of *United Kingdom National Accounts Sources and Methods* published by HMSO in 1985. Methodological Notes in subsequent annual editions of *United Kingdom National Accounts—The Blue Book* have updated some sections of *Sources and Methods*. Copies of both publications are available in the House of Commons Library.

Paragraph 10 of chapter 12 of *Sources and Methods* says: "Expenditure on current repairs and maintenance make good breakages in fixed assets and keep them in proper working order, while outlays on capital repair and alteration lengthen the productivity of the goods significantly. The capital outlays should consist of significant alterations and additions to, or replacements in, the parts of fixed assets. In order to be classified as fixed capital formation, the newly incorporated parts should have an expected lifetime of use of one year or more and involve substantial outlays and should also lengthen the expected lifetime of the use of the fixed assets, or alter the character or volume of services which they yield".

The ONS will be publishing a new version of *Sources and Methods* in the Autumn consistent with the 1995 version of the European System of Accounts. There is no change to the rules concerning the classification of hospital repairs.

## Abortions

**Fiona Mactaggart:** To ask the Chancellor of the Exchequer what percentage of abortions were funded by the National Health Service for residents of each constituency in *(a)* 1996 and *(b)* 1997. [48925]

**Mrs. Liddell** *[holding answer 3 July 1998]:* The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to reply.

*Letter from Tim Holt to Fiona MacTaggart, dated July 1998:*

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on abortions.

Abortion statistics are not available by parliamentary constituency. ONS produce abortions statistics by regional office and health authority.

## Causes of Death

**Mr. Flynn:** To ask the Chancellor of the Exchequer how many times *(a)* heroin, *(b)* ecstasy, *(c)* cocaine, *(d)* LSD, *(e)* cannabis, *(f)* amphetamines, *(g)* temazepam, *(h)* paracetamol, *(i)* alcohol, *(j)* solvents, *(k)* co-proxamol, *(l)* methadone and *(m)* tobacco have appeared on death certificates in each year between 1992 and 1996. [48070]

**Mrs. Liddell** *[holding answer 30 June 1998]:* The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to reply.

*Letter from Tim Holt to Mr. Paul Flynn, dated July 1998*

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on deaths.

Data for 1992 may be obtained from Table 10 of *Mortality Statistics: Injury and Poisoning 1992*, Series DH4 no.18, copies of which are available in the House of Commons Library. The attached table lists all substances mentioned in the records of deaths assigned to accidental and other poisoning by solid or liquid substances. 1992 data on cases of drug dependence or non-dependent abuse of drugs would only be available at disproportionate cost.

Often a number of drugs (including alcohol) are listed on the death certificate. If, for example, both heroin and cannabis are mentioned on a death certificate, the death will occur twice in the table, once under 'Heroin' and once under 'Cannabis'.

*Deaths in England and Wales 1993–1996*

| | *1993* | *1994* | *1995* | *1996* |
|---|---|---|---|---|
| Heroin | 55 | 90 | 129 | 187 |
| Ecstasy | 13 | 23 | 10 | 12 |
| Cocaine | 12 | 21 | 19 | 15 |
| LSD | 0 | 1 | 0 | 0 |
| Cannabis | 9 | 12 | 10 | 4 |
| Amphetamines | 22 | 20 | 40 | 29 |
| Temazepam | 179 | 165 | 140 | 95 |
| Paracetamol | 324 | 278 | 331 | 288 |
| Alcohol | 3,240 | 3,457 | 4,018 | 4,372 |

*Deaths in England and Wales 1993–1996*

| | *1993* | *1994* | *1995* | *1996* |
|---|---|---|---|---|
| Solvents[2] | 57 | 49 | 57 | n/a |
| Co-proxamol | 133 | 176 | 174 | 177 |
| Methadone | 221 | 259 | 299 | 357 |
| Tobacco | 58 | 47 | 48 | 29 |

[1] Figures are for mentions of the word 'paracetamol' only and not any of the associated compounds, although co-proxamol has been given separately as requested

[2] Data supplied by St. George's Hospital Medical School and include those deaths involving *all volatile* substances. Figures for 1996 will appear shortly in their report 'Trends in Deaths Associated with Abuse of Volatile Substances 1971–1996. Report 11'

### National Minimum Wage

**Mr. Peter Bottomley:** To ask the Chancellor of the Exchequer if he will estimate how many people in (i) the constituency of Worthing, West, (ii) the borough of Worthing, (iii) the district of Arun, (iv) West Sussex, (v) England, (vi) Wales, (vii) Scotland, (viii) Northern Ireland and (ix) the United Kingdom earn less than the proposed national minimum wage, broken down by *(a)* gender, *(b)* age and *(c)* full or part-time employment. [48687]

**Mrs. Liddell:** The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to reply.

*Letter from Tim Holt to Mr. Peter Bottomley, dated 7 July 1998:*

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on earnings.

The national minimum wage (NMW) will become effective in April 1999 and has been set at £3.60 for those aged over 21. A development rate of £.300 per hour will apply for workers aged 18 to 21. The proposals also include a provision for a rate of £3.20 which will apply to those over 21 years receiving accredited training during the first six months of a new job with a new employer, but we are unable to provide data on this. Workers aged 16 and 17 and all those on formal apprenticeships will be exempt.

The Low Pay Commission, in arriving at their recommendations, had to adjust 1999 pay rates to 1997 values. Their methodology produces £3.40 and £2.80 as the 1997 values of the government's preferred rates and I have provided supplementary data for these levels.

The attached tables present adjusted New Earnings Survey (NES) and Labour Force Survey (LFS) data for the number of employees earning less than the proposed NMW rates. I will arrange for a copy of the tables to be placed in the House of Commons Library. These estimates are based on our preferred method for assessing the coverage of the proposed NMW. This method adjusts for the fact that the NES is based on a one percent sample of employees in the PAYE system and is therefore likely to under-represent relatively low paid staff, earning below the tax-threshold, and in particular those who work part-time.

It is not possible to use this method for small areas and where necessary data solely from the NES have been provided.

The extent of the bias in the NES data may be estimated for the South East by using the adjusted NES and LFS data. This suggests that the estimate of the overall proportion of employees aged over 21 years earning below £3.60 could understate the true position by as much as 3 percentage points. However, it is unlikely that the occurrence of lower paid jobs is uniform across the region, and so it would be wise to treat this figure as broadly indicative rather than a precise estimate.

### Registration Records

**Mr. Chope:** To ask the Chancellor of the Exchequer when he expects to receive an options paper from the Registrar General about improved access to registration records; and if he will make a statement. [48814]

**Mrs. Liddell:** The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to reply.

*Letter from Tim Holt to Mr. Christopher Chope, dated 7 July 1998:*

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on registration.

No timetable has been set for the production of the options paper.

The options paper will consider the use of information technology to improve the service to customers and to provide better data management. It will also consider the possibility of working with a wide variety of organisations outside the public sector.

## INTERNATIONAL DEVELOPMENT

### Multinationals (OECD Guidelines)

**Dr. Tonge:** To ask the Secretary of State for International Development what consultations her Department has had with the Department of Trade and Industry regarding the current review of the OECD guidelines for multinational enterprises. [49158]

**Clare Short:** Officials in my Department are in regular contact with officials in the Department of Trade and Industry (DTI), which has lead responsibility within the Government for the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. Most recently, officials from my Department worked with DTI officials to prepare for a meeting of the OECD Committee on International Investment and Multinational Enterprises on 26 June. At that meeting, the Committee agreed to proceed with a review of the OECD Guidelines for Multinational Enterprises. DFID is now working with the DTI to establish specific objectives for the review.

### Billiton

**Dr. Tonge:** To ask the Secretary of State for International Development what representations she has made to Billiton plc regarding the social and environmental implications of their proposed Eastern Cape Zinc Refinery Project, South Africa. [49427]

**Clare Short:** None. I have asked my officials to make inquiries about the project and I will write to the hon. Lady.

### Exchange Rates

**Dr. Tonge:** To ask the Secretary of State for International Development what mechanisms exist to alleviate the impact of fluctuating currency rates on overseas development aid. [48897]

**Clare Short:** For bilateral assistance, the Department for International Development's general policy is to provide agreed inputs, primarily goods and services, and make payment in sterling. Where payments are made in foreign currency, the Department, rather than developing

countries, bears the exchange rate risk within our overall financial resources. We do not pay in advance of need, thereby minimising the exchange rate risk.

The Department also bears the exchange rate risk in making contributions to international organisations, including European Commission activities, where these are called in currencies other than sterling.

### EU Banana Regime

**Dr. Tonge:** To ask the Secretary of State for International Development what assessment her Department has made of the impact of the Agriculture Council's recent decision on the EU banana regime. [48866]

**Clare Short:** The Government welcome the agreement reached in the Agriculture Council on the revised arrangements for the EU banana regime. The UK fought hard for the interests of Caribbean banana producers and the Government believe that it was the best deal available taking into account both Lomé and WTO obligations. It will provide the Caribbean banana industry with continuing access to the EU market.

The European Commission's proposals for additional aid to the Traditional ACP (African, Caribbean and Pacific) banana producers should help them to adjust to the new market conditions building on on-going efforts to improve their efficiency and quality. We hope that this can be agreed quickly.

Although the unallocated Traditional ACP quantity does not guarantee Caribbean suppliers a particular share of the market, at 857,700 tonnes, it is significantly larger than current levels of imports from Traditional ACP suppliers. Furthermore, the Traditional ACP suppliers are working together to ensure that competition among them does not undermine the ability of the more vulnerable producers such as the Windward islands, to market their produce.

## SCOTLAND

### Refuse Collection

**Mr. Menzies Campbell:** To ask the Secretary of State for Scotland which councils in Scotland have adopted the use of wheeled bins for refuse collection. [48989]

**Mr. Macdonald:** This information is not held centrally.

### Eviction Actions

**Mr. Chisholm:** To ask the Secretary of State for Scotland how many eviction actions have been taken by *(a)* local authorities and *(b)* housing associations in each of the last eight years for (i) anti-social behaviour and (ii) rent arrears. [48963]

**Mr. Macdonald:** This information is not held centrally.

### Housing Refusals

**Mr. Chisholm:** To ask the Secretary of State for Scotland how many households were refused housing by local authorities last year for *(a)* previous housing debt including rent arrears, *(b)* council tax arrears, *(c)* suspected anti-social behaviour and *(d)* previous eviction for anti-social behaviour. [48987]

**Mr. Macdonald:** This information is not held centrally.

### Home Insulation

**Mr. Chisholm:** To ask the Secretary of State for Scotland how many houses he estimates will be insulated through the New Deal energy efficiency funds; and what will be the expected average change in energy rating. [48964]

**Mr. Macdonald:** Up to 30,000 homes may benefit in the current year. The exact number will depend on the number of New Deal trainees available for energy efficiency work and the type of improvements carried out. The most common package of measures is likely to include draughtproofing and loft, tank and pipe insulation. The improvement in energy ratings will vary between houses. A typical three-bedroom semi-detached house should see an increase in its Standard Assessment Procedure rating of 5 and in its National Home Energy Rating of 0.5 as a result of this package.

### Association of Chief Police Officers

**Mr. William Ross:** To ask the Secretary of State for Scotland if he will place in the Library copies of the annual accounts for each of the last five years of the Association of Chief Police Officers (Scotland). [49220]

**Mr. McLeish:** The accounts of the Association of Chief Police Officers in Scotland are contained in the Association's annual report. I have arranged for copies of the annual reports for 1993–94 to 1997–98 to be placed in the Library of the House.

### Local Government

**Mr. Gorrie:** To ask the Secretary of State for Scotland if he will publish guidance to councils on the rules governing the use of council finance to pay for public relations consultants or staff to publicise issues which do not relate clearly to the council's provision of services. [49318]

**Mr. Macdonald:** Councils are obliged by section 4 of the Local Government Act 1986 (as amended) to have regard to the Code of Recommended Practice on Local Authority Publicity which was published on 15 August 1988 as Scottish Development Department Circular 16/88. I have ensured that a copy is available in the Library of the House.

### Rough Sleepers

**Mr. Flynn:** To ask the Secretary of State for Scotland how much has been spent to deal with problems of rough sleepers in each of the past five years; and what estimate he has made of the total numbers sleeping rough for each of those years. [49182]

**Mr. Macdonald:** In 1997–98, £2 million was spent on dealing with the problems of rough sleepers through the Rough Sleepers Initiative in Scotland and a further

£14 million will be spent in 1998–99 and 1999–00. There was no specific allocation of funds to help rough sleepers before 1997–98. There is no overall estimate of the numbers of rough sleepers in Scotland. One-night counts of rough sleepers, carried out by 17 local authorities between 1996 and 1998 identified 150 rough sleepers but this is unlikely to be a reliable guide to the overall size of the problem.

### National Museum of Scotland

**Mrs. Ray Michie:** To ask the Secretary of State for Scotland if he will list the membership of the Board of Trustees of the National Museum of Scotland, indicating who appoints them and to whom they are responsible. [49270]

**Mr. Galbraith:** Trustees are appointed by the Secretary of State. They are responsible for the care and exhibition of the collections, subject to the provisions of the National Heritage (Scotland) Act 1985. Reports on the exercise of their functions are submitted to the Secretary of State and laid before Parliament. The current membership o the Board of Trustees is:

Mr. Robert H. Smith, Chairman

The Countess of Dalkeith

Professor Thomas M. Devine

Dr. Lesley Glasser

Sir Alistair Grant

Mr. Sandy Grant Gordon CBE

Professor Veronica van Heyningen

Professor Peter Jones

Professor Aubrey Manning

Professor James Murray

Dr. Anna Ritchie OBE

The Countess of Rosebery

Sir John Thomson GCMG.

### Scottish Museums Council

**Mrs. Ray Michie:** To ask the Secretary of State for Scotland if he will make a statement on levels of Government funding to the Scottish Museums Council since 1993; and what assessment he has made of its performance. [49271]

**Mr. Galbraith:** The Scottish Museums Council is an independent company with charitable status. It is subject to appraisal and assessment through Scottish Office scrutiny and discussion of annual corporate plans, examination of statements of accounts and reports and through regular attendance of officials at general and extraordinary meetings. Government funding since 1993 is shown in the table:

| *Year* | *£* |
|---|---|
| 1993–94 | 811,000 |
| 1994–95 | 847,000 |
| 1995–96 | 782,000 |
| 1996–97 | 911,000 |
| 1997–98 | 807,000 |
| 1998–99 | 840,850 |

## TRADE AND INDUSTRY

### Business Formation

**Mr. Jim Cunningham:** To ask the President of the Board of Trade what assistance is currently made available to young people with regard to start up costs for new businesses. [48528]

**Mrs. Roche** *[holding answer 6 July 1998]:* Business Link partnerships have a range of advisory services to suit the needs of all businesses. Start-up and micro-firms can benefit from access to high quality information and advice, guidance, counselling, and related services. An important feature of Business Link is the informed referral to other services provided locally by partners or other business support organisations. Young people starting a business will usually be referred to the local Enterprise Agency partner or the Prince's Youth Business Trust (PYBT). The PYBT helps young people set up in business by providing grants and loans and other help, including counselling and mentoring. Business Link partners will be aware of, or directly involved in, any local projects or schemes for start-up businesses. These will include New Deal, Single Regeneration Budget Challenge, and European structural funds. The New Deal for young unemployed people provides extensive help and guidance for those wishing to enter self-employment.

### Innovation Strategies

**Mr. Sheerman:** To ask the President of the Board of Trade what encouragement she is giving for the creation of innovation strategies in each English region. [47622]

**Mr. Battle:** Innovation is vital to competitiveness and my Department has taken a keen interest in the development of these strategies, which are bringing together the key public and private sector partners involved in developing and enhancing the innovative capacity of a region. Amongst other regional visits I recently spoke at the Innovation Forum in Wakefield in support of an example of successful partnership in Yorkshire and the Humber.

Government Offices are involved, with partners, in formulating and implementing the strategies and my Department is supporting them in this role. For example, my officials seek to facilitate the spread of best practice between regions.

In the future, the Regional Development Agencies will have responsibility for co-ordinating the regional innovation strategies and my Department will, of course, continue to provide advice and support as required.

### Industrial and Commercial Development

**Mr. Wigley:** To ask the President of the Board of Trade what are her Department's relative priorities in securing and facilitating industrial and commercial development as between *(a)* the regions of England, *(b)* Wales and *(c)* Scotland. [48900]

**Mrs. Beckett:** The Government's policies to boost competitiveness and prosperity extend to all parts of the United Kingdom. I work closely with my right. hon. Friends the Secretaries of State for Scotland, for Wales and for Northern Ireland to implement these policies.

### Price Maintenance (Medicines)

**Mr. McWalter:** To ask the President of the Board of Trade she last met the Director General of Fair Trading to discuss resale price maintenance on over-the-counter medicines. [48219]

**Mrs. Beckett** *[holding answer 30 June 1998]:* I and my ministerial colleagues from time to time discuss a range of issues with the Director General of Fair Trading.

### Small and Medium Enterprises

**Mr. Jim Cunningham:** To ask the President of the Board of Trade what measures her Department is taking to raise awareness among businesses of the range of Government funding available to small and medium enterprises for training purposes. [48534]

**Mrs. Roche:** Government funding to SMEs for training purposes is the responsibility of the Department for Education and Employment. However, the Department publicises funding available to SMEs for training purposes through its publications, such as the recently published Small Business Action Update, where companies are signposted to sources of funding such as TECs and other organisations.

### Coal Mining

**Mr. Redwood:** To ask the President of the Board of Trade what is the Government's forecast of the change in the number of coal mining jobs in the United Kingdom over the next year. [48591]

**Mrs. Beckett** *[holding answer 2 July 1998]:* Levels of employment in the coal-mining industry will depend upon commercial decisions taken by the private sector coal companies.

## SOCIAL SECURITY

### Child Benefit

**Mr. Kirkwood:** To ask the Secretary of State for Social Security if she will make a statement about the results of the benefit review of child benefit. [49558]

**Mr. Field:** The review of Child Benefit is part of the Benefits Agency Security Strategy. All major benefits will be reviewed to establish the amount and extent of fraud and incorrectness within the system.

False claims for children allegedly in full-time further education and unreported living together make up the majority of Child Benefit fraud—53 per cent. and 23 per cent. respectively. Fraud was found in 1.7 per cent. of the caseload with an estimated annual loss of £51.6 million; 3.7 per cent. of the caseload had a high suspicion of fraud with an estimated annual loss of £132.5 million.

The Government take fraud against the Social Security system very seriously. If it goes unchecked, it undermines the integrity and purpose of the system. The system should encourage openness and honesty and the gateways to benefit should be clear and enforceable.

The Green Paper on Welfare Reform outlined proposals for improved detection, more effective deterrence and better prevention. The Child Benefit Centre is at present looking at ways to improve 16–19 year old benefit claims and Automated Credit Transfer checking methods.

The results of the benefit review of Child Benefit were aggregated from a random sample of 4,493 customers who had their benefit entitlement reviewed. The study showed 92.4 per cent. Child Benefit claims, like the majority of all Social Security claims, are claimed legitimately and administered accurately.

### Contributions Agency Computer System

**Dr. Tonge:** To ask the Secretary of State for Social Security what measures her Department is taking to ensure that widows, newly-retired pensioners and people entitled to incapacity benefit are not disadvantaged by the change to the Contributions Agency computer system and the consequent delay in processing applications until 3 August. [47242]

**Mr. Denham:** The Department is committed to minimising the impact on customers. There are contingency arrangements in place to ensure benefit continues to be paid.

The Department has made arrangements to ensure that Retirement Pension claim packs continue to be issued to those people approaching pension age. This will ensure that pension can continue to be awarded and put into payment.

During the change-over to the new computer system there will be limited access to National Insurance records. Therefore, widows will receive at least the full basic rate benefit including any increases for children.

The Departmental Central Index will be used to ensure that the vast majority of new claims to Incapacity Benefit can be dealt with and payment made in the normal way. New claimants may be asked to provide additional information to enable a speedy decision to be made on their claim.

### Benefits (Minimum Wage)

**Mr. Webb:** To ask the Secretary of State for Social Security how many people will lose *(a)* zero, *(b)* more than zero but less than 10 per cent., *(c)* more than 10 per cent. but less than 20 per cent., *(d)* more than 20 per cent. but less than 30 per cent., *(e)* more than 30 per cent. but less than 40 per cent., *(f)* more than 40 per cent. but less than 50 per cent., *(g)* more than 50 per cent. but less than 60 per cent., *(h)* more than 60 per cent. but less than 70 per cent., *(i)* more than 70 per cent. but less than 80 per cent., *(j)* more than 80 per cent. but less than 90 per cent. and *(k)* more than 90 per cent. of the rise in family income resulting from a minimum wage set at £3.60 for adults and £3 for those aged 21 or under, as a result of offsetting reduction in means-tested and other benefits. [47524]

**Mr. Keith Bradley** *[holding answer 25 June 1998]:* The measures announced in the budget reduce substantially the number of people facing high marginal

deduction rates. The Working Families Tax Credit will reduce the rate of withdrawal from 70p in the pound in Family Credit, to 55p in the pound. As a result, over half a million families will see their marginal tax rates reduced and the number of families with rates over 70 per cent. will fall by two thirds. All families facing higher marginal tax rates will be better off, and they will see improved returns from working compared with being on benefit.

Not all beneficiaries of the minimum wage or all benefit recipients will experience a reduction in benefit as a consequence of the introduction of a minimum wage.

The information requested is set out in the table. Recipients of more than one benefit are counted against each benefit they receive, therefore figures for each benefit cannot be added together.

*The number of beneficiaries in receipt of each benefit who experience an off-set of that benefit following the introduction of a minimum wage*

| | *Number of benefit units with reduction* | | | |
|---|---|---|---|---|
| *Percentage of increase in earnings offset by reduction in net income* | *Income Support/ Jobseeker's Allowance (income-based)* | *Working Families Tax Credit* | *Housing Benefit* | *Council Tax Benefit* |
| 0–10 | * | * | * | 5,000 |
| 10–20 | * | * | 5,000 | 5,000 |
| 20–30 | * | 5,000 | 5,000 | 20,000 |
| 30–40 | 0 | 10,000 | 5,000 | 10,000 |
| 40–50 | 0 | 10,000 | 5,000 | 10,000 |
| 50–60 | 0 | 60,000 | 5,000 | 5,000 |
| 60–70 | * | 100,000 | 15,000 | 10,000 |
| 70–80 | 0 | 20,000 | 45,000 | 15,000 |
| 80–90 | * | 30,000 | 100,000 | 55,000 |
| 90–100 | 5,000 | 20,000 | 20,000 | 15,000 |
| 100% | 30,000 | 0 | 0 | 0 |
| Greater than 100% | * | 0 | 0 | * |
| Total | 40,000 | 255,000 | 195,000 | 145,000 |

*Notes:*

1. Estimates are based on the 1995–96 Family Resources Survey, uprated to 1998–99 levels of caseloads, but with the October 1999–2000 tax and benefit structure imposed.
2. Figures are rounded to the nearest 5,000, * denotes a figure less than 2,500. Figures may not sum due to rounding. Figures for Working Families Tax Credit are full year averages.
3. These estimates exclude a small number of recipients with a reduction in benefit due to an increase in non-dependant deductions, as a result of an increase in earnings of another household member in another benefit or non-benefit unit.
4. Estimates are based on the first-round effects of the minimum wage, no other factors are taken into account.
5. The information is not directly comparable with published data on marginal deduction rates within the tax/benefit system for a number of reasons, including (a) it measures the full effect of the minimum wage, not the marginal effect—it therefore includes floaters off benefit (b) it gives estimates for each benefit separately, rather than the overall impact on benefit units who may be in receipt of more than one benefit; and (c) it includes benefits paid to people working under 16 hours a week.

### Correspondence

**Mr. Winnick:** To ask the Secretary of State for Social Security when the hon. Member for Walsall, North will receive a reply to his letter of 7 May to the Secretary of State for the Environment, Transport and the Regions, copied to her Department, regarding savings and council tax benefit, (Ref. 3/3644/31). [49295]

**Mr. Field:** A reply was sent to my hon. Friend on 3 July.

### Habitual Residence Test

**Mr. Stinchcombe:** To ask the Secretary of State for Social Security what plans her Department has to record the ethnic origin of those applicants refused income support on the habitual residence test. [48321]

**Mr. Keith Bradley:** We are currently reviewing all aspects of the habitual residence test, including the arrangements for monitoring details of those passing and failing the test. We hope to bring forward our recommendations later in the year.

### Acquired Brain Injury

**Mr. Hurst:** To ask the Secretary of State for Social Security what account is taken of psychological and cognitive impairments arising from acquired brain injury in application of the all work test and the grant of incapacity benefit. [48319]

**Mr. Denham:** The all work test determines whether, as a result of disability arising solely from their medical condition, a person should be regarded as incapable of doing work of any kind for purposes of entitlement to incapacity benefits. The test assesses the effects of physical, sensory and mental disabilities in specified areas of activity.

The test is not applied to people with severe mental disabilities, who are identified early in the process from medical evidence, and exempted. People with less severe mental disabilities are assessed, by a specially trained doctor, in a wide range of activities relating to completion of tasks, daily living, coping with pressure and interaction with other people.

### Social Security Tribunals

**Mr. Cox:** To ask the Secretary of State for Social Security what is the procedure by which people are appointed by her Department to social security tribunals. [48323]

**Mr. Keith Bradley:** The Department of Social Security does not have responsibility for appointing members of appeal tribunals (including Social Security Appeal Tribunals, Disability Appeal Tribunals and Medical Appeal Tribunals).

Power to appoint lay members to tribunal jurisdictions is vested in the President of the Independent Tribunal Service (ITS). Responsibility for appointing tribunal chairmen lies with the Lord Chancellor in England and Wales or the Lord President of the Court of Session in Scotland. The constitution of particular appeal tribunals is specified in legislation (Social Security Administration Act 1992 and Schedule 6 to the Social Security Act 1998).

### Housing Benefit

**Ms Roseanna Cunningham:** To ask the Secretary of State for Social Security if he will list the amount of housing benefit expenditure in Scotland for 1995–96, 1996–97 and 1997–98, broken down into *(a)* the private rented sector, *(b)* housing association sector and *(c)* the public sector. [47976]

**Mr. Keith Bradley:** The information available is set out in the table.

*Scottish housing benefit expenditure*

*£ million*

| | *1995–96* | *1996–97* |
|---|---|---|
| Private rented Sector | 197 | 199 |
| Housing Association Sector | 78 | 101 |
| Public Sector (Council and New Town Tenants) | 275 | 300 |
| All Housing Benefit | 550 | 600 |

*Note:*
Expenditure rounded to the nearest million
*Source:*
1. 1998–99 Social Security Departmental Record
2. Housing Benefit Management Information Sysiem (HBMIS) 1 per cent. samples

**Mr. Fitzpatrick:** To ask the Secretary of State for Social Security if she will extend the Housing Benefit (General) Amendment (No. 2) Regulations 1997 (S.I. 1974) until the interdepartmental funding review has completed its report. [48008]

**Mr. Keith Bradley:** We are considering an extension to the duration of these Regulations and we expect to make an announcement shortly.

### Residential Care Allowance

**Mr. Healey:** To ask the Secretary of State for Social Security if she will make the residential care allowance available to people in local authority homes as it is to those in private homes; and if she will give the reasons which underlie her decision. [48069]

**Mr. Keith Bradley:** I refer my hon. Friend to my Written Answer to the hon. Member for Sutton and Cheam (Mr. Burstow) of 19 January 1998, *Official Report*, column *448*.

### Child Support Agency

**Mr. Barnes:** To ask the Secretary of State for Social Security (1) how many benefit recipients are currently being required to co-operate with the CSA; and how many of these are resident in Derbyshire; [48455]

(2) what is the current average time taken *(a)* nationally and *(b)* in Derbyshire for the CSA to make assessments; [48454]

(3) how many deductions from earnings orders issued by the CSA are currently in force; and how many of these are for orders issued in Derbyshire; [48457]

(4) how many people resident in Derbyshire are being pursued for payment by the Child Support Agency; and what is the figure per 1,000 residents in the United Kingdom. [48456]

**Mr. Keith Bradley:** One of our key aims for the Child Support Agency is to ensure that more non resident parents pay the maintenance they owe. The regular payment of maintenance is central to our strategy as recognition of fathers' continuing responsibilities to their children; to help lone mothers move off income support into work; and to get more money to children in low income working families. We have been looking closely at all aspects of the child support scheme to see where improvements can be made. I refer my hon. Friend to the oral statement made by my right hon. Friend the Secretary of State for Social Security on 6 July 1998, *Official Report*, columns 739–54.

The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to my hon. Friend.

*Letter from Faith Boardman to Mr. Harry Barnes, dated 6 July 1998:*

I am replying to your Parliamentary Questions to the Secretary of State for Social Security about the Child Support Agency.

I cannot provide precisely all the information that you have requested, but have provided as much as possible from the most recent information available.

The Agency is organised into 7 Business Units; figures are available at Business Unit level but not at county level. Derbyshire is dealt with by our Midlands Business Unit, for which information has been given.

All parents with care in receipt of a prescribed benefit (Income Support, Family Credit, Income-based Job Seekers Allowance and Disabled Working Allowance) have a requirement to co-operate with the Agency. The large majority of the Agency's live and assessed caseload relate to parents with care in receipt of these benefits.

The Department of Social Security Analytical Division publish quarterly a summary of statistics relating to child support. The last report was published on 14 May and showed at 28 February 1998 the Agency had a total of 662,000 parents with care with a full maintenance assessment; of which 564,000 (85%) were in receipt of one of these benefits and therefore required to co-operate with the Agency. The Midlands Business Unit had 108,000 parents with care with a full maintenance assessment, of which 94,000 (87%) were in receipt of a benefit.

Child Support Legislation has provisions known as 'Good Cause', which allows parents with care not to co-operate if the Agency finds that they have a good cause not to do so. This may be because we believe that there is a risk of harm or undue distress to the parent with care of any children living with them if we contact the non-resident parent.

From the launch of the Agency up until 28 February 1998 the Agency has investigated 669,953 cases were the parent with care had claimed Good Cause; 177,462 cases were accepted as having Good Cause for not co-operating with the Agency. This represents 26% of the cases investigated. Of the remaining cases, the Good Cause application is either withdrawn and the parent with care agrees to co-operate or a Reduced Benefit Direction is referred to Benefits Agency.

The imposition of a deduction from earnings order is considered when the non resident parent defaults on an agreement or refuses to come to an agreement. This step is taken as a last resort and every effort is made to secure the compliance of the non-resident parent before a deduction from earnings order is issued. Information on the number of deduction from orders "in force" is not collected, however information is available on the number of deduction from earnings orders issued from April 1993 to November 1997, details are shown below:

| *Year* | *Number* |
|---|---|
| 1993–94 | 2,600 |
| 1994–95 | 32,027 |
| 1995–96 | 52,931 |
| 1996–97 | 57,898 |
| | (9,146 from Midlands Business Unit) |
| 1997–98 (to 30.11.97) | 45,273 |
| | (8,320 from Midland Business Unit) |

We are increasingly becoming more effective in issuing deduction from earnings orders where the non-resident parent fails to make a maintenance payment or reach an agreement for repayment. This is demonstrated by the increase in the average monthly number of orders issued; from 4,825 in 1996/97 to 5,659 in 1997/98.

The Agency does not collect information on average processing times for the clearance of maintenance assessments. The Agency measures the clearance of maintenance assessments against a target set by the Secretary of State. For 1998/99 the target is that 65% of new maintenance applications be cleared within 22 weeks. At 31 May 1998 the Agency had cleared 67% of maintenance applications within 22 weeks and the Midlands Business Unit had cleared 59% of maintenance applications within 22 weeks.

In 1997/98 the Agency cleared 595,000 maintenance applications—an increase of two-thirds on the 357,000 cleared in 1996/97. At the end of May 1998 our live and assessed caseload stood at 784,160, compared with 609,800 in May 1997 (an increase of 29%) and is expected to rise to around 1.2m by 2003/04.

At 30 April 1998, the Midlands Business Unit had 128,160 live and assessed cases. At the same time, that Business Unit's work-on-hand stood at 37,907; approximately 15,000 of which were backlog cases.

Any maintenance application which is over 52 weeks old is considered to form part of the Agency's backlog.

The Agency has developed and is now implementing a strategy for meeting its undertaking to clear the backlog. All Business Units have put in place operational plans which will guide them towards the achievement of our stated objective of clearing the backlog by 31 March 1999.

The total caseload for the Midlands Business Unit of 166,067 equates to around 3 cases per 1,000 people, based on a GB population of around 57.2 million.

I hope this is helpful.

## DEFENCE

### Anthrax

**Mr. Key:** To ask the Secretary of State for Defence what proportion of *(a)* Navy, *(b)* Army; *(c)* Air Force and *(d)* other Ministry of Defence personnel (i) are fully vaccinated and (ii) have commenced a vaccination programme against anthrax bacteria; and if he will make a statement. [31473]

**Dr. Reid** *[holding answer 26 February 1998]:* A small number of Service personnel and MOD civilians will have received anthrax vaccinations either in connection with research into protection against biological weapons being undertaken at CBD Porton Down and its predecessors, or in connection with arms control activities. Details of vaccinations received by Service and other MOD personnel are normally held only on individual medical records and not recorded centrally.

Many Service personnel and MOD civilians who took part in the Gulf conflict are likely to have commenced a programme of immunisation against anthrax in early 1991. Records relating to this vaccination programme are incomplete. So far as MOD is aware, none of these personnel would have completed a full course of immunisation, because operations concluded before the fourth dose of vaccine would have been scheduled.

On 3 March this year, the Ministry of Defence announced that UK Service personnel and MOD civilians posted to the Gulf region were being offered immunisation against anthrax. Arrangements have been made for the uptake of anthrax vaccine under this programme to be reported centrally. So far an estimated 3,879 UK Service and MOD personnel have been offered immunisation and 1,428 are recorded as having commenced a course of anthrax vaccinations. This figure comprises 384 Royal Navy personnel, 46 Royal Fleet Auxiliary, 144 Army personnel, 847 RAF personnel and 7 MOD civilians. This amounts to 0.85 per cent. of all Royal Navy personnel, 0.13 per cent. of all Army personnel, 1.49 per cent. of all RAF personnel and 0.05 per cent. of all MOD civilians, including those in the Royal Fleet Auxiliary. Individuals who have chosen to be immunised will not receive the fourth dose of vaccine, and thereby complete the current programme, until November this year at the earliest.

### Ship Hulls

**Mr. Viggers:** To ask the Secretary of State for Defence if he will make a statement on the differences between *(a)* military and *(b)* civilian specifications of ship hulls. [48985]

**Mr. Spellar:** Warships are required to operate in very different ways and conditions compared with commercial vessels and also need to be able to withstand damage sustained in action. Naval engineering standards adopted for the construction of warships reflect this and incorporate some indispensable military features such as shock precautions, magazine safety, fire safety and watertight subdivision. Commercial standards are however applicable to some areas of warship design and construction, where their use offers cost savings and is compatible with the vessel's operational role.

### RAF Pilots

**Mr. Menzies Campbell:** To ask the Secretary of State for Defence what was the average number of annual flying hours undertaken by RAF pilots in each of the last 10 years. [44129]

**Mr. Field:** The information requested is given in the table and has been broken down by aircraft type. Figures are available only from 1991. Information prior to this date can be provided only at disproportionate cost.

*Average annual flying hours per pilot[1] by aircraft type 1991–97*

| *Aircraft type* | *1991* | *1992* | *1993* | *1994* | *1995* | *1996* | *1997* |
|---|---|---|---|---|---|---|---|
| BAe 125 | 436 | 365 | 328 | 317 | 349 | 353 | 310 |
| BAe 146 | — | — | — | — | — | 283 | 256 |
| Canberra | 199 | 189 | 190 | 167 | 177 | 304 | 334 |
| Chinook | 491 | 309 | 266 | 261 | 315 | 303 | 271 |
| Harrier | 151 | 206 | 214 | 227 | 207 | 201 | 163 |
| Hercules | 573 | 479 | 447 | 421 | 410 | 471 | 503 |
| Jaguar | 203 | 213 | 191 | 207 | 195 | 189 | 204 |
| Nimrod | 408 | 407 | 448 | 471 | 459 | 400 | 442 |
| Puma | 384 | 255 | 276 | 294 | 282 | 314 | 310 |
| Sea King | 358 | 388 | 378 | 363 | 402 | 381 | 385 |
| Sentry | 718 | 720 | 916 | 840 | 829 | 577 | 493 |
| Tornado F3 | 215 | 227 | 231 | 218 | 216 | 193 | 209 |
| Tornado GR1/A/B | 207 | 217 | 223 | 216 | 199 | 210 | 208 |
| Tristar | 652 | 584 | 586 | 439 | 471 | 643 | 642 |
| VC10 | 456 | 464 | 422 | 369 | 367 | 363 | 409 |
| Wessex | 452 | 359 | 313 | 295 | 318 | 371 | 369 |

[1] Pilots are interpreted as fully trained operational pilots

*Note:*

These figures do not include pilots on Staff/Ground Tours

## Departmental Staff

**Mr. Brake:** To ask the Secretary of State for Defence how staff numbers in his Department have varied between 1 May 1997 and 31 March 1998. [48878]

**Mr. Spellar:** The information requested is given in the following table.

*Full time equivalent*

| | *1 May 1997*[2] | *1 April 1998* |
|---|---|---|
| *Permanent Staff* | | |
| All MOD | 109,076 | 104,163 |
| Agencies[1] | 62,341 | 59,526 |
| Other MOD | 46,735 | 44,637 |
| *Casual Staff* | | |
| All MOD | 3,344 | 2,154 |
| Agencies[1] | 1,356 | 1,131 |
| Other MOD | 1,988 | 1,023 |

[1] Agency numbers include staff working in Trading Funds

[2] The 1 May 1997 breakdowns between agencies and other MOD have been estimated

## Territorial Army

**Mr. Paul Marsden:** To ask the Secretary of State for Defence what was the cost of each Territorial Army battalion in 1997–98. [43643]

**Dr. Reid** *[pursuant to his reply, 9 June 1998, c. 489–90]:* I regret to inform my hon. Friend that there were errors in my original response. The correct answer to this question is given.

There are 33 Territorial Army infantry battalions and these are listed in the table together with their identifiable costs for the year 1997–98. The figures given are for manpower only, and include the costs of TA personnel, (including bounty payments), Regular Army, civilian and Non Regular Personnel Staff employed by the units. Other costs are not separated from wider Army financial provision and cannot therefore be directly attributed to particular TA units.

*Cost of Territorial Army infantry battalions 1997–98*

| *Unit* | *£ million* |
|---|---|
| 3rd (Volunteer) Battalion The Worcester and Sherwood Regiment Fusiliers | 2.118 |
| 3rd (Volunteer) Battalion The Duke of Wellington's Regiment (West Riding) | 2.172 |
| 3rd (Volunteer) Battalion The Prince of Wales's Own Regiment of Yorkshire | 2.194 |
| 4/5th Battalion The Green Howards (Alexandra Princess of Wales's Own Yorkshire Regiment) (Yorkshire Volunteers) | 1.922 |
| 4th (Volunteer) Battalion The Parachute Regiment | 2.576 |
| 6th (Volunteer) Battalion The Royal Anglian Regiment | 2.067 |
| 6th Northumberland Battalion The Royal Regiment of Fusiliers | 2.349 |
| 7th Battalion The (Durham) Light Infantry | 2.103 |
| 7th (Volunteer) Battalion The Royal Anglian Regiment | 2.184 |
| 7th (Volunteer) Battalion The Devonshire and Dorset Regiment | 2.273 |
| 6th Battalion The Light Infantry (Volunteer) | 2.433 |
| 2nd (Volunteer) Battalion The Royal Gloucester Berkshire and Wiltshire Regiment | 2.327 |
| 5th (Volunteer) Battalion The Royal Green Jackets | 2.088 |
| 5th (Volunteer) Battalion The Princess of Wales's Royal Regiment | 2.343 |
| 6/7th (Volunteer) Battalion The Princess of Wales's Royal Regiment | 2.087 |
| 3rd (Volunteer) Battalion The Staffordshire Regiment (The Prince of Wales's) | 2.200 |
| 4th (Volunteer) Battalion The Queen's Lancashire Regiment | 2.276 |
| 4th (Volunteer) Battalion The Kings Own Border Regiment | 2.311 |
| 5/8th (Volunteer) Battalion The King's Regiment | 2.479 |
| 5th (Volunteer) Battalion The Royal Regiment of Fusiliers | 2.150 |
| 5th Battalion The Light Infantry (Volunteer) | 2.347 |
| 3rd (Volunteer) Battalion The Cheshire Regiment | 2.143 |
| 2nd (Volunteer) Battalion The Royal Regiment of Wales | 2.467 |
| 3rd (Volunteer) Battalion The Royal Welch Fusiliers | 2.251 |
| 4th (Volunteer) Battalion The Royal Green Jackets | 2.241 |
| 10th (Volunteer) Battalion The Parachute Regiment | 2.397 |

*Cost of Territorial Army infantry battalions 1997–98*

| *Unit* | *£ million* |
|---|---|
| The London Regiment | 2.344 |
| 3rd (Volunteer) Battalion The Highlanders (Seaforths Gordons and Camerons) | 2.173 |
| 3rd (Volunteer) Battalion The Royal Highland Fusiliers (Princess Margaret's Own Glasgow and Ayrshire Regiment) | 2.053 |
| 3rd (Volunteer) Battalion The Black Watch Regiment (The Royal Highland Regiment) | 1.851 |
| 7/8th (Volunteer) Battalion The Argyll and Sutherland Highlanders (Princess Louise's) | 2.034 |
| The Lowland Volunteers | 2.148 |
| 4/5th (Volunteer) Battalion The Royal Irish Rangers | 2.504 |

## HEALTH

### Occupational Health

**Dr. Harris:** To ask the Secretary of State for Health if he will list the National Health Service trusts in each region with access to an occupational health service, indicating which are led by a consultant in occupational health. [43739]

**Mr. Milburn:** These figures are not held centrally. All National Health Service trusts should provide their staff with access to a competent and confidential occupational health service. A number of trusts buy in their occupational health provision from other trusts.

### Drugs (Parallel Trading)

**Mr. Hoyle:** To ask the Secretary of State for Health what is his estimate of the revenue impact of parallel trading in drugs. [47801]

**Mr. Milburn:** The information is not collected on which such an estimate could be made.

### NHS Staff

**Mrs. Lait:** To ask the Secretary of State for Health what estimate he has made of the (*a*) number and (*b*) cost of extra doctors and nurses required to staff the extra 2,000 beds to be opened this year. [48059]

**Mr. Milburn:** This is a matter for local employers to determine in the light of local needs and priorities.

### Continence Services

**Mr. Burstow:** To ask the Secretary of State for Health what proportion of the sums announced for the reduction of NHS waiting lists health authorities are permitted to use to reduce waiting lists for the provision of continence supplies. [48307]

**Mr. Milburn:** All health authorities should ensure provision of continence services from their general allocation. The extra £500 million that we announced on 18 March 1998, *Official Report*, columns 1290–92, will be used to tackle waiting lists for hospital treatment. It will fund record increases in the number of surgical and medical sessions, targeted investment in primary care, community, mental health and social services and steps to modernise the waiting list system.

### Student Bursaries

**Jackie Ballard:** To ask the Secretary of State for Health what was the average bursary given to (*a*) nursing students, (*b*) medical students and (*c*) dental students in the most recent year for which figures are available; what calculation is made for additional earned income within the formulae for calculating such grants; and if he will make a statement. [48444]

**Mr. Milburn:** The National Health Service currently provides bursaries for nursing students undertaking a pre-registration diploma programme (Project 2000). Information on the average bursary for nursing students is not held centrally. However, the current rates are:

£

| | *London* | *Elsewhere* |
|---|---|---|
| Age under 26 at start of course | 5,230 | 4,450 |
| Age 26 and over at start of course | 5,785 | 5,010 |

The bursary is non-means tested and therefore there is no calculation for additional earned income.

Medical and dental students do not currently receive NHS bursaries. However, for those who enter training from 1 September 1998, the NHS will meet tuition costs and fund means tested bursaries in years 5 and beyond.

### Leigh Infirmary

**Mr. Cunliffe:** To ask the Secretary of State for Health if he will make a statement on the future of the Leigh infirmary. [48446]

**Mr. Milburn:** Decisions concerning Leigh Infirmary are the responsibility of Wigan and Leigh Health Services NHS Trust, in consultation with Wigan and Bolton Health Authority. We understand that, with the support of the health authority, the trust has invested considerably in the Infirmary in recent years and that its plans for the future include the provision of elective surgery, mental health services and a nurse-led minor injuries unit.

### Dental Health

**Mr. Gordon Prentice:** To ask the Secretary of State for Health what percentage of the population over (*a*) 30, (*b*) 40, (*c*) 50 and (*d*) 60 years in each health authority area in England have no natural teeth. [48601]

**Mr. Milburn:** Information is not held centrally in the form requested. Data which were collected in the Adult Dental Health Survey conducted in 1988 are available for southern England (SE), the Midlands (M) and northern England (NE) and show that the following percentages of people had no natural teeth.

*Percentage*

| *Age* | *SE* | *M* | *NE* |
|---|---|---|---|
| 25–34 | — | 1 | 2 |
| 35–44 | 1 | 6 | 4 |
| 45–54 | 8 | 23 | 22 |
| 55–64 | 22 | 40 | 53 |
| 65 and over | 57 | 69 | 80 |

### Residential Care

**Mr. Cotter:** To ask the Secretary of State for Health what plans he has to review the guidance issued to local authorities on the funding arrangements for residential care as regards *(a)* individuals whose ordinary residence is established and *(b)* individuals placed by another authority; and if he will make a statement. [48907]

**Mr. Boateng:** We have no plans at present to review the existing guidance to local authorities on ordinary residence. However, we intend to issue guidance shortly that will clarify the responsibilities of local authorities for people requiring residential care who have, or who are likely to receive, capital in excess of the upper capital limit of £16,000 and who may be placed, or move to, a different local authority area. This new guidance will assist authorities in determining responsibility for individuals who enter residential/nursing home care outside their usual area of residence.

### Dementia

**Mr. Burstow:** To ask the Secretary of State for Health, pursuant to his answer to the hon. Member for Ynys Môn (Mr. Jones) of 16 June 1997, *Official Report*, column *20*, concerning dementia research, how much in each of the last five years his Department has spent on dementia research; and how much is allocated in the current financial year. [49329]

**Mr. Boateng:** Spending on research into dementia in the last five years and an estimate for the current year are:

£000

| Year | Policy research programme | National Health Service research and development programme |
|---|---|---|
| 1993–94 | 181 | 23 |
| 1994–95 | 196 | 75 |
| 1995–96 | 167 | 187 |
| 1996–97 | 91 | 421 |
| 1997–98 | 198 | 554 |
| 1998–99 | 292 | 373 |

The figures for 1998–99 are estimates. The figures for the NHS research and development programme are approximate.

**Mr. Burstow:** To ask the Secretary of State for Health, pursuant to his answer of 15 July 1997, *Official Report*, column *162*, concerning dementia, what conclusions he has reached concerning national guidance on new medicines for Alzheimer's disease. [49331]

**Mr. Boateng:** Guidance on anti-dementia drugs has been prepared by the Standing Medical Advisory Committee and was issued on 30 April 1998 to health authority directors of public health and National Health Service trust medical directors in England.

### Medicines Control Agency (Freedom of Information)

**Mr. Burstow:** To ask the Secretary of State for Health when the Medicines Control Agency review of the impact of the Freedom of Information White Paper will be published. [49307]

**Ms Jowell:** The Select Committee on Public Administration wrote to the Medicines Control Agency (MCA) in December 1997 asking various questions about the impact of the Freedom of Information White Paper on the MCA. A copy of the Agency's reply of 9 February 1998 has been published by the Select Committee. Since then the MCA has continued to review its policies to identify what further action can be taken to make more information available in advance of the freedom of information legislation.

### Carers

**Mr. Burstow:** To ask the Secretary of State for Health, pursuant to his answer of 12 June 1997, *Official Report*, columns *529–30*, (1) concerning the health problems of carers, when the study of carer burdens and associated costs in dementia care over time will be published; [49330]

(2) concerning the health problems facing carers, when the results of his Department's research into outcomes of social care for adults will be published; and if he will make a statement about interim findings from the research. [49332]

**Mr. Boateng:** The Department has commissioned a major new research initiative on outcomes of social care for adults, consisting of a linked series of studies which began earlier this year. The individual projects are due to last for between two and three years. Copies of the first issue of the programme newsletter will be placed in the Library.

### Drugs Licences

**Mr. Burstow:** To ask the Secretary of State for Health if he will make it his policy to encourage co-operation between pharmaceutical companies applying to license new drugs. [49306]

**Ms Jowell:** We encourage collaboration between companies where it is appropriate and likely to be in the interests of public health. However, decisions about co-operation must be for the companies themselves.

### Medicines Act

**Mr. Burstow:** To ask the Secretary of State for Health what plans he has to amend section 118 of the Medicines Act 1968. [49308]

**Ms Jowell:** We are aware that Section 118 of the Medicines Act, which currently governs disclosure of official information about medicines in the United Kingdom, is often criticised for encouraging excessive secrecy. Indeed, it is one of over 200 pieces of legislation which we are currently reviewing to see whether it is appropriate to repeal them, once new freedom of information legislation is in place.

### Heroin

**Mr. Flynn:** To ask the Secretary of State for Health, pursuant to his answer of 8 June 1998, *Official Report*, columns *464–65*, what assessment he has made of the information supplied in the conference in the United States in June on the Swiss programme for using injectable heroin to reduce drug use and drug-related crime. [49185]

**Ms Jowell:** The Swiss programme showed that it is feasible to use diamorphine (pharmaceutical heroin) under strictly controlled conditions as part of a comprehensive social and psychological intervention. We were already aware of these basic findings and no new information appears to have emerged at the conference.

### Myalgic Encephalomyelitis

**Mr. Green:** To ask the Secretary of State for Health how much was spent by his Department on research into ME in 1997–98; and what spending is planned for 1998–99. [49460]

**Ms Jowell:** I refer the hon. Member to the reply I gave the hon. Member for Sutton and Cheam (Mr. Burstow) on 27 April 1998, *Official Report*, columns *53–54*.

### Nursing Homes

**Mr. Laurence Robertson:** To ask the Secretary of State for Health what plans he has to assume responsibility from the social services budget for the funding of individuals who need nursing home care. [48958]

**Mr. Boateng:** We have no plans to remove the duty placed on local authorities by the National Health Service and Community Care Act 1990 to arrange nursing home placements for people whom they have assessed as needing such care.

### Correspondence

**Mr. Winnick:** To ask the Secretary of State for Health when the hon. Member for Walsall, North will receive a reply to his letter dated 8 June regarding primary care groups. [49364]

**Mr. Milburn:** I replied to my hon. Friend on 6 July 1998.

### Family Planning

**Mrs. Brinton:** To ask the Secretary of State for Health what research he has *(a)* commissioned and *(b)* evaluated into differences in the prescription of contraceptive methods between GP-based and other family planning clinics. [48968]

**Ms Jowell:** The Department's policy research programme and the central National Health Service research and development programmes are not currently supporting any research into differences in the prescription of contraceptive methods between general practitioner-based and other family planning clinics. Records are not, however, held centrally of all research carried out in the NHS. While related research is evaluated when received by the Department, we are unaware of recent research specifically covering differences of prescription/supply of contraceptives from various sources.

## ENVIRONMENT, TRANSPORT AND THE REGIONS

### Carbon Dioxide Emissions

7. **Mrs. Gorman:** To ask the Secretary of State for the Environment, Transport and the Regions what recent representations he has received on Government targets on the reduction of carbon dioxide emissions by 2010. [47626]

**Mr. Meacher:** I have discussed the Government's targets for tackling the threat of climate change with a great many people. This summer, we will publish a consultation paper on policy options for meeting those targets.

### Regeneration

8. **Mr. Ian Bruce:** To ask the Secretary of State for the Environment, Transport and the Regions what organisations are being set up in Dorset to replace local economic regeneration organisations, with particular reference to work formerly carried out by the south Dorset economic partnership; and what funds are being made available by the Government for these initiatives. [47627]

**Angela Eagle:** Bournemouth, Dorset and Poole Economic Partnership has been established as a coherent group for Dorset and is developing an economic strategy for the whole of Dorset. The financial implications of the strategy are as yet unknown.

### Local Government Finance

9. **Mr. Ivan Lewis:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the progress of the local government finance review. [47628]

**Mr. Raynsford:** On 30 March, the Government published three consultation papers:

Improving local financial accountability;

Business rates; and

Capital finance.

The consultation period closed on 1 June. We are currently considering the responses and will take account of these in preparing our planned White Paper on modernising local government.

### Business Rates

10. **Dr. Cable:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to return control of business rates to local authorities. [47630]

**Ms Armstrong:** Our recent consultation paper "Modernising local government: Business rates" contained a proposal for a local supplement on the business rate. The consultation period finished on 1 June. We are now considering the many responses we have received. We shall announce our conclusions in a White Paper to be published this summer.

11. **Mr. Gerald Howarth:** To ask the Secretary of State for the Environment, Transport and the Regions what measures he intends to take in order to protect small businesses from disproportionate increases in non-domestic rates; and if he will make a statement. [47631]

**Mr. Raynsford:** Our consultation paper, "Modernising Local Government: Business Rates" looked at options for giving local authorities a measure of local discretion over the business rates, but made it clear that any local arrangements would contain safeguards against authorities increasing rates disproportionately. It also invited views on whether we should change the rating system to limit the rates bills of small businesses. We are currently considering responses to the consultation paper and will announce our conclusions in a White Paper to be published later this year.

16. **Mr. Nicholas Winterton:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on his policy on local business rates. [47636]

**Mr. Raynsford:** Our recent consultation paper "Modernising Local Government: Business Rates" contained a proposal for a local supplement on the business rate. The consultation period finished on 1 June. We are now considering the many responses we have received. We shall announce our conclusions in a White Paper to be published this summer.

### Regional Development Agencies

12. **Mr. Laurence Robertson:** To ask the Secretary of State for the Environment, Transport and the Regions what steps his Department is taking to promote sustainable development with respect to regional development agencies. [47632]

**Angela Eagle:** Subject to the passage of the Regional Development Agencies Bill, currently in another place, regional development agencies will have a statutory purpose to contribute to the achievement of sustainable development in the United Kingdom.

**Mr. Luff:** To ask the Secretary of State for the Environment, Transport and the Regions if he will revise the boundaries of his proposed regional development agencies to create an agency based exclusively on the counties of Worcestershire, Herefordshire, Shropshire and Gloucestershire; and if he will make a statement. [47629]

**Angela Eagle:** Regional development agencies will serve the same areas as the Government Offices for the Regions. They will need to co-operate with other agencies in addressing issues which extend beyond regional boundaries.

### Homelessness

13. **Mr. Gerrard:** To ask the Secretary of State for the Environment, Transport and the Regions what action he is taking to tackle youth homelessness. [47633]

**Ms Armstrong:** Too many young people, starting on the road to independence, have their lives and development blighted by the lack of a suitable home. To tackle this problem, I have invited the voluntary sector and Local Government to join Central Government in a Youth Homelessness Action Partnership. I will be chairing the inaugural meeting on Tuesday 14 July.

### Workplace Car Parks

14. **Mr. Letwin:** To ask the Secretary of State for the Environment, Transport and the Regions what powers the Greater London authority will have to levy parking charges on workplace car parks. [47634]

**Mr. Raynsford:** Our White Paper "A Mayor and Assembly for London" (Cm 3897) said that, if new powers to enable road user charging or a parking levy were made available, the Mayor, working through the new body Transport for London, would be well placed to plan or implement the use of such powers. The Government's conclusions on whether to introduce the necessary enabling legislation will be set out in the forthcoming transport White Paper.

### Coalfields Task Force

17. **Mr. Tipping:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the recently published coalfields task force report. [47637]

**Ms Angela Eagle:** The Deputy Prime Minister will give the Government's initial response to the Coalfields Task Force Report's recommendations at the Coalfields Conference to be held at Ollerton Miners' Welfare on Monday 13 July. In the autumn, the Government will launch a detailed programme of action for the coalfields.

39. **Mr. Skinner:** To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received from the coalfields task force regarding road links to the former coalfields in the Bolsover/Mansfield area. [47661]

**Dr. Strang:** The Coalfield Task Force's Report was published on 18 June. The Report listed seven "regeneration road" schemes which the Task Force believe would be of major significance in opening up employment sites in the old coalfields. Two of these roads are in the Bolsover/Mansfield area—they are the Mansfield Ashfield Regeneration Route, Nottinghamshire, and the new M1 Junction 29A at Markham Colliery, Derbyshire.

### Worcestershire

18. **Miss Kirkbride:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the Worcestershire county council document "Shaping the New Worcestershire"; and if he will make a statement. [47638]

**Mr. Raynsford:** "Shaping the New Worcestershire" is a document seeking views of local people on a number of housing and job-related development options to inform preparation of the Structure Plan for the new County. This is very much in line with the Secretary of State's statement in the House on 23 February 1998, *Official Report*, columns 21–25, when he said that he wanted local people to be consulted as early as possible in the process so that they fully understand the consequences of decisions on releasing land for housing and can have a say in the choice of locations. My Department has chosen not to comment on the options at this stage but we expect to examine the Council's definitive proposal's at the next stage of the Structure Plan process.

### Leaseholders

19. **Mrs. Lait:** To ask the Secretary of State for the Environment, Transport and the Regions how many representations he has received from associations of leaseholders representing former council tenants. [47639]

**Mr. Raynsford:** Since May 1997, my Department has received 13 letters from associations of leaseholders representing former council tenants, either sent directly or via their Member of Parliament. We have had a similar number of telephone calls.

### Endocrine-disrupting Chemicals

20. **Mr. Baker:** To ask the Secretary of State for the Environment, Transport and the Regions what action he plans to take to control endocrine-disrupting chemicals. [47640]

**Angela Eagle:** Use of a number of the endocrine-disrupting chemicals under debate are already banned or restricted (for example, tributyltin, DDT). The risks from others are being assessed through the European Community Existing Substances Regulations (for example, nonylphenol, bisphenol A, several phthalates) which may result in the need for restrictions on their marketing and use.

International efforts are underway to agree guidelines by which endocrine-disrupting chemicals can be identified. When these are in place, the risks from chemicals identified as endocrine disrupters can be assessed and appropriate measures taken to reduce these risks if necessary on a precautionary basis.

My Department's forthcoming strategic review of the sustainable use of chemicals will examine policy on all chemicals in the environment, including endocrine disrupters. Earlier this year, the Environment Agency issued a consultation document proposing an Agency Strategy on endocrine-disrupting chemicals. This examined possible approaches within its duties and powers which could be taken by the Agency given the current uncertainties in our understanding of the issue. The consultation period ended on 30 April and the Agency will finalise its strategy by the end of the year.

### Newcastle Green Belt

21. **Mr. Cousins:** To ask the Secretary of State for the Environment, Transport and the Regions what steps he is taking to ensure that the extra 2,500 houses proposed for Newcastle's green belt do not undermine regeneration prospects in the central and western areas of the inner city. [47642]

**Mr. Raynsford:** Until a master plan for development of land deleted from the Green Belt in the adopted Newcastle UDP has been widely consulted upon, it is inappropriate for development to commence. Both plans will ensure a phased release of development land which will ensure that regeneration of Newcastle's inner areas is not adversely affected.

### Landfill

22. **Mr. Clifton-Brown:** To ask the Secretary of State for the Environment, Transport and the Regions what is his estimate of the reduction of household waste going to landfill as a result of the increase in landfill levy in the Budget. [47643]

**Angela Eagle:** The recent review of the landfill tax indicated that it is already having some impact on behaviour but that the rate needs to be higher to ensure a significant increase in waste recycling, recovery, and minimisation. I therefore welcome the Chancellor's decision to increase the standard rate of the tax from £7 to £10 from 1 April 1999. I expect that the immediate impact on household waste will not be substantial, simply because some Local Authorities are tied into long-term disposal contracts, but that the longer-term impact will be significant.

### Water Meters

23. **Mr. Efford:** To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received regarding Thames Water making a charge for the installation of water meters only to certain types of properties; and if he will make a statement. [47644]

**Angela Eagle:** My Department has received numerous representations regarding Thames Water's metering policy. The cost of meter installation is one of the issues considered in our review of water charging in England and Wales. We recognise that, for some customers, meters can be an attractive option and in our consultation paper 'Water Charging in England and Wales—A New Approach' we propose that in future domestic customers should have the choice of a meter, free of charge, if it suits their needs.

### Emissions

24. **Mr. Green:** To ask the Secretary of State for the Environment, Transport and the Regions what steps he has taken to ensure his Department plays its part in reducing carbon dioxide and greenhouse gas emissions to the Government's target levels. [47645]

**Mr. Meacher:** We have placed the environment at the heart of Government. Later this summer, we will publish our climate change consultation paper which will build on the outcome of initiatives such as the integrated transport policy energy review and measures in the Budget and consider further options to deliver emission reductions.

### Wind Turbines

25. **Mr. Evans:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to revise his policy on the erection of wind turbines. [47646]

**Mr. Raynsford:** Our policy towards the development of wind turbines remains as set out in Planning Policy Guidance note 22, 'Renewable Energy'. That provides guidance to decision makers on a range of land use planning considerations relevant to the siting of wind turbines. It is necessary to consider both the immediate impact of renewable energy projects on the local environment and their wider contribution to secure sustainable energy supplies and to reducing emissions of greenhouse gases.

### Council Tax

26. **Mr. Andrew George:** To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received on council tax charges on second homes. [47647]

**Mr. Raynsford:** Since the election, we have received 84 representations about the council tax discount for second homes, and in response to the consultation exercise we received a further 40 representations. Of these, 105 are in favour of the abolition of the 50 per cent. discount.

### Thames Gateway

27. **Mr. Timms:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the prospects for regeneration in the Thames gateway area. [47648]

**Angela Eagle:** The Thames Gateway area provides some of the main opportunities for development and regeneration in the South East. A number of substantial developments have already taken place, others are in progress and more in prospect, which will produce significant regeneration benefits for the area.

A key factor in realising the full potential of the area is the completion of the Channel Tunnel Rail Link. The link underpins the strategy for the Thames Gateway with international stations at Stratford and at Ebbsfleet, both within the Gateway area, and at King's Cross/St Pancras.

An assessment carried out in 1992 put a value of £500 million on the regeneration benefits of the link. A recent re-assessment by my Department suggests that the link would produce regeneration benefits of about £650 million in the areas around the three stations. This is broadly in line with the earlier estimate, after allowing for inflation. If we were to try and deliver the same level of benefits through regeneration programmes, it could cost around £1 billion at today's prices.

### Fishing (Safety)

34. **Mr. Andrew George:** To ask the Secretary of State for the Environment, Transport and the Regions how many lives have been lost at sea in the fishing industry in each of the last three years; and what measures he proposes to improve the safety record of the industry. [47656]

**Ms Glenda Jackson:** Nineteen fishermen were lost at sea in 1995; 20 in 1996, and 29 in 1997.

A number of measures are in hand to improve the safety record of the fishing industry. A joint initiative with the fishing industry organisations is under way to reduce accidents and encourage positive attitude to safety amongst fishermen. Regulations implementing EC Directives on occupational health and safety on board fishing vessels came into force earlier this year. Work is continuing with industry on the development of a Code of Safe Practice for smaller fishing vessels.

43. **Dr. Godman:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to modify the rules and regulations governing the occupational safety of the crews of United Kingdom-registered fishing vessels. [47665]

**Ms Glenda Jackson:** The occupational safety of crews in the United Kingdom fishing vessels is being pursued through regulations which implement EC health and safety directives. Some regulations, including the Merchant Shipping and Fishing Vessel (Health and Safety at Work) Regulations 1997, are already in force. Further regulations will be introduced later this year.

### Airports

35. **Ms Beverley Hughes:** To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received concerning the financial arrangements for local authority-owned airports. [47657]

**Dr. Strang:** Our proposal to free financially sound local authority airport companies from the controls over their borrowing has been warmly welcomed.

### Rail Network

36. **Miss Kirkbride:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on his plans for the future of the rail network. [47658]

**Ms Glenda Jackson:** Our proposals for improving the regulation of the railways will be set out in our forthcoming White Paper on integrated transport. We will establish a new strategic rail authority to provide clear, coherent and accountable regulation of the network, and ensure that the railways are run firmly in the public interest.

40. **Mr. Edwards:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement about the reliability of train services between England and Wales. [47662]

**Ms Glenda Jackson:** We recognise that delays and cancellation have been disrupting many services into Wales, particularly those provided by Great Western. The Franchising Director has recently imposed a performance penalty system on Great Western to incentivise better performance.

### Eurostar

37. **Mrs. Ellman:** To ask the Secretary of State for the Environment, Transport and the Regions what progress he is making on securing fast regional Eurostar rail services. [47659]

**Dr. Strang:** The consortium chosen by LCR to operate Eurostar have been asked to review urgently the feasibility of regional Eurostar services, and to put proposals to the Government before the end of the year.

### Speed Limits

38. **Mr. Jim Murphy:** To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received on the advantages of reducing the speed limits in and around built-up areas, with particular reference to areas close to schools. [47660]

**Dr. Strang:** I receive a considerable number of letters from people seeking a reduction in the 30 mph urban speed limit particularly near schools. We have announced proposals for local authorities to decide 20 mph limits for themselves. Consultation on the details ended on 30 June.

### Rail Operators (Penalties)

41. **Mr. Sheerman:** To ask the Secretary of State for the Environment, Transport and the Regions what measures he is planning to introduce which would penalise train operators who consistently fail to meet the core elements of the bid on which they won their franchise. [47663]

**Ms Glenda Jackson:** Successful bidders are now bound by the contractual obligation in their franchise agreements. The Franchising Director has contractual and statutory powers to enforce the performance of these obligations. These can include financial penalties and, as a last resort, termination of the franchise.

The Government are reviewing the regulation of the railway as part of our overall review of transport policy, and our proposals for the long-term reform of the railways will be published in our forthcoming White Paper. In the interim, we have issued the Franchising Director with revised objectives, instructions and guidance which require him to secure a progressive improvement in the quality of passenger and station services and to manage existing franchise agreements in a manner which promotes passengers' interest.

### Light Rapid Transit Scheme (Nottingham)

42. **Mr. Tipping:** To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received about the proposed light rapid transit scheme in the Nottingham conurbation. [47664]

**Dr. Strang:** Since 1 May 1997, the promoters of Nottingham Express Transit have met with DETR Ministers or officials on 13 occasions. We have also received 35 written representations on the subject.

### West Coast Main Line

44. **Ms Keeble:** To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received about the future of services on the west coast main line. [47666]

**Ms Glenda Jackson:** I refer my hon. Friend to my reply of 18 June 1998, *Official Report*, columns 276–77.

### London Underground

45. **Mr. Sayeed:** To ask the Secretary of State for the Environment, Transport and the Regions how much private sector investment he expects to attract to London Underground in the next five years; and if he will make a statement. [47667]

**Ms Glenda Jackson:** The timing and level of investment under a private finance deal is the responsibility of the private sector partner—the contract will specify the demanding performance targets to be achieved, not the investment needed to achieve them. However, London Underground estimate that, for the next five years, the level of private investment in the underground which should result from deals already signed, or close to signature, is as shown in the table.

*£ million*

| *Year* | *Investment* |
|---|---|
| 1998–99 | 115 |
| 1999–2000 | 57 |
| 2000–01 | 56 |
| 2001–02 | 58 |
| 2002–03 | 41 |

In addition, the innovative Public/Private Partnership we have announced should bring in a further £7 billion of private investment over 15 years.

**Mr. Ottaway:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the names of companies who bid for consultancy, legal and financial work on the new financial arrangements for London Underground, indicating the value of each bid. [48647]

**Ms Glenda Jackson:** A notice was posted in the *Official Journal* of the European Community on 6 April seeking firms to provide advice, jointly to the London Transport and the Government, on implementation of a Public/Private partnership for London Underground.

Twenty expressions of interest were received in respect of legal advice. Tenders were invited from, and submitted by, the following six firms:

Ashurst Morris Crisp
Denton Hall
Freshfields
Herbert Smith
Slaughter and May Wilde Sapte.

Nineteen expressions of interest were received in respect of financial advice. Tenders were invited from nine firms, and were submitted by the following:

Coopers and Lybrand
KPMG
Lazard Brothers
Price Waterhouse
Societe Generale.

For reasons of commercial confidentiality, it is not possible to state the value of each bid.

Freshfields and Price Waterhouse (now PricewaterhouseCoopers) were selected as, respectively, legal and financial advisers. Competitions for other advisers are currently in progress.

### National Air Traffic Services

46. **Mr. Gerald Howarth:** To ask the Secretary of State for the Environment, Transport and the Regions what mechanisms will be established to ensure the safety of air passengers following the privatisation of National Air Traffic Services. [47668]

**Dr. Strang:** The UK's safety record is second to none. It will be our concern, and that of NATS to ensure that this remains the case. Under our proposal for a Public Private Partnership, Air Traffic Control safety regulation

will be made independent of Air Traffic Control service provision. The safety regulation will ensure that safety remains the overriding priority.

### East-west Rail Link

47. **Dr. Starkey:** To ask the Secretary of State for the Environment, Transport and the Regions what discussions the Minister for Transport in London has had concerning the east-west rail link. [47669]

**Ms Glenda Jackson:** I met representatives of the East-West Rail Consortium and Railtrack in February, who briefed me on the project. I requested a detailed business case from them, and subsequently officials from my Department and OPRAF have sought sufficient details to carry out a proper assessment of the project against the interim Planning Criteria published by OPRAF last November. This assessment is still in progress.

### Aircraft Noise

48. **Mr. Derek Twigg:** To ask the Secretary of State for the Environment, Transport and the Regions what steps have been taken to reduce noise caused by older aircraft. [47670]

**Ms Glenda Jackson:** The UK has consistently pressed for higher noise standards internationally. In the 1980s, we implemented the removal of non-noise certificated aircraft at the earliest date allowed by international agreements. Subsequently, we argued for phasing out jet aircraft meeting the Chapter 2 standard. This is now implemented in an EC directive, ensuring that, from 1 April 2002, such aircraft will not normally be used in Europe. At the Transport Council in June, we secured political agreement on bringing forward measures against aircraft which have been recertificated to meet by only a bare margin the current noise standard (Chapter 3). The UK was also in the lead in proposing stricter standards for single-engined, light, propeller-driven aircraft. We anticipate that this will be shortly agreed internationally.

### Rural Bus Services

49. **Mr. Blizzard:** To ask the Secretary of State for the Environment, Transport and the Regions what *(a)* conditions have been imposed on and *(b)* guidance has been given to local authorities on the extra money for rural bus services. [47671]

**Dr. Strang:** The proposed conditions which will apply to use of this money by English local authorities are set out in a Special Grant Report under Section 88B of the Local Government Finance Act 1988. This Report was laid before the House on 17 June. A copy of the associated guidance issued to local authorities has been placed in the Library.

### Central Railway

50. **Mr. Robathan:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment has he made of the new proposals of Central Railway plc. [47672]

**Ms Glenda Jackson:** No proposals have been received from Central Railway plc during the term of this Government.

### A419-A417

51. **Mr. Clifton-Brown:** To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received regarding noise on the new A419-A417. [47673]

**Ms Glenda Jackson:** We have received over 130 representations, a number from the same people. The Highways Agency have been asked to look at the situation regarding noise from the A419-A417 and have reported to Ministers. Discussions are now taking place and we will write to the hon. Member as soon as possible.

### Vehicle Emissions Testing

**Mrs. Gordon:** To ask the Secretary of State for the Environment, Transport and the Regions what have been the results to date of roadside vehicle emissions testing in the seven local authority trial areas. [47635]

**Mr. Meacher:** Statistics provided to date by the seven local authorities trialling the new powers to carry out roadside vehicle emissions enforcement show that, of almost 8,000 vehicles tested, 1,300 (16%) were found to be exceeding the prescribed emissions standards. The authorities have issued 450 fixed penalty notices to the drivers of the most seriously polluting vehicles (over 5% of the total vehicles checked).

### Housing (London)

**Kate Hoey:** To ask the Secretary of State for the Environment, Transport and the Regions (1) how many affordable rented homes *(a)* have been provided and *(b)* are planned under the rules applying from PPG Note 3 and Circular 13/96 in Lambeth, Southwark and Wandsworth boroughs; [48574]

(2) what assessment he has made of the amount of on-site affordable housing units provided under Circular 13/96 and PPG 3 in the boroughs of Southwark, Lambeth and Wandsworth; and if he will make a statement; [48577]

(3) if he will list *(a)* the number of units of accommodation given planning permission on the riverside stretches of Southwark, Lambeth and Wandsworth boroughs, *(b)* the cash in lieu payments for the same and *(c)* the number of on-site units of affordable housing provided for the same since 1996. [48578]

**Mr. Caborn:** This information is not held centrally.

### River Thames

**Kate Hoey:** To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will amend the guidance to local authorities on designation of the River Thames from its present status as an area of special character to full conservation area status; [48580]

(2) what measures he proposes to ensure that the special character of the Thames is protected; [48571]

(3) if he will review the *(a)* nature and *(b)* scale of development currently underway on the banks of the Thames; [48579]

(4) if he will make a statement on development along the banks of the River Thames. [48573]

**Mr. Caborn:** Strategic Planning Guidance for the River Thames, published in February 1997, designates the stretch of river from Hampton to Crayford Ness as a Thames Policy Area. This recognises the special character of the Thames as it flows through London and carries with it more detailed guidance for local planning authorities to follow in framing their Unitary Development Plans and reaching decisions on planning applications. The Guidance recognises the strategic importance of the river within London's urban environment and the many conflicting pressures placed upon it. It sets out a series of policies and objectives for Thames-side development, and aims to achieve a greater degree of consistency between riparian authorities in their implementation of policy.

Renewed interest in the river has led to an upturn in development proposals. These have the potential to bring new viability to the riverside and make a significant contribution to the renaissance of the Thames and London, especially where the local environment is degraded and in need of improvement. Developments incorporating a mix of uses can bring employment opportunities and a range of new activities. But they must be judged in terms of sustainability and how they relate to the local context. Thames Guidance places a great emphasis on the need to protect local amenity and the successful co-existence of the broad range of functions which the river serves. Over-exploitation of the current commercial interest in development would not satisfy these objectives.

Thames Guidance includes measures to secure a high quality of design for riverside development. It places responsibility both on the local planning authority and developer for the preparation of design briefs which assess the impact of a proposed development in relation to a wide range of factors, including its all-important relationship with the local context. In addition, the Government have indicated that we will review the possibility of additional Guidance on high buildings and strategic views in London following the receipt of advice on these issues from the London Planning Advisory Committee.

The designation of the Thames Policy Area for the entire stretch of river and its immediate hinterland as it flows through London confers a special status which did not exist prior to Thames Guidance. The Thames Policy Area recognises the strategic significance of the river and the need for a consistent approach to policy formulation and decision-making. Through the Unitary Development Plan review process, riparian authorities are strengthening and refining their policies relating to the river to reflect the additional requirements placed on them by Thames Guidance, and to incorporate the Thames Policy Area within their plans. We believe this special planning designation is the most appropriate way of dealing with the varied character and uses of the riverside environment. Although some stretches of the riverside also have conservation area status, we do not believe this would be appropriate along the entire length of the river in London.

**Kate Hoey:** To ask the Secretary of State for the Environment, Transport and the Regions what criteria he uses in deciding to call in development applications in the Thames-side area. [48570]

**Mr. Caborn:** The policy on call-in is as set out in Planning Policy Guidance Note 1: General Policy and Principles, Paragraph 7 of Annex D.

This explains that the policy on calling in planning applications is to be very selective and such action is generally taken only where issues of more than local importance are involved. Examples are applications which raise significant architectural and urban design issues, which could have wide effects beyond their immediate locality, which give rise to substantial national or regional controversy, which may conflict with national policy on important matters, or where the interests of foreign governments may be involved.

## Pensioners (Tenancies)

**Mr. O'Hara:** To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate how many pensioners live in *(a)* pre-1989 regulated tenancies in the private sector and *(b)* pre-1989 housing association secure tenancies. [48554]

**Ms Armstrong:** The Survey of English Housing gives the following estimates:

*Pensioner households with regulated and secure tenancies in England: annual averages, year ending March 1997*

| | *Number* |
|---|---|
| Pre-1989 private sector regulated tenancies | 166,000 |
| Pre-1989 housing association secure tenancies | 137,000 |

*Notes:*

1. Pensioner householders are defined as those where the householder, and their partner if they have one, are both over the State pension age, that is 65 for men and 60 for women
2. Like all estimates from samples surveys, these figures are subject to sampling variability

## Floodlights

**Mr. Bob Russell:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make the floodlighting of buildings the subject of planning consent; and if he will make a statement. [48572]

**Mr. Caborn:** Local authorities may attach conditions to planning permissions for new developments and these may extend to the design and operation of lighting systems. For existing buildings, however, the courts have ruled that floodlighting cannot be a planning matter, because light itself is not "development" and there would be no feasible means of assessing it for enforcement purposes. We give advice on floodlighting in Planning Policy Guidance Note 17 'Sport and Recreation'. The guide issued last year jointly by my Department and the Countryside Commission, 'Lighting in the Countryside: Towards good practice', also gives guidance on what can be done to lessen the intrusive effects of lighting schemes associated with development.

## Millennium Compliance

**Mr. David Atkinson:** To ask the Secretary of State for the Environment, Transport and the Regions what contingency plans his Department is making in the event of the failure of computer systems to recognise the year 2000; when he expects them to be in place, and tested; and if he will make a statement. [48848]

**Angela Eagle:** The Department has a business continuity/disaster recovery plan which is managed by the Departmental Security Officer. The plan is reviewed annually. It is intended that the plan will take account of Year 2000 issues in its iteration for 1999/2000.

The Department's Agencies are in a similar position to the Centre; contingency plans are in place, or are being developed as appropriate, in good time to address Year 2000 issues.

The DETR Programme Manager is monitoring the position across the whole department, including its associated bodies, as part of his responsibility for assuring business continuity through the Year 2000 date change and beyond.

**Mr. Ottaway:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to ensure that railway signalling and other electrical equipment involved in rail safety is millennium compliant; and by what date that compliance will be achieved. [48641]

**Ms Glenda Jackson:** It is the responsibility of the railway operators to ensure that all equipment is safe up to and beyond the millennium. The Health and Safety Executive's (HSE's) Railway Inspectorate (HMRI) is closely monitoring the state of preparedness of the industry.

All the railway operators are assessing their systems for millennium compliance and, where necessary, developing programmes of remedial action. Railtrack in particular is devoting considerable resources both to ensuring compliance in its own systems and to co-ordinating the activities of the train operators on its network.

In practice, the signalling and other safety critical systems which have been assessed to date have been found to be largely millennium compliant, and it is anticipated that all safety critical systems will have been assessed and any deficiencies remedied well before the millennium.

The Government already have in place a number of mechanisms to ensure that both public and private sector service suppliers are taking appropriate action to prevent damage from the failure of electronic systems. A ministerial sub-committee is also actively reviewing the state of preparedness in all sectors of the national infrastructure including London Transport and the Rail industry.

**Mr. Ottaway:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the impact of his proposals for new financial arrangements for London Underground on its work to ensure millennium compliance within the organisation. [48634]

**Ms Glenda Jackson:** My right hon. Friend has made no proposals for partial privatisation of London Underground. For the past two years, London Underground and London Transport have been progressing a comprehensive project to ensure their business is year 2000 compliant. Whilst the project is ongoing, they assure me that they are meeting their objectives and will be taking account of any implications for millennium compliance of the work to take forward the Public Private Partnership for the Underground.

This Government already have in place a number of mechanisms to ensure that both public and private sector service suppliers are taking appropriate action to prevent damage from the failure of electronic systems. A ministerial sub-committee is also actively reviewing the state of preparedness in all sectors of the national infrastructure including London Transport and the Rail industry.

**Mr. Gale:** To ask the Secretary of State for the Environment, Transport and the Regions what studies his Department has undertaken concerning the millennium compliance of the computer systems used in the operation of the Channel Tunnel, Le Shuttle and Eurostar; and if he will make a statement. [49448]

**Ms Glenda Jackson:** This is a matter for the operators of the Channel Tunnel. However, in accordance with its obligation to advise and assist the Intergovernmental Commission with all matters relating to safety in the Tunnel, the Channel Tunnel Safety Authority has been discussing the issue in its regular meetings with Eurotunnel.

This Government already have in place a number of mechanisms to ensure that both public and private sector service suppliers are taking appropriate action to prevent damage from the failure of electronic systems. A ministerial sub-committee is also actively reviewing the state of preparedness in all sectors of the national infrastructure including London Transport and the Rail industry.

As regards Eurostar's operations on the domestic network, I refer the hon. Member to the answer I gave today to the hon. Member for Croydon, South (Mr. Ottaway).

### Number Plates

**Mr. David Atkinson:** To ask the Secretary of State for the Environment, Transport and the Regions if he has consulted the number plate industry on his new number plate format proposals; and if he will make a statement. [48769]

**Ms Glenda Jackson:** The number plate industry were, along with the motor industry generally, and other interested parties, including the police and public, included in last year's consultation on proposals for a new vehicle registration format. Their views were taken fully into account. More recently, in response to representations from the number plate industry, DETR officials met number plate industry representatives in May. Their views were considered fully before the Government's public announcement on the new format was made on 10 June. That announcement included a commitment to undertake further research on the memorability of the new format, in particular on whether the random letters should be placed on the left or right of the plate. As a result of the number plate industry's continuing concerns about the spacing of numbers and letters, the Department will be considering these detailed points as a part of this further research.

### Wheelchairs (Trains)

**Jackie Ballard:** To ask the Secretary of State for the Environment, Transport and the Regions what guidance

has been issued to train operating companies with regard to the number of wheelchair spaces which should be provided on trains. [48745]

**Ms Glenda Jackson:** The Railways Act 1993 imposes an obligation on the Rail Regulator to publish a Code of Practice which offers practical advice and guidance on the special needs of disabled people to those engaged in the delivery of railway passenger services. The Code of Practice "Meeting the Needs of Disabled Passengers" was published in July 1994. The specifications, which suggest a minimum of two wheelchair spaces per train, contained in the Code are not mandatory but provide a reference point for train operators, who are required to take into account the Code when producing their Disabled People's Protection Policies for approval by the Regulator, in accordance with the requirement of their operator's licence.

In addition, we will be using powers under Part V of the Disability Discrimination Act 1995 to require all new trains first brought in to use after 31 December 1998 to be accessible to disabled people. We have recently completed a consultation exercise on draft Rail Vehicle Accessibility Regulations. This included a proposal for a minimum of two wheelchair spaces for trains consisting of between two and eleven vehicles and four wheelchair spaces for longer trains. We are currently reviewing this and other proposed requirements in the light of the responses received from the rail industry and from disability organisations. The final regulations will be published later this year when they have been approved by Parliament.

### Ofwat (Customers)

**Mr. Brake:** To ask the Secretary of State for the Environment, Transport and the Regions how Ofwat customer service committees seek the views of water customers. [48892]

**Angela Eagle:** This is a matter for the Director General of Water Services. He has agreed to write to the hon. Gentleman. A copy of the letter will be placed in the Library.

**Mr. Brake:** To ask the Secretary of State for the Environment, Transport and the Regions how many members of the Ofwat customer service committees have been appointed. [48889]

**Angela Eagle:** Ten customer service committees have been established and are maintained by the Director General of Water Services under section 28 of the Water Industry Act 1991. Section 28(4) of the Act provides that a customer service committee shall consist of a chairman and such number (not less than ten nor more than twenty) of other members appointed by the Director as he may determine. Details of the membership of each of the committees are contained in *'The annual report of the OFWAT National Customer Council and the ten regional Customer Service Committees'*, copies of which are available in the Library.

**Mr. Brake:** To ask the Secretary of State for the Environment, Transport and the Regions how many meetings of the Ofwat customer service committees have been held in the last two years; when these took place; and who attended. [48891]

**Angela Eagle:** The dates and venues of meetings held by each of the Ofwat customer service committees, but not lists of attendance, are given in each year's copy of *'the Annual report of the OFWAT National Customer Council and the ten regional Customer Service Committees'*, copies of which are available in the Library.

### Departmental Staff

**Mr. Brake:** To ask the Secretary of State for the Environment, Transport and the Regions how staff numbers in his Department have varied between 1 May 1997 and 31 March 1998. [48875]

**Angela Eagle:** My Department does not hold data for the dates specified and could not obtain them without disproportionate cost. However, the number of staff in the Department reduced by 596 (3.8%) between 1 April 1997 and 1 April 1998.

| | *1 April 1997* | *1 April 1998* |
|---|---|---|
| DETR (Central)[1] | 3,809 | 3,589 |
| *Of which:* | | |
| Permanent staff | [3]— | 3,506 |
| Casual staff | [3]— | 83 |
| Government Office staff | 955 | 903 |
| Driver and Vehicle Licensing Agency | 3,824 | 3,839 |
| Highways Agency | 1,657 | 1,494 |
| Maritime and Coastguard Agency[2] | 991 | 891 |
| Planning Inspectorate | 647 | 631 |
| Driving Standards Agency | 2,047 | 1,844 |
| QEII Conference Agency | 51 | 55 |
| Vehicle Certification Agency | 86 | 84 |
| Vehicle Inspectorate | 1,534 | 1,675 |
| Total | 15,601 | 15,005 |

[1] DETR(C) did not exist on 1 April 1997. The figures given are the combination of the former Departments of the Environment and Transport

[2] On 1 april 1997 the Maritime and Coastguard Agencies were separate. This shows a combined figure

[3] No breakdown available

*Note:*

Numbers of staff are shown as full-time equivalents, i.e. they are counted as a proportion of full-time hours worked

### Channel Tunnel Rail Link

**Mrs. Brinton:** To ask the Secretary of State for the Environment, Transport and the Regions what steps are being taken to enable the East Coast Main Line to connect to the Channel Tunnel Rail Link. [48910]

**Ms Glenda Jackson:** The track layout designed for the Channel Tunnel Rail Link at St. Pancras includes a connection between St. Pancras station and the East Coast Main Line.

**Mr. Ottaway:** To ask the Secretary of State for the Environment, Transport and the Regions what contractual penalty LCR will incur if the company fails to complete the CTRL by the year 2007. [48681]

**Ms Glenda Jackson:** LCR and Railtrack have stated their intention to complete the CTRL by 2007.

The revised Development Agreement will contain an obligation to complete the whole link. Failure to comply with the relevant provision will provide grounds for termination.

### Portsmouth Harbour Order

**Mr. Hancock:** To ask the Secretary of State for the Environment, Transport and the Regions (1) what factors underlay the deferral of the laying of the proposed Portsmouth Harbour (Gunwharf Quays) Order; [48764]

(2) under what powers he intends to lay the proposed Portsmouth Harbour (Gunwharf Quays) Order. [48763]

**Ms Glenda Jackson:** The application by the Berkeley Festival Waterfront Company Ltd. for this Order under section 3 of the Transport and Works Act 1992 is being considered, and will be determined, by the Secretary of State. It is not subject to any Parliamentary procedure.

### Rail Modernisation

**Mr. Ottaway:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the amount Railtrack has invested on route modernisation since 1995 by route. [48639]

**Ms Glenda Jackson:** Published information about investment on individual routes is not available in the format requested.

### Rail Journeys

**Mr. Ottaway:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list, as a percentage, by how much rail passenger journeys have changed in each year since privatisation; and by how much growth is predicted to rise in each of the next three years. [48679]

**Ms Glenda Jackson:** For the past two years, passenger journeys have grown as shown in the table, and I understand that the Association of Train Operating Companies is expecting passenger journeys to rise up to 10 per cent. each year for the next three years.

*million*

| *Year* | *Passenger journeys* |
|---|---|
| 1995–96 | 610 |
| 1996–97 | 649 (+6.3%) |
| 1997–98 | 695 (+7.0%) |

*Source:*
Association of Train Operating Companies (CAPRI)

### London Transport (Appointments)

**Mr. Ottaway:** To ask the Secretary of State for the Environment, Transport and the Regions in which publications he advertised the recently filled post of Chief Executive of London Transport; on how many occasions these adverts appeared; and what is his policy on advertising future London Transport board appointments. [48636]

**Ms Glenda Jackson:** Our policy on appointments to the London Regional Transport Board is to be guided by the Code of Practice on Public Appointments Procedures, and to choose individuals who through their abilities, experience and qualities match the needs of the organisation. We consider whether to advertise on a case-by-case basis, bearing in mind that, if Parliament approves legislation to establish the Greater London Authority, the Board will be wound up, its responsibilities passing to Transport for London. In restructuring the LT Board to face the challenges of the next two years, we are striking a balance between continuity and outside recruitment. We have appointed recruitment consultants to seek a new non-executive Chairman: the new post of Chief Executive of London Transport is being filled by an existing executive Board member; and the post of Managing Director, London Underground, is being advertised.

### Rail Statistics

**Mr. Ottaway:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the total number of trains operating and the total number of miles covered by them in each year since privatisation. [48638]

**Ms Glenda Jackson:** Detailed information relating to the number of trains operating is not available. I understand that, in the present timetable, there are 18,000 scheduled services each day on the network. The total number of train miles operated in each year since privatisation is listed in the table:

*million*

| *Year* | *Train miles* |
|---|---|
| 1995–96[1] | 29,924 |
| 1996–97[1] | 31,998 |
| 1997–98[1] | 34,191 |

[1] Financial years from April to March
*Source:*
Association of Train Operating Companies (CAPRI)

### Greater London Authority

**Mr. Ottaway:** To ask the Secretary of State for the Environment, Transport and the Regions when he plans to announce the location of the building to house the Greater London Authority. [48659]

**Mr. Raynsford:** A list of buildings and sites to be examined in detail will be announced shortly. The timing of the announcement on a final decision depends on the progress of negotiations on the chosen building and on the timing of legislation to implement the GLA.

### Correspondence

**Mr. Sanders:** To ask the Secretary of State for the Environment, Transport and the Regions what is his Department's average response time to correspondence from members of the public; and how such response times are monitored. [48661]

**Angela Eagle:** During the period 1 April 1997 to 31 March 1998, my Department and its Agencies received 672,980 pieces of correspondence from members of the public. 96 per cent. of these were responded to within the Department's target of 15 working days. A variety of methods for monitoring the response times to correspondence are used within the Department according to individual needs.

### Road Schemes

**Mr. Matthew Taylor:** To ask the Secretary of State for the Environment, Transport and the Regions how many road schemes in each of the past five years have been built under section 106 agreements; and if he will list the schemes and their estimated total cost. [48916]

**Ms Glenda Jackson:** My Department does not maintain central records of road schemes built in accordance with agreements made under section 106 of the Town and Country Planning Act 1990.

### Joint Nature Conservation Committee

**Mr. Matthew Taylor:** To ask the Secretary of State for the Environment, Transport and the Regions what is the total budget of the Joint Nature Conservation Committee for 1998–99; and what was the total budget for 1997–98. [48657]

**Angela Eagle:** The total budget for the JNCC in 1998–99 is £3,871,000; in 1997–98 it was £4,317,000.

**Mr. Matthew Taylor:** To ask the Secretary of State for the Environment, Transport and the Regions what additional resources *(a)* have been and *(b)* will be made available to the Joint Nature Conservation Committee in order to fulfil its responsibilities with respect to advising the Secretary of State on applications for exploration and production licences following the implementation of the Offshore Petroleum Production and Pipelines (Assessment of Environmental Effects) Regulations 1998. [48656]

**Angela Eagle:** No additional resources have been made available to the JNCC to fulfil these responsibilities.

**Mr. Matthew Taylor:** To ask the Secretary of State for the Environment, Transport and the Regions what proportion of the Joint Nature Conservation Committee's budget is derived from voluntary contributions from the oil and gas industry; and what restrictions are associated with the use of such funds. [48658]

**Angela Eagle:** The oil and gas industry will voluntarily contribute 9.5 per cent. to the Joint Nature Conservation Committee's total budget in 1998–99. These funds are exclusively dedicated to research and survey offshore, including around the Falkland and Faroe Islands.

### Donana Pollution Incident

**Mr. Matthew Taylor:** To ask the Secretary of State for the Environment, Transport and the Regions what discussions he had in Spain concerning the Donana pollution incident; and if he will make a statement. [48646]

**Angela Eagle:** The Deputy Prime Minister visited the Donana National Park on 5 June, accompanied by Juan Luis Muriel, Spanish junior environment minister, to view the damage caused by the spill of toxic mining waste. At the EU Environment Council later that month the Deputy Prime Minister proposed that there should be a review of current provisions for responding to such disasters and, if these proved unsatisfactory, that there should be a conference to discuss possible alternatives. The Commission responded positively to this proposal and will report on their findings in the Autumn.

### Special Areas of Conservation

**Mr. Temple-Morris:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the adequacy of consultation by English Nature over the inclusion of part of the River Wye and its tributaries in the list of candidate special areas of conservation being sent to the European Commission under Directive 92/43. [48771]

**Angela Eagle:** I am satisfied that the consultation process has provided all those with an interest in the proposals with an opportunity to comment. The statutory nature conservation agencies were asked to consult local landowners, statutory agencies and interested bodies on each specific site. My officials have consulted national interest groups and representative bodies on the list as a whole.

**Mr. Temple-Morris:** To ask the Secretary of State for the Environment, Transport and the Regions if the list of candidate special areas of conservation under European Directive 92/43 has been forwarded to the European Commission in advance of the intended deadline of June 1998; and when he proposes to forward outstanding candidates. [48770]

**Angela Eagle:** As my right hon. Friend the Minister for the Environment indicated in his written reply of 15 June 1998, *Official Report*, columns *60–61*, the UK has already submitted 315 candidate Special Areas of Conservation covering over 1,650,000 hectares. We hope that a few remaining proposals will be forwarded to the Commission soon.

**Mr. Keetch:** To ask the Secretary of State for the Environment, Transport and the Regions what representations he received, and what public consultation he undertook, in respect of the River Wye and its tributaries being included as a candidate for special areas of conservation under EU Directive 92/43; and if he will make a statement. [48951]

**Angela Eagle** *[holding answer 6 July 1998]:* The consultation process provided all those with interest in the proposals for the River Wye possible Special Area of Conservation with an opportunity to comment. The statutory nature conservation agencies were asked to consult local landowners, local authorities, statutory agencies and interested bodies. At national level, my officials consulted national interest groups and representative bodies on the list as a whole. In the local consultations, views were sought from over 1,200 landowners and local bodies. 14 letters of support were received, including ones from the Environment Agency and the Forest of Dean District Council. 10 objections were received, including one from the former Hereford City Council. The main concern in those objections was that the designation might restrict future development of the river frontage. They were considered before the site was submitted to the European Commission on 12 June 1998.

**Mr. Keetch:** To ask the Secretary of State for the Environment, Transport and the Regions what consultations he has had with the Planning Inspectorate in respect of additional special areas of conservation being recognised; and if he will make a statement. [48953]

**Angela Eagle** *[holding answer 6 July 1998]:* The Planning Inspectorate is routinely informed of the submission to the European Commission of all candidate Special Areas of Conservation so that its Inspectors can apply the relevant planning policies to any cases they deal with in or near those areas.

**Mr. Keetch:** To ask the Secretary of State for the Environment, Transport and the Regions what areas he has submitted to the EU as candidates for special areas of conservation under European Directive 92/43; and if he will make a statement. [48952]

**Angela Eagle** *[holding answer 6 July 1998]:* Candidate Special Areas of Conservation were sent to the Commission on 20 June 1995, 19 January 1996, 16 October 1996, 17 October 1997, 20 March 1998, 26 March 1998, and 15 June 1998. I will arrange for the lists of areas to be placed in the library of the House.

**Mr. Keetch:** To ask the Secretary of State for the Environment, Transport and the Regions what guidance he has given to local authorities to define the term "significant effects" that would require a local planning authority to refuse a development in a special area of conservation; and if he will make a statement. [48956]

**Angela Eagle** *[holding answer 6 July 1998]:* The advice given to local planning authorities on dealing with applications which may have implications for sites which have been submitted to the European Commission as candidate Special Areas of Conservation is set out in Annexe C of Planning Policy Guidance: Nature Conservation (PPG9). PPG9 advises local planning authorities to take advice from English Nature in considering whether the effect of a proposed development is likely to be significant in terms of the ecological objectives for which the site was designated. English Nature will consider each case individually.

### Dry Cleaning Industry (Chemicals)

**Mr. Wood:** To ask the Secretary of State for the Environment, Transport and the Regions what legislation exists to restrict the use of chemicals in the dry cleaning industry; and if he will introduce measures to increase regulation. [48627]

**Angela Eagle:** The relevant legislation is as follows: The Dry Cleaning Special Regulations 1949; The Control of Substances Hazardous to Health (COSHH) Regulations 1994; The Environmental Protection (Control of Substances that Deplete the Ozone Layer) Regulations 1996 and EC Regulation 3093/94 of 15 December 1994 on Substances that Deplete the Ozone Layer. Compliance with these Regulations will ensure that exposure to chemicals in the dry cleaning industry is prevented or, where that is not reasonably practicable, adequately controlled and the environmental impact is minimised.

The European Commission has recently submitted proposals for a new regulation on ozone-depleting substances. The proposals extend the controls contained in EC Regulation 3093/94 and would prevent the use of substances such as trichlorotrifluoroethane (CFC 113) in dry cleaning equipment. The Government will shortly be consulting on these proposals.

### Traffic Accidents (A64)

**Mr. Grogan:** To ask the Secretary of State for the Environment, Transport and the Regions how many *(a)* injuries and *(b)* fatalities occurred as a result of traffic accidents on the A64 between Leeds and York in each of the last 10 years. [49081]

**Ms Glenda Jackson:** The information requested is shown in the following table.

*Casualties in accidents on the A64 between Leeds and York 1988–97*

| Year | Fatal | Injured | All |
|---|---|---|---|
| 1988 | 4 | 61 | 65 |
| 1989 | 4 | 32 | 36 |
| 1990 | 2 | 63 | 65 |
| 1991 | 0 | 65 | 65 |
| 1992 | 3 | 48 | 51 |
| 1993 | 2 | 34 | 36 |
| 1994 | 1 | 36 | 37 |
| 1995 | 0 | 43 | 43 |
| 1996 | 1 | 47 | 48 |
| 1997 | 1 | 72 | 73 |

### Welsh Highland Railway

**Mr. Wigley:** To ask the Secretary of State for the Environment, Transport and the Regions when he expects to announce the outcome of the public inquiry into the reopening of the Welsh Highland Railway by the Ffestiniog Railway Company; and if he will make a statement. [49010]

**Ms Glenda Jackson:** The Inspector's report following the public local inquiry is being considered by the Secretary of State. A decision will be made as soon as possible.

### Action with Communities in Rural England

**Mr. Gray:** To ask the Secretary of State for the Environment, Transport and the Regions what representations he made to the Minister for Agriculture about the title of the latter's recent speech to Action with Communities in Rural England. [49016]

**Angela Eagle** *[holding answer 6 July 1998]:* None.

### Non-domestic Rates

**Mr. Livingstone:** To ask the Secretary of State for the Environment, Transport and the Regions what were the total amounts *(a)* collected throughout Greater London in non-domestic rates and *(b)* received by the London boroughs from the national non-domestic rates pool in the most recent year for which figures are available. [49422]

**Mr. Raynsford:** I refer my hon. Friend to the answer my hon. Friend the Minister for Housing and Local Government gave to my hon. Friend the Member for Brigg and Goole (Mr. Cawsey), on 18 May 1998, *Official Report*, column *220*.

### Otterburn

**Mr. Key:** To ask the Secretary of State for the Environment, Transport and the Regions when he expects to receive the report of the inspector at the public inquiry into the Ministry of Defence notice of proposed development at Otterburn army field training centre; and when he expects to announce his decision. [48677]

**Ms Glenda Jackson** *[holding answer 6 July 1998]:* The public inquiry into the proposed development at Otterburn took place in April 1997. Because this has been

a large and complex inquiry, the Inspector's report has taken some time to produce but should be available later this Summer. The Secretary of State will consider the report and announce his decision as quickly as possible thereafter.

### Water Surges

**Mr. Laurence Robertson:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to make water companies responsible for damage caused by water surges. [48862]

**Angela Eagle** *[holding answer 6 July 1998]:* Water Companies are liable under the Water Industry Act 1991, section 209, for damage caused by surges on pipes which are vested in the water company itself. Water companies are not responsible under this Act for damage caused on private property resulting from water surges, although a customer may have recourse through common law, if negligence or a fault on the part of the water company can be proved to have caused the damage. At the present time, we have no plans to increase water companies' responsibility in this area.

### Rent Reviews

**Mr. Laurence Robertson:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to speed up the process of rent reviews. [48806]

**Mr. Raynsford** *[holding answer 6 July 1998]:* I assume that the hon. Gentleman is referring to commercial rents. Landlords and tenants agree procedures for rent reviews when negotiating leases. The efficiency of these arrangements is a matter for the parties concerned and their professional advisers. We have no plans to introduce statutory controls, but we are discussing with the professional bodies proposals for a new scheme that would make rent reviews for small business properties cheaper and simpler to determine.

### HFCs

**Mr. Baker:** To ask the Secretary of State for the Environment, Transport and the Regions (1) what recent research *(a)* his Department and *(b)* the European Commission has commissioned into HFCs; and if he will place copies of the completed reports in the Library; [49154]

(2) if he will place in the Library a copy of the technical background advice on HFCs commissioned from March Consulting. [49155]

**Angela Eagle:** The report of a study carried out by March Consulting entitled, *UK Use and Emissions of Selected Halocarbons*, was placed in the Library in August 1996. The Government have recently commissioned further research from March Consulting into current and likely future emissions of HFCs from the UK. Copies of the completed report will be placed in the Library when it is published. The European Commission is also funding research into HFCs, and copies of any report will be placed in the Library when it is available.

### Sewage Pipes

**Mr. Fabricant:** To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 16 June 1998, *Official Report*, column *131*, if pipes and fittings which comply with the draft water industry specification for plastic sewage pipes will also be deemed acceptable for use in drainage systems which need to comply with the requirements of Part H of the Building Regulations. [47759]

**Mr. Raynsford:** The requirements of the Building Regulations are cast in functional terms and do not prescribe specific solutions. The Approved Document to Part H of the Building Regulations provides guidance on how that requirement may be met. This guidance includes a list of materials which may be used for below-ground drainage pipes, and the relevant British Standards. However, products which conform to other standards may also be acceptable.

The pipes and fittings which are the subject of the draft water industry specification for plastic sewage pipes are innovative, and are not covered by the British Standards mentioned in the Approved Document to Part H of the Building Regulations. The draft water industry specification sets out the test criteria to enable the pipes to be judged fit for their intended purpose. These tests use similar performance criteria to those in the British Standards for more conventional pipes. Pipes and fittings which comply with the draft water industry specification for plastic sewage pipes should therefore be acceptable for use in drainage systems which need to comply with the requirements of Part H of the Building Regulations.

**Mr. Fabricant:** To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 16 June 1998, *Official Report*, column *131*, if the draft water industry specification for plastic sewage pipes will be expected to comply with the requirements of Part H of the Building Regulations. [47760]

**Mr. Raynsford:** The draft water industry specification for plastic sewage pipes refers to pipes for use in sewers, and sets out the test criteria to enable pipes to be judged fit for their intended purpose. The requirements of Part H of the Building Regulations indicate the performance standards required for buildings with regard to foul water drainage, cesspools, septic tanks and settlement tanks, rainwater drainage and solid waste storage. The section relevant to sewers is H1, which states any system which conveys foul water shall be adequate.

However, the criteria which are used to demonstrate that a foul water drain is adequate and meets Requirement H1 are similar to those of the sewerage undertakers who specify the requirements for sewers. As a result, plastic sewage pipes which meet the draft water industry specification can normally be expected to comply with the requirements of Part H of the Building Regulations.

**Mr. Fabricant:** To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 16 June 1998, *Official Report*, column *131*, what are his reasons for accepting different specifications and requirements for pipes used in the construction of gravity sewers from pipes used in household drainage, with particular reference to water jetting resistance ranging from 1,900 to 5,000 pounds per square inch. [47761]

**Mr. Raynsford:** The Code of Practice for Sewer Jetting provides guidance on good practice when using high pressure water jetting equipment for unblocking and cleaning drains and sewers. It says that house drains should not be jetted at pressures exceeding 1,900 pounds per square inch. 5,000 pounds per square inch is the maximum pressure at which this guidance indicates sewers may be jetted, and this pressure applies to pipes in good structural condition laid in materials such as clay or concrete.

This document was prepared by the water industry, and the specifications within it are thus not formally endorsed by the Secretary of State.

**Mr. Fabricant:** To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 16 June 1998, *Official Report*, column *131*, what plans he has to ensure that all plastic drainage and sewage pipes withstand cleaning by high pressure water jetting. [47762]

**Mr. Raynsford:** A Code of Practice for Sewer Jetting has been produced by the water industry. In addition, the draft Water Industry Standard for plastic sewer pipes includes a test for resistance to jetting. Given that the industry is already regulating itself in this way, it is not considered that there is any need for the Government to intervene.

**Mr. Fabricant:** To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 16 June 1998, *Official Report*, column *131*, for what reasons pipes which comply with the draft water industry specification for plastic sewers may have a water jetting resistance of 1,900 pounds per square inch; what account he took of *(a)* the maximum recommended pressures set out in the Code of Practice in determining this level and *(b)* the requirement of Part H of the Building Regulations to minimise the risk of blockage and leakage. [47763]

**Mr. Raynsford:** The draft Water Industry Specification for plastic sewer pipes gives 1,900 pounds per square inch as the maximum pressure for jetting sewers or drains where the composition or condition is unknown. However, this Specification was not prepared by my Department but was drawn up under the direction of the UK Water Industry Engineering and Operations Committee.

### Rough Sleepers

**Mr. Flynn:** To ask the Secretary of State for the Environment, Transport and the Regions how much has been spent to deal with problems of rough sleepers in each of the past five years in *(a)* England, *(b)* London and *(c)* Bristol; and what estimate he has made of the total numbers of rough sleepers in each location for each of those years. [49183]

**Mr. Raynsford:** The first two phases of the Rough Sleepers Initiative (1990–93 and 1993–96) were focused entirely on central London where the problem of rough sleeping was at its most acute. During that time, the Government provided £182 million to help rough sleepers in the capital to start a new life away from the streets. Under the third phase of the RSI (1996–99) a further £73 million has been provided and help has been extended to cover new areas in London as well as 27 other areas including Bristol. Of the total resources available up to the end of March 1999, around £8 million will have been spent under the RSI on dealing with rough sleeping in Bristol.

No figures are available for the total numbers of rough sleepers in *(a)* England, *(b)* London and *(c)* Bristol for each of the last five years. This is because rough sleeping is a fluid rather than a static problem and the number of individuals sleeping rough will be different each night. In four main areas of central London, outreach work by voluntary organisations in 1996–97, identified 2,381 individuals who slept rough at some time during the course of that year. No such detailed information exists for other areas, although Shelter have estimated that around 2,000 people may be sleeping rough on any one night throughout England. The most recent single night survey of people sleeping in areas of central London surveyed since 1992 found 282 people sleeping rough, down from estimates of more than 1,000 before the Initiative began. In Bristol, the most recent single night count for which figures have been published found 32 people sleeping rough.

The Social Exclusion Unit have today published their report to the Prime Minister on Rough Sleeping which sets the tough target of reducing the level of rough sleeping by two thirds by 2002.

### Billiton

**Dr. Tonge:** To ask the Secretary of State for the Environment, Transport and the Regions what representations he has made to Billiton plc. regarding the social and environmental implications of their proposed Eastern Cape Zinc Refinery Project, South Africa. [49486]

**Angela Eagle:** None.

### Multinationals (OECD Guidelines)

**Dr. Tonge:** To ask the Secretary of State for the Environment, Transport and the Regions what consultations his Department has had with the Department of Trade and Industry regarding the current review of the OECD guidelines on multinational enterprises. [49160]

**Angela Eagle:** The Department of the Environment, Transport and the Regions and the Department of Trade and Industry have been liaising at official level on the review (in the form of meetings and internal communications) in preparation for the recent meeting on the guidelines at OECD in Paris. Departments will continue to liaise.

## EDUCATION AND EMPLOYMENT

### National Grid for Learning

**Mr. Chaytor:** To ask the Secretary of State for Education and Employment what plans he has to ensure that funds allocated to schools via the National Grid for Learning are sufficient to cover the costs of necessary infrastructure, with particular reference to electric points and security systems. [48087]

**Mr. Byers:** The National Grid for Learning Standards Fund supports expenditure of over £100 million in 1998–99. It has been allocated to support schools'

investment in local network infrastructure, including costs associated with their installation, maintenance and use. Related improvements to buildings and services are the responsibility of the LEA or school governors.

Schools would be expected to take full account of the security implications of such investments at an early stage in the planning cycle and guidance is freely available from the British Educational Communications and Technology Agency to help them in this process. Grants are available from the Standards Fund to support improvements in the security of school premises, including of IT equipment.

### Businesses (Training)

**Mr. Jim Cunningham:** To ask the Secretary of State for Education and Employment what measures his Department is taking to increase the availability of good quality training facilities in Coventry. [48535]

**Dr. Howells:** The Government fund a range of national programmes, through the Coventry and Warwickshire Chamber of Commerce, Training and Enterprise. This organisation is charged with ensuring—in partnership with all key players—that the availability of training facilities, the mix of different programmes and the location of their delivery are appropriate to the needs of the area. These needs are developed in partnership, with the Chamber in the strategic lead, and are reviewed on a regular basis in consultation with the Government Office through an in-year and annual business planning process.

With regard to the quality of training and facilities, all Chambers and Training and Enterprise Councils are required to have in place a system of quality assurance which meets quality standards defined by my Department. The Chamber goes through a licensing and 3 year re-licensing process and, more recently, within the context of re-licensing we have introduced the Business Excellence Model as an additional measure designed to drive up standards.

The National Training Standards Council has been set up and it will inspect and report on all Government funded training; it is anticipated that the Council will, over a 4 year timescale, inspect all training providers. The focus of the inspections will be on what the trainees receive and the benefits which accrue to them as customers of this training.

**Mr. Jim Cunningham:** To ask the Secretary of State for Education and Employment what assessment he has made of the role of training in encouraging the growth of small firms. [48532]

**Dr. Howells:** The Department does not have statistical proof of the effect of training on the growth of small firms, because it is too difficult to isolate the impact of training from other factors including the wider economy. However, some small firms have reported growth in terms of employment, productivity, turnover and profitability as a result of training. Research on the issue was reviewed in a DfEE Research Report by David Storey and Paul Westhead in 1997 which is available in the Library.

**Mr. Jim Cunningham:** To ask the Secretary of State for Education and Employment how much was allocated through his Department to small and medium enterprises for training purposes in each of the five years up to 1997. [48533]

**Dr. Howells:** The Department contracts with, and funds, Training and Enterprise Councils to arrange work based training for young people and unemployed adults, and to support organisations to be recognised as Investors in People. Many small and medium enterprises are involved with, and benefit from these initiatives locally. However, we do not have information about the split of funding between different sized enterprises.

**Mr. Jim Cunningham:** To ask the Secretary of State for Education and Employment what statistics his Department has collated on the effect of training on staff turnover rates in small and medium firms in the United Kingdom. [48536]

**Dr. Howells:** Studies investigating the relationship between training and labour turnover typically use data from surveys of individuals, so statistics are not available on the effect of training on turnover by firm size. A recent study by the Institute for Fiscal Studies used data from the Labour Force Survey and National Child Development Study to examine this relationship, and found that labour mobility was lower for individuals who had previously received work-related training, particularly if this training was employer-funded.

### Class Sizes

**Mr. Hoyle:** To ask the Secretary of State for Education and Employment if Government funding will be provided to non-denominational schools for new classrooms in order to meet the target of class sizes of 30 or under for five to seven year olds. [49292]

**Mr. Byers:** Yes. Denominational and non-denominational schools alike will benefit from the £40 million allocated to reduce infant class sizes, announced on 3 July.

**Mr. Hoyle:** To ask the Secretary of State for Education and Employment how many Church primary schools in Chorley will benefit from Government funding for new classrooms in order to reduce class sizes to 30 or under. [49291]

**Mr. Byers:** St. Laurence Church of England Primary School, Chorley, the only Church primary school in Chorley put forward, has been allocated £66,329 in 1998–99 to fund an additional classroom to reduce infant class sizes to 30 or below. More funding will be made available in future years where additional classrooms are needed to reduce infant class sizes.

**Mr. Ennis:** To ask the Secretary of State for Education and Employment what is the average class size in *(a)* primary and *(b)* secondary schools in (i) Barnsley and (ii) Doncaster. [45823]

**Mr. Byers:** The latest available information for Barnsley and Doncaster Local Education Authority areas is shown in the table.

*Average size of classes taught by one teacher in maintained primary and secondary schools—January 1998 (provisional)*

| | *Primary* | *Secondary* |
|---|---|---|
| Barnsley LEA area | 29.1 | 23.4 |
| Doncaster LEA area | 28.2 | 21.5 |

**Mrs. Ewing:** To ask the Secretary of State for Education and Employment what estimate he has made of the costs of reducing class sizes to under 30 for all pupils in the first three years of school in the years *(a)* 1998–99 and *(b)* 1999–2000. [48361]

**Mr. Byers** *[holding answer 6 July 1998]:* Our pledge is to reduce infant class sizes to 30 or below by the end of the Parliament using the savings made from phasing out the Assisted Places Scheme. For 1998–99, we have allocated £62 million for extra teachers and classrooms to help LEAs and schools to begin to achieve the pledge.

### Lifelong Learning

**Mr. Green:** To ask the Secretary of State for Education and Employment what measures he has taken to involve the over-60s in lifelong learning. [49428]

**Dr. Howells:** My right hon. Friend the Secretary of State for Education and Employment published his proposals for lifelong learning for all in the Green Paper, *The Learning Age: A Renaissance for a New Britain* (Cm 3790), on 25 February. We would welcome comments on these proposals from people of all ages, including the over-60s. Access to learning will also play a part in the Better Government for Older People programme launched by my right hon. Friend the Chancellor of the Duchy of Lancaster on 5 June.

### Seasonal Work (Horticulture)

**Mr. Gordon Prentice:** To ask the Secretary of State for Education and Employment what steps he is taking to facilitate the recruitment of United Kingdom nationals for seasonal work in horticulture. [49190]

**Mr. Andrew Smith:** We are looking at disincentives to work, including the position of seasonal workers, as part of the welfare state review. We are aware that administrative procedures associated with making a repeat claim for Jobseeker's Allowance, following short periods of casual work, can act as a disincentive for unemployed people to take up such opportunities. DfEE, along with those in the Department of Social Security, are considering ways in which the process can be made simpler, in order to address the disincentives which exist. Jobseekers can already use a shortened repeat claim form where they return to Jobseeker's Allowance within two weeks of leaving.

### Education Action Zones

**Mr. Cunliffe:** To ask the Secretary of State for Education and Employment if he will make a statement on the terms of the education action zone to be implemented in Wigan. [48447]

**Mr. Byers:** Wigan Education Action Zone, which covers the West Leigh area of Wigan, will start in January 1999. It will receive some £3,000,000 in additional funding over a 3 year period.

**Mrs. May:** To ask the Secretary of State for Education and Employment if he will list the names of each school covered by each of the education action zones announced on 23 June, indicating for each the latest available GCSE results or Key Stage 2 results as appropriate. [47815]

**Mr. Byers:** The information requested is shown in a table, copies of which have been placed in the Library.

### New Deal (Costs)

**Mrs. Ewing:** To ask the Secretary of State for Education and Employment how much has been spent on the New Deal programme to get 18 to 25 year olds back to work in the year 1997–98; and what are the estimated costs for *(a)* 1998–99 and *(b)* 1999–2000. [48509]

**Mr. Andrew Smith** *[holding answer 6 July 1998]:* The provisional amount spent on the New Deal for Young People (18 to 24 year olds) for 1997–98 is £36 million. The majority of this amount represents expenditure incurred centrally in supporting the early implementation of the New Deal. A final figure will be available by the end of August. The New Deal is financed from the receipts of the Windfall Tax on the privatised utilities. Expenditure is planned over the Parliament as a whole and unspent resources in any single year are available for spending on the New Deal in future years.

The estimated cost for 1998–99 is £594 million and for 1999–2000 £675 million. The New Deal is demand led and actual provision for any particular year will be decided in the light of the level of unemployment and experience gained in running the New Deal.

The above figures are for Great Britain and reflect the cost of the New Deal for Young People to the Department for Education and Employment.

### Further Education Colleges (Hampshire)

**Mr. Hancock:** To ask the Secretary of State for Education and Employment what assessment he has made of the current financial state of further education colleges in Hampshire. [48569]

**Dr. Howells:** The Further Education Funding Council keeps under review the financial status of further education colleges in England.

**Mr. Hancock:** To ask the Secretary of State for Education and Employment what assessment he has made of the number of further education colleges in Hampshire incapable of fulfilling their duty to provide adequate and sufficient facilities to their students. [48568]

**Dr. Howells:** The Further Education Funding Council has a statutory duty to ensure that there are adequate and sufficient facilities for further education in England.

### Higher Education

**Mr. Shaw:** To ask the Secretary of State for Education and Employment what was the percentage of 16 year olds in *(a)* Kent schools and *(b)* schools in other shire counties in the year 1996–97 who entered higher education. [48820]

**Dr. Howells:** Available information on higher education participation rates of 16 to 19 year olds from Kent, other Shire counties and the whole of England is given in the following table.

*Entrants to higher education courses at UK higher education institutions in 1997–98 by age and region of domicile and as a proportion of the regional population*

| *Domicile* | *Age*[1] | *Entrants* | *Population*[2] | *Proportion (per cent.)* |
|---|---|---|---|---|
| Kent | 16 | 1 | 19,729 | 0 |
| | 17 | 49 | 19,603 | 0 |
| | 18 | 3,729 | 18,724 | 20 |
| | 19 | 1,733 | 16,984 | 10 |
| Other Shire Counties[3] | 16 | 24 | 368,704 | 0 |
| | 17 | 908 | 371,891 | 0 |
| | 18 | 73,076 | 357,310 | 20 |
| | 19 | 34,136 | 325,028 | 11 |
| England | 16 | 55 | 611,215 | 0 |
| | 17 | 1,517 | 621,690 | 0 |
| | 18 | 118,009 | 605,296 | 19 |
| | 19 | 57,688 | 558,083 | 10 |

[1] Age as at 31 August 1997

[2] Populations at 1 January 1998, by age at 31 August 1997. Based on projections from the Government Actuary's Department and the Office for National Statistics

[3] Includes the following regions as they existed prior to local government reorganisation in 1997: Avon, Bedfordshire, Berkshire, Buckinghamshire, Cambridgeshire, Cheshire, Cleveland, Cornwall, Cumbria, Derbyshire, Devon, Dorset, Durham, East Sussex, Essex, Gloucestershire, Hampshire, Hereford and Worcester, Hertfordshire, Humberside, Isle of Wight, Lancashire, Leicestershire, Lincolnshire, Norfolk, North Yorkshire, Northamptonshire, Northumberland, Nottinghamshire, Oxfordshire, Shropshire, Somerset, Staffordshire, Suffolk, Surrey, Warwickshire, West Sussex, Wiltshire

### Schools (North Tyneside)

**Mr. Alan Campbell:** To ask the Secretary of State for Education and Employment if he will list the *(a)* first and *(b)* primary schools in North Tyneside which currently have a budget (i) surplus and (ii) deficit. [48539]

**Mr. Byers:** Information on the position at the end of the financial year 1997–98 is not yet available centrally. It will be available when local education authorities publish their outturn statements in the Autumn. I will write to my hon. Friend in due course, and a copy of my letter will be placed in the Library.

### Secondary Schools (Performance Targets)

**Mr. Waterson:** To ask the Secretary of State for Education and Employment what is his latest estimate of cost for the recently announced programme of national performance targeting for secondary schools; and if he will make a statement. [48179]

**Mr. Byers:** Target-setting is good practice and many schools already set targets for pupil attainment. The requirement for secondary schools to set targets for pupils' achievement at the end of Key Stage 4 will not require additional resources.

### Teachers (Restraint Procedures)

**Dr. Cable:** To ask the Secretary of State for Education and Employment how many teachers have undergone training in approved restraint procedures. [47885]

**Ms Estelle Morris:** This information is not available.

**Dr. Cable:** To ask the Secretary of State for Education and Employment what guidelines his Department has issued to schools on the training of teachers in approved restraint procedures. [47886]

**Ms Estelle Morris:** The Department has not issued any specific guidance about this. We intend to issue guidance to schools in July about the provisions of Section 550A of the Education Act 1996 which comes into force on 1 September. That clarifies the powers teachers have to use reasonable force to control or restrain pupils. Amongst other things, the guidance will discuss the circumstances in which physical intervention might be appropriate, and the factors teachers should bear in mind when deciding whether to intervene. We are also considering guidance to assist staff in choosing strategies for restraining pupils who present challenging behaviour and may have special educational needs.

### Special Educational Needs

**Dr. Cable:** To ask the Secretary of State for Education and Employment what guidelines his Department has issued to pupil referral units on the enrolment or non-enrolment of children on their registers. [47888]

**Ms Estelle Morris:** The Department has provided guidance on this matter to pupil referral units in Circular 11/94 'The Education by LEAs of Children Otherwise than at School'. We will be consulting on revised guidance on the education of children out of school, including in pupil referral units, later this year.

**Dr. Cable:** To ask the Secretary of State for Education and Employment if he will list *(a)* the primary and *(b)* the secondary independent schools with the facility of emotional and behavioural difficulties specialty by local authority in England. [47993]

**Ms Estelle Morris:** The requested information is given in tables which have been placed in the Library. List A shows independent schools approved under s.347(1) of the Education Act 1996 for the admission of pupils with statements of special educational need specifying emotional and behavioural difficulties, by authority in which the school is situated and by age range specified in its terms of approval. List B shows schools with provisional or final registration under s.465 of the Act which have indicated that they can cater for this group of pupils: in most cases this has been verified by OFSTED but such verification may still be awaited for a few recently registered schools. Before a local education authority places a child with a statement in one of the schools on List B, it requires the consent of the Secretary of State under s.347(5)(b) of the Act.

### Jobcentres

**Mr. Barnes:** To ask the Secretary of State for Education and Employment (1) how many jobcentres were *(a)* open and *(b)* closed in each region in each of the last 10 years; and how many closures are currently planned; [48297]

(2) if he will list the name and location of each jobcentre which has been designated for closure. [48294]

**Mr. Alan Howarth:** Responsibility for the subject of the question has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

*Letter from Leigh Lewis to Mr. Harry Barnes, dated 1998:*

As the Employment Service is an Executive Agency, the Secretary of State has asked me to reply to your questions concerning the opening and closure of Employment Service Jobcentres. This is something which falls within the responsibilities delegated to me as Chief Executive of the Agency.

It may be helpful if I explain that the Employment Service's Agency Framework Document includes provision for the Chief Executive of the Agency to make changes to the Jobcentre network. This provision reflects the need to make adjustments from time to time in response to changing circumstances and needs.

With regard to your question on the numbers of Jobcentres which have been opened and closed over the last ten years, I regret that I am not able to provide the full information you have requested. Between 1989 and 1995 the Employment Service rationalised its estate through a programme of 'integration' which brought together the previously separate networks of Jobcentres and Unemployment Benefit Offices. During this period the Employment Service estate was reduced by over 900 offices to a total of approximately 1,030 locations. Since December 1995, 10 Jobcentres have been closed and details of these are shown in the attached annex.

As far as planned closures are concerned, we are currently proposing closure of Dronfield and Eckington Jobcentres in Derbyshire, following public consultation, and considering closure of Liphook Jobcentre in Hampshire and Padiham Jobcentre in Lancashire on which public consultation is currently taking place.

I hope this is helpful.

*Annex*

| *Office* | *Area* | *Full/ part time* | *Date of closure* |
|---|---|---|---|
| Gorleston | Norfolk | Part time | December 1995 |
| Bourne | Lincolnshire | Full time | March 1996 |
| Kirkby in Ashfield | Nottinghamshire | Part time | March 1996 |
| Blaenavon | Wales | Part time | July 1996 |
| Kidwelly | Wales | Part time | July 1996 |
| Pontardulais | Wales | Part time | July 1996 |
| Penygroes | Wales | Part time | July 1996 |
| Buckley | Wales | Part time | August 1996 |
| Burgess Hill | West Sussex | Full time | September 1996 |
| Stocksbridge outreach facility[1] | Sheffield | Part time | December 1996 |

[1] Stocksbridge outreach facility was a local arrangement maintained on a part-time basis by staff from Hillsborough Jobcentre

## Mathematics

**Mr. Gorrie:** To ask the Secretary of State for Education and Employment what plans he has to implement the recommendations concerning better contact between schools, examining bodies, the inspectorate and professional mathematicians contained in the 1995 report, "Tackling the Mathematics Problem". [48837]

**Ms Estelle Morris:** I understand that the 1995 Report's recommendations were considered by the Government of the day and their response was made publicly available.

The Department for Education and Employment has given top priority to raising standards in mathematics. The Numeracy Task Force established by my right hon. Friend the Secretary of State, which includes as a member one of the authors of the Report, has been considering the available evidence relating to mathematics. The Task Force's main objective has been to establish a national strategy to raise standards in mathematics in order to reach the national numeracy target by 2002. Its preliminary report, Numeracy Matters, was the subject of wide consultation earlier this year. Its final report, which will be published shortly, will contain firm recommendations and a practical agenda for implementing the National Numeracy Strategy.

The National Curriculum review for 2000, on which work has begun, will reflect the priority being given to raising standards in mathematics.

## Welfare-to-work Programme

**Mr. Cotter:** To ask the Secretary of State for Education and Employment how many firms have made offers of permanent employment as part of their commitment to the welfare-to-work programme. [47039]

**Mr. Andrew Smith:** Over 15,000 employers have so far signed formal Employer Agreements committing them to considering New Deal candidates for vacancies.

## Education (Hereford and Worcester)

**Mr. Michael J. Foster:** To ask the Secretary of State for Education and Employment what was the education standard spending assessment adjusted for local government reorganisation and nursery vouchers for *(a)* 1992–93, *(b)* 1993–94, *(c)* 1994–95, *(d)* 1995–96, *(e)* 1996–97, *(f)* 1997–98 and *(g)* 1998–99 for Hereford and Worcester local education authorities (i) in cash terms and (ii) at 1998–99 prices. [47316]

**Mr. Byers:** The table sets out the education SSA for Hereford and Worcester local education authority for each year since 1992–93 in cash terms and in 1998–99 prices. The table also sets out in cash and real terms the year-on-year changes after allowing for local authority changes of function, including nursery vouchers.

*£ million*

| *Year* | *Education SSA* | *Year-on-year cash change* | *Education SSA at 98–99 prices* | *Year-on-year real terms change* |
|---|---|---|---|---|
| 1992–93 | 241.9 | — | 282.5 | — |
| 1993–94 | 211.6 | 2.6 | 240.1 | -3.5 |
| 1994–95 | 216.5 | 4.9 | 242.1 | 1.8 |
| 1995–96 | 219.8 | 4.8 | 239.1 | -1.2 |
| 1996–97 | 229.0 | 9.2 | 242.0 | 2.8 |
| 1997–98 | 230.8 | 5.8 | 237.5 | -0.3 |
| 1998–99 | 245.0 | 10.3 | 245.0 | 3.5 |

*Notes:*

1. The year-on-year cash and real terms changes take account of local authority changes of function such as nursery vouchers and the transfer in 1993–94 of responsibility for most further education to the Further Education Funding Council

2. The figures for 1998–99 represent the aggregate totals for Herefordshire and Worcestershire

### Departmental Staff

**Mr. Brake:** To ask the Secretary of State for Education and Employment how staff numbers in his Department have varied between 1 May 1997 and 31 March 1998. [48882]

**Dr. Howells:** Information on staff numbers in the Department and the Employment Service can be found in Annex F of the Department's Annual Report (Cm 3910) and in the Civil Service Staff in Post Summaries for 1 April 1997 and 1 January 1998. Copies of these publications are available in the Library. Information on the numbers employed at 1 May 1997 and 31 March 1998 is not readily available. The next Civil Service Staff in Post Summary—for 1 April 1998—will be published by the Cabinet Office.

### Millennium Compliance

**Mr. David Atkinson:** To ask the Secretary of State for Education and Employment what contingency plans his Department is making in the event of the failure of computer systems to recognise the year 2000; when he expects them to be in place, and tested; and if he will make a statement. [48847]

**Dr. Howells:** The Department fully recognises the importance of doing all it can to minimise the effect of the Year 2000 problem. Remedial action to adapt and test all our computer systems is underway. Within my department, we have identified the systems on which we depend for the conduct of normal business. As we test the effectiveness of remedial action (during the course of this year), we will assess the impact of system failure and develop appropriate contingency arrangements for each one. We are also in the process of identifying key technical personnel who will need to be available over the Millennium period.

The Employment Service, who provide vital services to the public, are developing and improving existing contingency plans to ensure they address Year 2000 issues. These will cover all services as appropriate.

We are also working closely with other organisations in the education, training, and employment sectors to encourage them to develop contingency measures where appropriate, especially where services to the citizen could be affected.

### Chemistry Students

**Mr. Gorrie:** To ask the Secretary of State for Education and Employment what research his Department has *(a)* commissioned and *(b)* evaluated into the effectiveness of the A-level chemistry curriculum and exam in preparing students for degree courses in chemistry and biochemistry. [48744]

**Dr. Howells:** The 1996 joint report by the School Curriculum and Assessment Authority (SCAA) and the Office for Standards in Education (OFSTED) on examination standards over time concluded that there was some evidence of a marginal reduction in the knowledge and understanding demonstrated by A level Chemistry candidates between 1975 and 1995, but that it did not appear that any change in attainment of those entering undergraduate courses in chemistry had adversely affected the distribution of final degree classes over recent years. The Qualifications and Curriculum Authority is currently drawing up new criteria for all A level syllabuses which will reflect the recommendations in the SCAA/OFSTED report for ensuring that A level standards are maintained.

### Science Students

**Dr. Gibson:** To ask the Secretary of State for Education and Employment what were the achievement grades at *(a)* A-level and *(b)* GCSE in each of the science subjects in Norfolk schools in each of the years 1992 to 1997. [41160]

**Dr. Howells** *[holding answer 8 May 1998]:* The information requested for GCE A levels and GCSEs is shown in the following table.

*GCSE achievements of 15 year old pupils entered for GCSE science subjects, in Norfolk schools from 1992 to 1997 (maintained schools only)*

| | *Grades achieved by 15 year old pupils entered* | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | *A** | *A* | *B* | *C* | *D* | *E* | *F* | *G* | *U* | *X* | *Total* |
| *1991–92*[1] | | | | | | | | | | | |
| Single Award Science | — | 42 | 80 | 409 | 354 | 384 | 313 | 158 | 78 | 75 | 1,893 |
| Double Award Science | — | 510 | 570 | 1,484 | 1,027 | 746 | 437 | 162 | 48 | 44 | 5,026 |
| Other Science | — | 2 | 4 | 16 | 15 | 28 | 17 | 11 | 4 | 9 | 106 |
| *1992–93*[1] | | | | | | | | | | | |
| Single Award Science | — | 23 | 56 | 285 | 297 | 301 | 251 | 143 | 93 | 71 | 1,520 |
| Double Award Science | — | 433 | 534 | 1,667 | 1,074 | 769 | 454 | 240 | 92 | 48 | 5,309 |
| Other Science | — | 2 | 5 | 20 | 17 | 29 | 22 | 15 | 5 | 6 | 121 |
| *1993–94*[1] | | | | | | | | | | | |
| Single Award Science | 0 | 10 | 82 | 88 | 268 | 328 | 261 | 126 | 68 | 48 | 1,279 |
| Double Award Science | 144 | 331 | 1,313 | 1,089 | 1,295 | 887 | 430 | 120 | 47 | 97 | 5,752 |
| Other Science | 0 | 2 | 5 | 8 | 8 | 11 | 6 | 1 | 2 | 5 | 48 |
| *1994–95* | | | | | | | | | | | |
| Biological Science | 0 | 3 | 12 | 6 | 2 | 0 | 0 | 0 | 0 | 0 | 23 |
| Chemistry | 1 | 2 | 6 | 14 | 1 | 0 | 0 | 0 | 0 | 0 | 24 |
| Physics | 3 | 6 | 11 | 2 | 1 | 1 | 0 | 0 | 0 | 0 | 24 |
| Single Award Science | 2 | 8 | 85 | 135 | 332 | 376 | 244 | 103 | 38 | 69 | 1,392 |
| Double Award Science | 206 | 410 | 1,214 | 1,457 | 1,252 | 893 | 386 | 88 | 35 | 105 | 6,044 |
| Other Science | 0 | 3 | 3 | 7 | 13 | 22 | 7 | 1 | 0 | 2 | 58 |

*GCSE achievements of 15 year old pupils entered for GCSE science subjects, in Norfolk schools from 1992 to 1997*
*(maintained schools only)*

| | Grades achieved by 15 year old pupils entered | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | *A* | *A* | *B* | *C* | *D* | *E* | *F* | *G* | *U* | *X* | *Total* |
| *1995–96* | | | | | | | | | | | |
| Biological Science | 1 | 7 | 25 | 15 | 3 | 1 | 0 | 0 | 0 | 0 | 52 |
| Chemistry | 3 | 4 | 19 | 23 | 2 | 0 | 0 | 0 | 0 | 0 | 51 |
| Physics | 2 | 9 | 16 | 16 | 7 | 1 | 0 | 0 | 0 | 0 | 51 |
| Single Award Science | 1 | 9 | 109 | 171 | 369 | 375 | 251 | 88 | 57 | 56 | 1,486 |
| Double Award Science | 200 | 497 | 1,209 | 1,382 | 1,342 | 897 | 447 | 109 | 79 | 94 | 6,255 |
| Other Science | 5 | 11 | 15 | 19 | 19 | 19 | 16 | 4 | 3 | 4 | 115 |
| *1996–97* | | | | | | | | | | | |
| Biological Science | 0 | 3 | 9 | 7 | 1 | 0 | 0 | 0 | 0 | 0 | 20 |
| Chemistry | 1 | 2 | 6 | 11 | 0 | 1 | 0 | 0 | 0 | 0 | 21 |
| Physics | 1 | 0 | 9 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 19 |
| Single Award Science | 1 | 14 | 101 | 129 | 347 | 331 | 233 | 86 | 42 | 30 | 1,314 |
| Double Award Science | 233 | 553 | 1,290 | 1,459 | 1,407 | 847 | 392 | 98 | 68 | 106 | 6,453 |
| Other Science | 2 | 7 | 15 | 27 | 10 | 14 | 6 | 4 | 3 | 2 | 90 |

Less than 10 candidates were entered for GCSE biology, chemistry or physics in 1991–92 to 1993–94

*GCE A level achievements of 16–18 year old pupils entered for science subjects, in Norfolk schools from 1992 to 1997*
*(maintained schools only)*

| | Grades achieved by 16–18 year old pupils entered | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | *A* | *B* | *C* | *D* | *E* | *N* | *U* | *X* | *Total* |
| *1991–92* | | | | | | | | | |
| Biological Science | 21 | 48 | 66 | 77 | 89 | 49 | 43 | 5 | 398 |
| Chemistry | 26 | 54 | 57 | 51 | 58 | 30 | 40 | 2 | 318 |
| Physics | 33 | 46 | 44 | 69 | 61 | 55 | 44 | 2 | 354 |
| Other Science | 4 | 5 | 9 | 21 | 10 | 4 | 4 | 0 | 57 |
| *1992–93* | | | | | | | | | |
| Biological Sciences | 30 | 45 | 46 | 75 | 71 | 48 | 23 | 3 | 341 |
| Chemistry | 17 | 31 | 47 | 37 | 23 | 31 | 30 | 2 | 218 |
| Physics | 31 | 31 | 47 | 43 | 39 | 26 | 30 | 2 | 249 |
| Other Science | 5 | 5 | 3 | 11 | 6 | 5 | 3 | 0 | 38 |
| *1993–94* | | | | | | | | | |
| Biological Sciences | 41 | 59 | 76 | 83 | 83 | 43 | 33 | 4 | 422 |
| Chemistry | 45 | 34 | 36 | 42 | 35 | 32 | 27 | 2 | 253 |
| Physics | 51 | 50 | 38 | 38 | 34 | 24 | 12 | 0 | 247 |
| Other Science | 11 | 16 | 6 | 16 | 8 | 6 | 2 | 0 | 65 |
| *1994–95* | | | | | | | | | |
| Biological Sciences | 52 | 64 | 63 | 90 | 61 | 36 | 25 | 5 | 396 |
| Chemistry | 46 | 34 | 39 | 40 | 28 | 23 | 15 | 3 | 228 |
| Physics | 41 | 34 | 34 | 48 | 39 | 17 | 7 | 1 | 221 |
| Other Science | 8 | 4 | 15 | 13 | 15 | 5 | 0 | 0 | 60 |
| *1995–96* | | | | | | | | | |
| Biological Sciences | 33 | 54 | 64 | 91 | 85 | 53 | 39 | 2 | 421 |
| Chemistry | 36 | 39 | 45 | 44 | 37 | 11 | 3 | 0 | 215 |
| Physics | 41 | 30 | 44 | 47 | 48 | 18 | 10 | 2 | 240 |
| Other Science | 7 | 4 | 9 | 19 | 6 | 6 | 0 | 0 | 51 |
| *1996–97* | | | | | | | | | |
| Biological Sciences | 49 | 76 | 74 | 108 | 74 | 38 | 26 | 2 | 447 |
| Chemistry | 57 | 49 | 51 | 39 | 53 | 22 | 16 | 0 | 287 |
| Physics | 47 | 42 | 47 | 37 | 30 | 15 | 9 | 2 | 229 |
| Other Science | 3 | 7 | 10 | 10 | 11 | 4 | 1 | 0 | 46 |

### GCSE/GNVQ Scores

**Mr. Don Foster:** To ask the Secretary of State for Education and Employment what were the average GCSE point scores in 1997 of each equal twentieth group of *(a)* male, *(b)* female and *(c)* all 15 year old pupils when all such pupils are ranked by their total GCSE point scores, the number of pupils and the average number of GCSEs entered per pupil in each group; what proportions of pupils in each group also took (i) an intermediate GNVQ, and (ii) a foundation GNVQ, indicating the numbers gaining each grade. [44955]

**Dr. Howells** *[holding answer 9 June 1998]:* The information requested in respect of average GCSE point scores for 1997 is shown in the following table. However, information on the proportion of pupils in each group who took GNVQs is not available.

*Average GCSE point scores for 1997*

| Males | | | Females | | | Males and Females | | |
|---|---|---|---|---|---|---|---|---|
| *Number of 15 year olds* | *Average number of attempts* | *GCSE points* | *Number of 15 year olds* | *Average number of attempts* | *GCSE points* | *Number of 15 year olds* | *Average number of attempts* | *GCSE points* |
| 14,975 | 0.0 | 0.0 | 14,363 | 0.0 | 0.0 | 29,338 | 0.0 | 0.0 |
| 14,976 | 2.0 | 0.4 | 14,363 | 4.0 | 3.0 | 29,339 | 2.9 | 1.3 |
| 14,975 | 4.7 | 5.8 | 14,363 | 6.4 | 11.4 | 29,338 | 5.4 | 8.1 |
| 14,976 | 6.5 | 11.4 | 14,362 | 7.7 | 17.9 | 29,338 | 7.1 | 14.2 |
| 14,975 | 7.4 | 16.0 | 14,363 | 8.2 | 22.9 | 29,339 | 7.8 | 19.1 |
| 14,976 | 7.9 | 20.0 | 14,363 | 8.5 | 26.8 | 29,338 | 8.2 | 23.2 |
| 14,975 | 8.3 | 23.5 | 14,363 | 8.7 | 30.3 | 29,338 | 8.5 | 26.7 |
| 14,976 | 8.5 | 26.8 | 14,363 | 8.9 | 33.4 | 29,338 | 8.7 | 30.0 |
| 14,975 | 8.7 | 29.9 | 14,363 | 9.0 | 36.3 | 29,339 | 8.9 | 33.1 |
| 14,976 | 8.9 | 33.0 | 14,363 | 9.1 | 39.0 | 29,338 | 9.0 | 36.0 |
| 14,975 | 9.0 | 35.9 | 14,362 | 9.1 | 41.7 | 29,338 | 9.1 | 38.8 |
| 14,975 | 9.1 | 38.7 | 14,363 | 9.2 | 44.3 | 29,339 | 9.2 | 41.6 |
| 14,976 | 9.2 | 41.6 | 14,363 | 9.3 | 46.9 | 29,338 | 9.2 | 44.3 |
| 14,975 | 9.2 | 44.4 | 14,363 | 9.3 | 49.3 | 29,338 | 9.3 | 47.0 |
| 14,976 | 9.3 | 47.2 | 14,363 | 9.4 | 51.9 | 29,339 | 9.4 | 49.7 |
| 14,975 | 9.4 | 50.2 | 14,363 | 9.4 | 54.6 | 29,338 | 9.4 | 52.6 |
| 14,976 | 9.5 | 53.5 | 14,362 | 9.5 | 57.4 | 29,338 | 9.5 | 55.6 |
| 14,975 | 9.6 | 57.3 | 14,363 | 9.6 | 60.7 | 29,338 | 9.6 | 59.2 |
| 14,976 | 9.8 | 62.3 | 14,363 | 9.7 | 64.9 | 29,339 | 9.7 | 63.8 |
| 14,975 | 10.2 | 71.6 | 14,363 | 10.2 | 72.7 | 29,338 | 10.2 | 72.2 |
| 299,509 | 7.9 | 33.5 | 287,257 | 8.3 | 38.3 | 586,766 | 8.1 | 35.8 |

## AGRICULTURE, FISHERIES AND FOOD

### Millennium Compliance

**Mr. David Atkinson:** To ask the Minister of Agriculture, Fisheries and Food what contingency plans his Department is making in the event of the failure of computer systems to recognise the year 2000; when he expects them to be in place, and tested; and if he will make a statement. [48845]

**Mr. Morley:** In recognition of the importance of the Year 2000 issue, the Department has established a major programme of work and intends that all business critical systems will be millennium compliant by April 1999. However, in case of possible failure of some systems to recognise the Year 2000, we are following central (CCTA) advice on contingency planning and related risk management.

Contingency plans are being prepared for all key systems/areas and will be in place by mid-1999. Key elements of the plans will be tested in the same timescale.

### Dairy Farm Inspections

**Mr. Greenway:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the circumstances which necessitate the carrying out of unaccompanied inspections of dairy farms by inspectors from the Farming and Rural Conservation Agency when the farmer is absent at the time of the inspector's unannounced visit. [48754]

**Mr. Rooker:** Normally inspections are not made where no one is available on the farm. However, if conditions appear very bad, a list of faults is left on the farm. The producer is contacted as soon as possible after the visit by the Dairy Hygiene Inspector to discuss the situation. Such a visit is chargeable.

### Dairy Products

**Mr. Greenway:** To ask the Minister of Agriculture, Fisheries and Food what plans he has to review the Dairy Products (Hygiene) Regulations to improve their compatibility with Welfare of Animals Regulations. [48755]

**Mr. Rooker:** The Dairy Products (Hygiene) Regulations 1995 (as amended) already lay down animal health standards, and conditions for housing of animals, as well as general conditions of hygiene for production holdings which require that all animals should be clean and well kept. I am not aware of any incompatibility with welfare legislation.

**Mr. Martlew:** To ask the Minister of Agriculture, Fisheries and Food if he will list those countries which have an import ban on UK dairy products; and if he will make a statement. [48644]

**Mr. Rooker:** The countries which have an import ban on UK dairy products are Saudi Arabia, Yemen, Uzbekistan, Guatemala, Tanzania, Tunisia, Argentina, Guinea Bissau and Syria. Action taken by the Government to encourage these bans to be lifted includes the provision of evidence from independent bodies including the World Health Organisation, the International Epizootics Organisation, the European Union's Scientific and Standing Veterinary Committees and the UK Spongiform Encephalophy Advisory Committee (SEAC), confirming the safety of UK dairy products in relation to BSE. Similar bans in a number of other countries have now been lifted.

### Departmental Staff

**Mr. Brake:** To ask the Minister of Agriculture, Fisheries and Food how staff numbers in his Department have varied between 1 May 1997 and 31 March 1998. [48877]

**Mr. Morley:** Figures from 1 May 1997 to 31 March 1998 are not readily available. The latest comparable information published in the quarterly Civil Service Statistics covers the period 1 April 1997 to 1 January 1998 and is detailed in the table. This shows how the numbers of staff in my Department and its Agencies have varied between the two dates. Quarterly Civil Service Statistics are available in the Library of the House and on the Internet.

*MAFF staff in post summary table*

| *Department/Agency* | *Permanent staff* | | *Casual staff* | | *Total staff* | |
|---|---|---|---|---|---|---|
| | *1 April 1997* | *1 January 1998* | *1 April 1997* | *1 January 1998* | *1 April 1997* | *1 January 1998* |
| Core MAFF | 5,649 | 5,748 | 629 | 614 | 6,278 | 6,362 |
| Farming and Rural Conservation Agency | 436 | 512 | 55 | 60 | 491 | 572 |
| Centre for Environment, Fisheries and Aquaculture Science | 410 | 409 | 23 | 27 | 433 | 436 |
| Central Science Laboratory | 521 | 549 | 44 | 22 | 565 | 571 |
| Meat Hygiene Service | 796 | 905 | 415 | 539 | 1,211 | 1,444 |
| Pesticides Safety Directorate | 194 | 192 | 13 | 13 | 207 | 205 |
| Veterinary Laboratories Agency | 986 | 992 | 39 | 45 | 1,025 | 1,037 |
| Veterinary Medicines Directorate | 100 | 105 | 4 | 2 | 104 | 107 |
| MAFF total | 9,092 | 9,412 | 1,222 | 1,322 | 10,314 | 10,734 |

*Note:*
Staff numbers expressed as Full-Time Equivalents (FTE) with part-time staff counted as a proportion of net conditioned hours worked.

### Ruminants (Foodstuffs)

**Mr. Tyler:** To ask the Minister of Agriculture, Fisheries and Food on what date his Department was informed of the Swedish Government's ban on the use of animal remains for foodstuffs to ruminants; what action was taken in the UK; and if he will make a statement. [49309]

**Mr. Rooker:** The Swedish Government banned the incorporation of meat and bone products in ruminant feed in December 1990. This ban was extended, in December 1993, to include all products from ruminants except fats, milk and milk products, and amended in February 1995 to prohibit protein derived from mammalian tissues.

An EU-wide ban on the feeding of mammalian protein to ruminants was introduced on 27 June 1994. It therefore falls to the EC Commission to ensure that Member States comply.

### Quarantine

**Mr. Oaten:** To ask the Minister of Agriculture, Fisheries and Food what consultation the Advisory Group on Quarantine has had with disability organisations about prioritising quarantine reform in respect of guide dogs and hearing dogs. [49290]

**Mr. Rooker:** The Advisory Group on Quarantine has sought the views of Hearing Dogs for the Deaf, the Guide Dogs for the Blind Association and the Royal National Institute for the Blind on specific points relating to its review of rabies control policy. The Advisory Group has also received advice from the Joint Committee on Mobility of Blind and Partially Sighted People.

### Fishing Limits

**Mr. Letwin:** To ask the Minister of Agriculture, Fisheries and Food under which procedure the derogation permitting six and 12-mile fishing limits will be renewable, and if unanimity will apply. [49328]

**Mr. Morley:** Renewal of the restrictions on access by foreign fishing vessels within Member States' 6 and 12 mile limits after 2002 will require the agreement of a qualified majority of the Council to a proposal from the European Commission. Although only a qualified majority vote is required, there was unanimous support when the restrictions were last renewed in 1992.

### Surplus Beef

**Mr. Laurence Robertson:** To ask the Minister of Agriculture, Fisheries and Food what representations he has made to the European Union Agriculture Ministers about the rule prohibiting the distribution of surplus beef to pensioners who are not on income support; what steps he is taking to change the law to allow such distribution; and if he will make a statement. [48957]

**Mr. Rooker:** The EU legislation governing this Scheme requires Member States to ensure that the produce is distributed only to the most deprived citizens in the community. To comply with this requirement in the UK, the criteria for eligibility were set in consultation

with the Department of Social Security. Persons on Income Support, Family Credit, Disability Working Allowance and Jobseeker's Allowance (income-based only) are all eligible to receive produce, as are the homeless and destitute and those living in welfare hostels. Pensioners as a group are not included since receipt of a State pension is not considered to be a sufficient indicator of need in itself, although those pensioners who meet one or other of the criteria are eligible. The Government have no plans to seek a change in EU law which would materially alter this position.

### Action with Communities in Rural England

**Mr. Gray:** To ask the Minister of Agriculture, Fisheries and Food what representations he received from the Deputy Prime Minister on the subject of his recent talk to Action with Communities in Rural England, with particular reference to its title. [49017]

**Mr. Morley** *[holding answer 6 July 1998]:* None.

**Mr. Gray:** To ask the Minister of Agriculture, Fisheries and Food what were the *(a)* original and *(b)* final titles of his recent address to Action with Communities in Rural England. [49015]

**Mr. Morley** *[holding answer 6 July 1998]:* The title of this address, delivered by my hon. Friend the Minister of State, was 'An Integrated Strategy for Rural Affairs'.

### Dairy Farmers

**Mr. Evans:** To ask the Minister of Agriculture, Fisheries and Food what proportion of the retail price of milk has gone to dairy farmers in each of the last five years. [48783]

**Mr. Rooker** *[holding answer 3 July 1998]:* The proportion of the retail price of milk that has gone to dairy farmers in each of the last five years is approximately as follows:

| *Year* | *Percentage* |
|---|---|
| 1993 | 46 |
| 1994 | 48 |
| 1995 | 53 |
| 1996 | 51 |
| 1997 | 46 |

### Organic Farming

**Mr. Evans:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the additional costs associated with organic farming. [48786]

**Mr. Morley** *[holding answer 3 July 1998]:* Estimates of the comparative costs of organic and conventional systems were prepared in summer 1997 by the Farming and Rural Conservation Agency. These estimates are based on average yields for both systems and reflect a conservative view of organic premia (i.e. that the premiums for organic produce will be lower than at present). The results for eight farm types considered were as follows.

*(£/ha)*

| *Farm type* | *Conventional net margin* | *Final organic system net margin* | *Additional profit (loss) from organic system* |
|---|---|---|---|
| Specialist dairy[1] | 1,489 | 1,654 | 165 |
| Mainly dairy[1] | 1,077 | 1,178 | 101 |
| Mainly arable[2] (major change to enterprise mix) | 642 | 544 | (98) |
| Mainly arable[2] (minimum change) | 517 | 583 | 66 |
| Stockless arable[3] | 745 | 767 | 22 |
| Lowland livestock[2] | 621 | 556 | (65) |
| Upland livestock[2] | 450 | 482 | 32 |
| Hill livestock[4] (i.e. mainly rough grazing) | 338 | 318 | (20) |

[1] Assumes premium of 3.5p/l for organic milk
[2] Assumes premia £40/tonnes feed wheat, £70/tonne milling wheat (arable scenararios only, 50% of wheat assumed to be of milling quality), 10% livestock. Organic profitability would be significantly higher if potatoes could be included in the rotation
[3] Assumes premia £40/tonne feed wheat, £70/tonne milling wheat, £70/tonne potatoes, 10% livestock
[4] Assumes premium of 10% for livestock

Further details are contained in the Review of the Organic Aid Scheme, a copy of which has been placed in the House.

These figures are based on models of average farms and the economics for individual businesses will vary. Farmers considering conversion to organic farming should assess the implications for their own businesses. Free advice, including a telephone help line and on-farm advisory visits, is available from the Organic Conversion Information Service (01179 227707), funded by the Ministry.

**Mr. Evans:** To ask the Minister of Agriculture, Fisheries and Food what research his Department has evaluated into the feasibility of organic hill farming. [48787]

**Mr. Morley** *[holding answer 3 July 1998]:* Since 1991, the Department has funded a large-scale system study at ADAS Redesdale in Northumberland to explore the practical and financial implications of organic hill farming. The project has also involved comparisons with the performance of a range of commercial organic hill farms. This research has been guided by a steering group involving organic farmers and the results have been widely disseminated. The project will cost £220,000 in 1998/99 and has recently been extended to March 2001.

### Rural White Paper

**Mr. Gray:** To ask the Minister of Agriculture, Fisheries and Food what representations he has received about the proposed Rural White Paper. [48794]

**Mr. Morley** *[holding answer 3 July 1998]:* We are considering the best way of taking forward and presenting rural policy, on which we have received a number of representations.

### Ministry of Rural Affairs

**Mr. Gray:** To ask the Minister of Agriculture, Fisheries and Food what representations he has received about the proposed Ministry of Rural Affairs. [48793]

**Mr. Morley** *[holding answer 3 July 1998]:* The Agriculture Committee in its report of 11 December 1997 on the MAFF/Intervention Board Departmental Report 1997 recommended, among other things, that the Department be re-incarnated as a Ministry of Agriculture, Rural Affairs and Fisheries. This recommendation was made in the context of the Government's Comprehensive Spending Review (CSR). Some external organisations have expressed views similar to those of the Committee while others have argued against the creation of a Ministry of Rural Affairs.

The Government's response to the report explained that the Committee's recommendations would be taken into account in the review group's deliberations. The outcome of the CSR has not yet been decided. Decisions about changes in the machinery of Government would ultimately be a matter for the Prime Minister.

**Mr. Gray:** To ask the Minister of Agriculture, Fisheries and Food what discussions he has had with Labour Rural Revival on the subject of the proposed Ministry of Rural Affairs. [48795]

**Mr. Morley** *[holding answer 3 July 1998]:* None.

### Pig Exports

**Dr. Palmer:** To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 20 April 1998, *Official Report*, columns *488–89*, how many of the pigs exported for breeding purposes in 1997 were exported in consignments of *(a)* 200 to 299, *(b)* 300 to 399, *(c)* 400 to 499 and *(d)* over 500 pigs per lorry; and from which ports these consignments departed. [48027]

**Mr. Rooker:** The figures given in my answer of 20 April were corrected in my pursuant answer of 5 May 1998, *Official Report*, columns *303–04*. Information on the numbers of animals per lorry and the ports through which they were exported could be provided only at disproportionate cost. Information is, however, available on the numbers of animals per certified consignment as follows:

| *Consignment size (pigs for breeding)* | *Number of certificates issued* |
|---|---|
| *(a)* 200–299 | 88 |
| *(b)* 300–399 | 56 |
| *(c)* 400–499 | 31 |
| *(d)* over 500 | 15 |

This information was obtained from Departmental computer records. They remain provisional and subject to amendment.

## WALES

### Health Service Management

**Mr. Barry Jones:** To ask the Secretary of State for Wales what steps he has taken to improve management skills in the NHS; and if he will make a statement. [47915]

**Mr. Win Griffiths:** Responsibility for management training lies with the NHS in Wales and Health Authorities fund the running of management training schemes through the NHS Staff College Wales. However, over the next few months, in line with our proposals set out in the White Paper "Putting Patients First", steps will be taken to develop a Human Resource Management Strategy sensitive to the needs of NHS Wales. I will be taking a close interest in ensuring that people with appropriate opportunities to develop their skills are in place to improve the management of a complex service.

### Tourism

**Mr. Evans:** To ask the Secretary of State for Wales how many tourists visited Wales during the most recent 12 months for which figures are available; and if he will make a statement. [48328]

**Mr. Hain:** In 1996, the latest year for which data are available, there were an estimated 11.8 million tourist trips to Wales according to figures published by the Office for National Statistics.

### Dyfed Powys Health Authority

**Mr. Denzil Davies:** To ask the Secretary of State for Wales when he expects to approve the revised strategy, April 1998, of the Dyfed Powys Health Authority. [48652]

**Mr. Win Griffiths:** I met the Chair and other members of the Health Authority Board last month to discuss the strategic plan "Effective Care and Healthy People" and it is to be considered further at a meeting later this month between the Department, the Health Authority and NHS trusts in Dyfed Powys. In the light of these discussions, we will want to consider whether the plan represents a sound basis for NHS provision in Dyfed Powys.

**Mr. Denzil Davies:** To ask the Secretary of State for Wales if he will provide a breakdown of the potential savings of £350,000 per annum cited in paragraph 4.2.5 of his recently published consultation document on his proposal to dissolve the existing NHS trusts in the Dyfed Powys Health Area. [48653]

**Mr. Win Griffiths:** Paragraph 4.2.5 relates to the proposals to dissolve the Carmarthen and District and the Llanelli Dinefwr NHS Trusts. The reconfiguration project team for these proposals have identified by the year 2000–01 total savings as:

| | £ |
|---|---|
| Direct board savings | 240,000 |
| Management costs | 75,000 |
| Admin and technical support | 175,000 |
| Non staff | 145,000 |
| | 635,000 |

When off-set by recurring additional costs of £285,000, a recurring net saving of £350,000 will be realised.

**Mr. Denzil Davies:** To ask the Secretary of State for Wales what assessment he has made of the accuracy of the assumption contained in paragraph 4.4.2 of his consultation document on proposals to dissolve the existing NHS trusts in the Dyfed Powys Health Authority Area that Dyfed Powys Health Authority will receive financial support of £36 million between 1999–2000 and 2001–2002. [48650]

**Mr. Win Griffiths:** The paragraph in question gives Dyfed Powys Health Authority's estimate (at the time of preparation of the consultation document) of the amount of financial support needed to maintain services at their current level if trust reconfiguration were not to proceed. The Welsh Office is working with the health authority and trusts to refine their strategic plans and reduce this amount. The actual amount of financial support provided to the health authority over the three years will be decided on the basis of need and the availability of resources.

**Mr. Denzil Davies:** To ask the Secretary of State for Wales if he will list the previous examples of the mergers of small to medium NHS trusts cited at paragraph 1.4 of his recently published consultation document on his proposals to dissolve existing NHS trusts in the Dyfed Powys Health Authority Area. [48654]

**Mr. Win Griffiths:** In Wales, the merger of the Pembrokeshire and Derwen NHS Trusts realised savings of £750,000 per annum, and, in England, the merger of the Isle of Wight Community Healthcare and St. Mary's Hospital NHS Trusts realised savings of £660,000 per annum.

**Mr. Denzil Davies:** To ask the Secretary of State for Wales what is his estimate of the total cost in a full year of increasing the pay of the 33 per cent. of the staff of the Llanelli/Dinefwr NHS Trust, referred to at paragraph 4.1.6 of his recently published consultative document on his proposals to dissolve the existing NHS trusts in the Dyfed Powys Health Authority Area, to the comparable pay of the majority of the staff of the Carmarthen NHS Trust. [48655]

**Mr. Win Griffiths:** Costs of harmonising pay and terms and conditions would depend on the precise outcome of negotiations with staff representatives, and no estimate is currently available to the Department. A new national pay system for NHS staff, with an emphasis on individual job evaluation, is under consideration by the Government and this should help ease the process of harmonisation in respect of staff employed by the Llanelli/Dinefwr and Carmarthen NHS Trusts if the proposals are approved.

### Carmarthen and Llanelli NHS Trusts

**Mr. Denzil Davies:** To ask the Secretary of State for Wales what is the discretionary capital allocation available to the *(a)* Carmarthen and *(b)* Llanelli NHS Trusts for 1998–99. [48648]

**Mr. Win Griffiths:** *(a)* Carmarthen £1,129,000 and *(b)* Llanelli £868,000.

**Mr. Denzil Davies:** To ask the Secretary of State for Wales what is his estimate of the cost to the proposed Carmarthenshire NHS Trust *(a)* to put in place common systems and *(b)* to standardise processes across the Trust. [48649]

**Mr. Win Griffiths:** The latest estimate for standardisation provided by the reconfiguration project team for the proposed Carmarthenshire NHS Trust is:

£150,000 in 1999–2000

£75,000 in 2000–01

£75,000 in 2002–02.

The figures provided do not differentiate between costs of implementing common systems and standardising processes.

**Mr. Denzil Davies:** To ask the Secretary of State for Wales what is his estimate of the cost of establishing the slimline headquarters for his proposed Carmarthenshire NHS Trust. [48651]

**Mr. Win Griffiths:** This information is not currently available. Ultimately, it would be a matter for the new Trust, if established, to determine the location of its headquarters and the detailed arrangements for putting it in place, subject to policy guidelines for such developments.

### Rhuddlan Borough Council

**Mr. Martyn Jones:** To ask the Secretary of State for Wales if he will make a statement on the extent of *(a)* audit and *(b)* other inspection activity carried out by his Department on the capital grants received by Rhuddlan Borough Council. [48751]

**Mr. Win Griffiths:** Capital grants paid to local authorities are subject to conditions and criteria specified by my Department. Local authorities are required to confirm compliance with these when submitting applications for grant support. The Appointed Auditor certifies the accuracy of the final claim submitted in respect of each scheme.

Progress reports are received on major schemes, meetings are held when problems arise, and site visits or inspections are made when necessary. On occasions, as in the case of Rhuddlan's accounts, it is open to interested parties to request a Quality Control Review of the audit process.

### NUTS 2

**Mr. Wigley:** To ask the Secretary of State for Wales if he will list the precise specifications of the new NUTS 2 areas in Wales; if Eurostat has accepted these areas for the purposes of evaluating structural fund allocations for the period 2000 to 2006; and if he will estimate the value of European structural funds which have been paid to projects within each of the new NUTS 2 areas in Wales during the last five years, or during such similar period for which figures are conveniently available. [48825]

**Mr. Hain:** A list of the precise specifications of the new UK NUTS areas can be found in the Government Statistical Service Press Notice of 29 June, a copy of which has been placed in the Library of the House. The European Commission has proposed that NUTS 2 and 3 areas be used to draw up the new EU Structural Funds

map for the period 2000 to 2006. The Government expect that the new UK NUTS boundaries will be used. The information on Structural Funds expenditure over the past five years, within the new NUTS 2 areas, would be available only at a disproportionate cost.

### Lamb Exports

**Mr. Wigley:** To ask the Secretary of State for Wales what progress has been made on proposals to re-establish the export of whole lamb carcases to France; and if he will make a statement. [48772]

**Mr. Win Griffiths:** The Government have recently issued proposals for statutory consultation to amend the Specified Risk Material Regulations 1997 to allow the export of sheep carcases from animals over 12 months of age (or which have at least one permanent incisor tooth) with the spinal cord intact to premises designated by the French authorities. The period for consultation ended on 3 July. The Government are considering the comments made during the consultation and it is likely that legislation will be forthcoming in the near future.

### Refuse Collection

**Mr. Menzies Campbell:** To ask the Secretary of State for Wales which councils in Wales have adopted the use of wheeled bins for refuse collection. [48990]

**Mr. Win Griffiths:** Returns to the 1996–97 municipal waste management survey show that the following county and county borough councils use wheeled bins for refuse collection to varying degrees:

Caerphilly
Cardiff
Conwy,
Denbighshire
Gwynedd
Merthyr
Tydfil
Neath
Port Talbot
Newport
Rhondda Cynon Taff
Torfaen
Vale of Glamorgan
Wrexham and
Ynys Môn.

### Rough Sleepers

**Mr. Flynn:** To ask the Secretary of State for Wales how much has been spent on dealing with problems of rough sleepers in each of the past five years; and what is his estimate of the total numbers sleeping rough for each of those years. [49205]

**Mr. Win Griffiths:** Grant is paid under section 180 of the Housing Act 1996 (and previously under section 73 of the Housing Act 1985) to support specific projects run by voluntary organisations to prevent and alleviate homelessness and rooflessness, and also as core funding for the relevant voluntary organisations. Figures are given in the table.

£000

| Year | Projects | Core funding |
|---|---|---|
| 1993–94 | 184 | 361 |
| 1994–95 | 195 | 336 |
| 1995–96 | 181 | 378 |
| 1996–97 | 241 | 320 |
| 1997–98 | 312 | 306 |

From 1997–98, the section 180 programme for projects has been targeted exclusively at initiatives to alleviate the problems of rough sleepers.

Provision under section 180 in the current year totals £650,000, of which £336,000 has been allocated to schemes to help rough sleepers.

The number of rough sleepers can vary from one night to the next and may not be a reflection of the total incidence of rough sleeping. In 1996, a snapshot survey of the number of rough sleepers was conducted in 13 diverse areas of Wales. This found 86 people sleeping rough, but these results cannot be extrapolated to provide an estimate for the whole of Wales.

### Crickhowell House

**Mr. Rhodri Morgan:** To ask the Secretary of State for Wales if the defects liability period on Crickhowell House is still extant. [49445]

**Mr. Ron Davies:** The defects liability period has not been formally extended beyond 31 March 1998. The Welsh Health Common Services Authority has served the Landlord with a defects Notice which has been acknowledged and is the subject of on-going discussions.

### Cardiff Bay Barrage

**Mr. Rhodri Morgan:** To ask the Secretary of State for Wales, pursuant to his answer of 2 July 1998, *Official Report*, columns *255–56* what guidelines have been issued to non-departmental bodies which he sponsors in relation to the time taken to respond to requests for assistance from the Parliamentary Commissioner under the Code of Practice on Requests for Government Information; what action he plans to take in respect of the length of time taken by bodies to supply information to the Parliamentary Commissioner; and if he will make a statement. [49463]

**Mr. Ron Davies:** The following general guidance has been issued to Chief Executive Officers of non-departmental public bodies:

CEO 8/94 A copy of the Code of Practice on Access to Government Information together with the Welsh Office Citizen's Charter leaflet on Open Government.

CEO 29/94 The bilingual version of the Code of Practice.

CEO 39/94 Summaries of recent Ombudsman cases relating to the Open Government Code of Practice on Access to Government Information.

CEO 10/96 "Handling of Complaints" guidance accompanied by the Citizen's Charter Complaints Task Force documents "Putting Things Right" and "Good Practice Guide".

CEO 30/96 Office of Public Service Guidance on Redress Under the Citizen's Charter.

CEO 4/97 Revised Code of Practice on Access to Government Information (Second Edition).

CEO 16/97 Complaints Review Arrangements in Public Services.

The Code of Practice states that responses to requests for information should be provided as soon as is practicable. The target for responses to simple requests is 20 working days from the date of receipt. I have no plans to issue further guidance at this time.

### Gwent Tertiary College

**Mr. Llew Smith:** To ask the Secretary of State for Wales how much European Social Fund money was paid to Whitbread Brewers in 1996 for the World Class Manufacturing Project by Gwent Tertiary College. [49430]

**Mr. Hain:** The handling of European grants by GTC is currently being investigated by the Department of Employment Fraud Investigation and Audit Unit and by Gwent Constabulary. It would not be appropriate to comment on individual ESF cases while these investigations are underway.

### Economic Strategy

**Mr. Gareth Thomas:** To ask the Secretary of State for Wales what responses he has received to the Economic Strategy consultation document issued in October 1997; and if he will make a statement. [49486]

**Mr. Ron Davies:** The consultation document produced over 140 written responses. On the basis of those responses, and of further work by my Department and others, I am publishing today "Pathway to Prosperity—A New Economic Agenda for Wales". Copies are available from the Vote Office and in the Libraries.

"Pathway to Prosperity—A New Economic Agenda for Wales" will be the subject of a debate in the Welsh Grand Committee on 13 July.

## FOREIGN AND COMMONWEALTH AFFAIRS

### Gibraltar

**Dr. Marek:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the occasions in the last three months when the Royal Navy took action to stop reported illegal fishing in Gibraltarian waters by Spanish fishing vessels. [45495]

**Mr. Doug Henderson** *[holding answer 15 June 1998]:* The Royal Navy has not had to take action to stop illegal fishing in British waters around Gibraltar by Spanish fishing vessels in the last three months. The Royal Gibraltar Police (RGP) has been able to enforce Gibraltar fisheries legislation in these waters. The Governor has assured the RGP of his full support, and that of HMG.

**Mr. Hoyle:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the rights of residents in Gibraltar to vote in elections to the European Parliament. [49293]

**Mr. Doug Henderson:** I refer my hon. Friend to the answer I gave to the hon. Member for Tewkesbury (Mr. Robertson) on 9 December 1997, *Official Report*, column *499*.

### Tanzania

**Mr. Barnes:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on UK-Tanzanian relations. [48329]

**Mr. Tony Lloyd:** We enjoy excellent relations with Tanzania, illustrated by a number of recent high level bilateral visits. President Mkapa had an audience with the Queen at the Commonwealth Heads of Government Meeting in October 1997. My right hon. Friend the Foreign Secretary also met Foreign Minister Kikwete. In March 1998 I made a working visit to Tanzania and met President Mkapa, Prime Minister Sumaye and Foreign Minister Kikwete. My right hon. Friend the Secretary of State for International Development intends to visit Tanzania in August.

Our historic ties contribute to mutual understanding and we are able to engage in serious dialogue on a range of international issues, including our concerns about political and human rights issues with Tanzania. Tanzania is a significant and growing trading partner. Tanzania is also a major recipient of UK bilateral development assistance. DFID are currently working with the Government of Tanzania to develop a new country strategy paper.

### Former Yugoslavia

**Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the United Kingdom's role in the OSCE Dayton Arms Control Verification Organisation in former Yugoslavia. [48290]

**Mr. Tony Lloyd:** The United Kingdom has provided technical arms control assistance to all the parties to the Dayton agreement. Two arms control experts from the UK's Joint Arms Control Implementation Group work in the OSCE arms control verification offices in Vienna and Sarajevo. They help to co-ordinate inspection activity and report to the Personal Representative of the OSCE Chairman in Office on the implementation of the arms control provisions of the Dayton agreement.

### Disarmament Conference

**Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs what matters he intends to table for the Agenda of the next meeting of the Conference on Disarmament in Geneva. [48301]

**Mr. Tony Lloyd:** The Conference adopted its Agenda on 20 January and a work plan on 26 March. We continue to press for the establishment of Ad Hoc Committees to work on widening the ban on anti-personnel landmines and on a Fissile Material Cut-Off Treaty.

### Conventional Forces in Europe Treaty

**Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he intends to approve the comprehensive proposals on adapting the CFE Treaty's Flank position, tabled on 31 March. [48286]

**Mr. Tony Lloyd:** The proposal to which the hon. Member refers was tabled on behalf of all NATO states in the course of the negotiations under way in Vienna to adapt the CFE Treaty. All NATO member states had approved the text before it was tabled.

**Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to amend the Conventional Forces in Europe Treaty to reflect the changing European security environment. [48288]

**Mr. Tony Lloyd:** The CFE Treaty was negotiated at the end of the Cold War, and limited the number of heavy weapons held by the countries of NATO and the Warsaw Pact in the area from the Atlantic to the Urals. The adapted Treaty will replace a bloc-to-bloc balance between two military alliances with limits on individual nations' weapons holdings, and territorial limits for equipment. This fundamental change will be accompanied by a series of enhancements to the detailed provisions of the Treaty, with the aim of further reducing tension between the States Parties, preventing the destabilising build-up of forces in the Treaty area, and improving military transparency.

**Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs what limits on manpower levels have been imposed upon the United Kingdom as a result of the concluding act of the negotiation on personnel strength of conventional armed forces in Europe. [48287]

**Mr. Tony Lloyd:** The limits on manpower levels for all participating States are set out in the Concluding Act, a copy of which was placed in the Libraries of the House (Command Paper 2164, presented in April 1993). The UK's limit for military personnel is 260,000.

**Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs what reductions the United Kingdom has announced in its Treaty Limited Equipment entitlements. [48289]

**Mr. Tony Lloyd:** Between 1991 and 1993, the United Kingdom reduced its holdings of equipment limited by the Conventional Forces in Europe Treaty by 183 main battle tanks, 30 armoured combat vehicles, and 5 attack helicopters, to bring the holdings into line with the limits agreed under the Treaty. Further reductions in entitlements may result from the adaptation of the Treaty, negotiations on which are continuing in Vienna.

## Non-proliferation Treaty

**Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will promote the proposition of an international treaty against missile proliferation. [48303]

**Mr. Tony Lloyd:** Members of the Missile Technology Control Regime (MTCR), of which the UK is a founder member, discussed the merits of an international treaty against missile proliferation in September 1995. They concluded that there were insuperable difficulties in achieving such a treaty. These included the gaining of a widespread international agreement, reaching consensus to determine which missile systems should be controlled by the treaty, and achieving a credible multilateral verification process.

The UK remains committed to tackling missile non-proliferation through the MTCR as outlined in the reply I gave to my hon. Friend the Member for Newcastle upon Tyne, Central (Mr. Cousins) on 16 June 1998, *Official Report*, columns *196–97*.

**Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs what Her Majesty's Government are doing to encourage *(a)* Brazil, *(b)* Cuba, *(c)* Israel, *(d)* India and *(e)* Pakistan to sign the Non-Proliferation Treaty; and when he expects them to do so. [48302]

**Mr. Tony Lloyd:** We are delighted that, on 1 July, the Brazilian Congress approved Brazil's accession to the Non-Proliferation Treaty. It now remains for the relevant instrument of ratification to be drawn up and deposited.

We continue, both bilaterally and in all relevant international forums to urge the remaining four non-NPT signatories to accede to the Treaty at the earliest possible date.

**Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs if it is his policy that the Non-Proliferation Treaty should continue in force indefinitely. [48333]

**Mr. Tony Lloyd:** The 1995 Review and Extension Conference of the Non-Proliferation Treaty decided that, as the majority of States party supported its indefinite extension, the Treaty should continue in force indefinitely. The UK fully supports this decision.

## Vienna Document 1994

**Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the range of Confidence and Security Building Measures provided for in the Vienna Document 1994. [48292]

**Mr. Tony Lloyd:** The Vienna Document 1994, a copy of which was placed in the Libraries of the House (Cmnd 2791 of March 1995), lists a wide range of confidence and security building measures, including an annual information exchange; constraints on, notification and observation of certain military activities; military contacts provisions; and a verification regime.

**Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs what options he is considering for revising VD94 to reflect the change in the European security environment; and if he will make a statement on discussions held with the OSCE on this matter. [48291]

**Mr. Tony Lloyd:** The Vienna Document 1994 on Confidence and Security Building Measures is currently being reviewed in Vienna by all participating States. Participating States, including the UK, have made many proposals to revise the Vienna Document to reflect the changed security environment in Europe. These are being discussed against the criteria of military significance, additional transparency benefits, possibility of verification and cost effectiveness. We hope that the negotiations will be completed by the end of 1998.

## Plutonium

**Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the impact of the Fissile Material Cut-off Treaty on exports of plutonium by British Nuclear Fuels Ltd. [48330]

**Mr. Tony Lloyd:** We do not expect the Fissile Material Cut-Off Treaty to have any impact on the export of plutonium by British Nuclear Fuels Ltd.

The Fissile Material Cut-Off Treaty will ban the production of fissile materials for nuclear weapons and other explosive devices. The UK has already ceased the production of fissile material for these purposes.

All exports of civil plutonium from the UK are subject to strict controls to ensure that the material is not diverted for use in nuclear weapons. Further information on these controls was given by my hon. Friend the Parliamentary Under-Secretary for Small Firms, Trade and Industry on 1 June 1998, *Official Report*, columns *119–20*.

### Missile Technology Control Regime

**Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the signatories to the Missile Technology Control Regime. [48305]

**Mr. Tony Lloyd:** The following countries are Members of the Missile Technology Control Regime:

Argentina, Australia, Austria, Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Russian Federation, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States of America.

### Strategic Arms Reduction Talks

**Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs if it is his policy to accept an invitation to the United Kingdom to join the Strategic Arms Reduction Talks process and participate in START III. [48293]

**Mr. Tony Lloyd:** The US and Russia have made it clear that START III will be a bilateral process.

Our manifesto made it clear that we will include British nuclear weapons in multilateral negotiations once we are satisfied with verified progress towards our goal of the global elimination of nuclear weapons.

### Wassenaar Agreement

**Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs how many British defence export orders have been blocked under the Wassenaar Arrangement. [48304]

**Mr. Tony Lloyd:** The Initial Elements of the Wassenaar Arrangement state that the decision to transfer or deny transfer of any item will be the sole responsibility of each Participating State. Participation in the Wassenaar Arrangement does not therefore entail automatic refusal of any export. However, in line with our responsibilities as a Participating State, we seek to ensure that our transfers of conventional arms and dual-use goods and technologies do not undermine the Arrangement's goals of contributing to regional and international security and stability. The arms export licensing criteria announced by my right hon. Friend the Foreign Secretary on 28 July 1997, *Official Report*, column *26–29*, state that an export licence should be refused if approval would be inconsistent with the UK's commitments to the Wassenaar arrangement.

### Chemical Weapons Convention

**Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs what action he took during the British EU Presidency to promote the implementation of the Chemical Weapons Convention. [48295]

**Mr. Tony Lloyd:** We are committed to the universal implementation of the Chemical Weapons Convention. To this end during our EU Presidency, we undertook a series of demarches with Partners to encourage accession by non-States Parties to this important multilateral treaty.

In addition, we have continued to play an active part in the work of the Organisation for the Prohibition of Chemical Weapons in The Hague to ensure the full and effective implementation of the Convention.

### UK Nationals (Defence Lawyers)

**Mr. Cox:** To ask the Secretary of State for Foreign and Commonwealth Affairs what financial assistance his Department has provided towards the cost of providing defence lawyers to UK nationals held in prison pending trial in each of the last three years. [48327]

**Mr. Fatchett:** None. Our consular staff overseas help British nationals to find local lawyers for their defence, but we cannot help with the costs involved.

### Embassy, Berlin

**Mr. Cash:** To ask the Secretary of State for Foreign and Commonwealth Affairs what competitive tendering procedures were applied in relation to the construction work for the new British Embassy in Berlin; and if he will list those companies which tendered. [49135]

**Mr. Fatchett:** The competition for the PFI contract for the new British Embassy was conducted in accordance with EC rules and advertised in OJEC, the *Official Journal of the European Communities*. The advertisement prompted interest from 27 companies.

In accordance with PFI guidelines, a shortlist of 3 was produced from whom formal tenders were invited. They were: Norwest Holst; Embassy Partnerships; and Bebcon, the winners of the tender process, subsequently renamed Arteos.

**Mr. Cash:** To ask the Secretary of State for Foreign and Commonwealth Affairs what is the legal status of the site of the new British Embassy in Berlin; and to whom the freehold belongs. [49136]

**Mr. Fatchett:** Under the terms of the PFI contract, signed on 23 June, the FCO granted a 62 year lease to Arteos, the PFI Operator, to enable it to provide an Embassy building, structure, Equipment and Services for an initial term of 30 years. Thereafter, the contract will be retendered for a second 30 year term. The lease will be assumed by the winner of that tender process. The FCO will retain the freehold.

**Mr. Cash:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the arrangements to protect the security of the new British Embassy in Berlin during and after its construction. [49137]

**Mr. Fatchett:** The PFI Contract between the FCO and Arteos, the PFI Operator, requires Arteos to comply with all FCO security requirements at all times, that is, during both the construction and the operating phases. Appropriate security safeguards will also be provided by the FCO during both phases. It is HMG's policy not to release detailed information on security arrangements at overseas posts.

### Regional and Minority Languages

**Mr. Andrew George:** To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer to the hon. Member for Hemel Hempstead (Mr. McWalter), of 4 June 1998, *Official Report*, column *350*, what assessment he has made of the benefits of including Cornish within the Council of Europe Charter for Regional and Minority Languages. [49011]

**Mr. Tony Lloyd:** The Government have not yet reached any conclusions on the position of Cornish under the Charter.

### Immigration Cases

**Mr. Vaz:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the reasons for delay in processing the application of Fazal Ur Rehman, at Islamabad, under ref GV100/42016, whose wife lives at 6 Edgecote Court, Leicester; when this case was referred to the Home Office; and when an outcome is expected. [48937]

**Mr. Fatchett:** We have asked our High Commission in Islamabad for the latest position on this case and my noble Friend the Under-Secretary of State for Foreign and Commonwealth Affairs will write to my hon. Friend within one week of receiving their response.

**Mr. Vaz:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the case of Sukvinder Kaur, reference-IMM/ECR/0195/98/8 the wife of Rajinder Singh of 13 Woodland Road, Leicester. [48939]

**Mr. Fatchett:** We have asked our High Commission in New Delhi for a detailed account of the case as soon as possible. My noble Friend the Under-Secretary of State for Foreign and Commonwealth Affairs will write to my hon. Friend after this has been received.

### Piracy

**Mr. Stringer:** To ask the Secretary of State for Foreign and Commonwealth Affairs what action the Government are taking to combat the problem of piracy and armed robbery at sea; and if he will make a statement. [49639]

**Mr. Tony Lloyd:** We have improved our published advice to UK shipowners and seafarers in order to ensure that they are fully aware of the risks and take all possible precautions against attacks. Where attacks on UK nationals have occurred, we have asked the Governments concerned, most recently in Indonesia and Brazil, to investigate the incidents and take steps to avoid repetitions. We are also encouraging wider international action to combat what is a global threat to safety at sea and international trade. This year we have helped finance counter-piracy missions organised by the International Maritime Organisation. In the autumn we will draw the attention of the UN General Assembly to the problem. All these measures have been in consultation with the UK shipping industry and trade unions, including through recent discussions hosted by the Foreign and Commonwealth Office.

### East Timor

**Mr. Howard:** To ask the Secretary of State for Foreign and Commonwealth Affairs what was the cause of the early departure from East Timor of the European Union Troika envoys. [49300]

**Mr. Fatchett:** The EU Troika Heads of Mission were able to complete their business earlier than originally scheduled.

**Mr. Stringer:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about the recent visit to East Timor by the EU Troika Heads of Mission from Jakarta. [49640]

**Mr. Fatchett:** The EU/Troika Ambassadors from Jakarta visited East Timor from 27 June to 30 June 1998. They were accompanied by the representative of the EU Commission based in Jakarta and a representative of the EU Council Secretariat. This was the first visit to the territory undertaken by EU Ambassadors. It was undertaken at the initiative of the British Presidency of the European Union.

The purpose of the visit was to mark the EU's continuing concern about the situation in East Timor, to improve our knowledge of the situation there and to support the UN process of searching for a fair, comprehensive and internationally acceptable solution to the problem.

We very much regret the death of Orlando Marcelino da Costa who was shot in Baucau during the Troika visit on 29 June and have asked the authorities to carry out a full investigation into the incident.

Although marred by this tragic incident, the visit achieved its objectives. The Ambassadors met a broad cross-section of interlocutors, including key local political figures, members of the security forces, community leaders, the churches and NGOs. They made clear the EU's engagement in the search for a solution, a message which was widely appreciated.

The outcome of the visit will be considered with EU partners under the Austrian Presidency of the EU.

### European Union

**Mr. Howard:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment the Government have made of proposals for establishing a court of political auditors to scrutinise EU initiatives. [49298]

**Mr. Doug Henderson:** The Heads of State or Government of EU Member States will meet during the Austrian Presidency to continue their discussion at the

Cardiff European Council of the future development of the EU, including ways to enhance democratic legitimacy. Like other Member States, the Government will be considering a wide range of ideas in this context.

**Mr. Howard:** To ask the Secretary of State for Foreign and Commonwealth Affairs what plans the Government have to launch a fundamental review of policy towards the European Union. [49299]

**Mr. Doug Henderson:** We are considering future developments in the European Union and how Britain should approach them. That was one of our top priorities when we came to office last year: we want to use the opportunities that our membership of the European Union provides in order to get the best possible deal for the British people.

It is timely that we should return to this issue now the Presidency is behind us, and in the context of my right hon. Friend the Prime Minister's decision to begin at the Cardiff European Council a debate on the future of Europe.

### Iraq

**Mr. Howard:** To ask the Secretary of State for Foreign and Commonwealth Affairs what representations have been made to the Government of Iraq, following the recent incident over the Southern Iraq no-fly zone. [49297]

**Mr. Fatchett:** None.

### Single Currency

**Mr. Howard:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the recent statement by Chancellor Kohl on the implications for political union of the single currency. [49303]

**Mr. Doug Henderson:** The Single Currency clearly involves a major pooling of economic sovereignty by participating Member States. Its launch, along with enlargement, economic reform, and cooperation in the fight against organised crime, is an important part of the background to the discussion about the future development of the European Union launched by the Prime Minister at Cardiff. That discussion will be taken up by Heads of Government in October.

### Hong Kong

**Mr. Hoyle:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the progress of democratisation in Hong Kong under the guidelines set out in the Basic Law. [49294]

**Mr. Fatchett:** Elections to the first Legislative Council of the Hong Kong Special Administrative Region were held on 24 May, in accordance with the provisions of the Basic Law. We hope that the Hong Kong Special Administrative Region Government will build on these elections and work towards early realisation of the goal of a legislature elected entirely through universal suffrage.

# Written Answers to Questions

*Wednesday 8 July 1998*

## TRADE AND INDUSTRY

### Coal Mining Subsidence

**Mr. Todd:** To ask the President of the Board of Trade if she will list *(a)* the number of damage notices served under the Coal Mining Subsidence Act 1991 and *(b)* the number of damage notices rejected in each of the last three years. [49262]

**Mr. Battle:** Figures for 1997/98 are not yet available. The number of new claims received by the Coal Authority and the coal companies in the period 1994/95–1996/97 was:

1996–97: 8,958

1995–96: 9,259

1994–95: 10,582.

The number of claims rejected was:

1996–97: 2,872

1995–96: 3,797

1994–95: 3,915

*Source:*

The Coal Authority's Annual Reports to the President of the Board of Trade on the administration of coal-mining subsidence damage claims, 1994/95–1996/97.

**Mr. Grogan:** To ask the President of the Board of Trade how many claimants have pursued cases of coal mining subsidence damage through the general arbitration scheme in each year since its inception; and what was the amount of awards made to successful claimants in each year. [49102]

**Mr. Battle:** The Annual Report of the Chartered Institute of Arbitrators lists the number of cases registered under the Householders' Arbitration Scheme and the General Arbitration Scheme as 71 in 1993, 97 in 1994, 130 in 1995, 156 in 1996, and 122 in 1997.

The Chartered Institute does not separately publish references registered under the two Schemes. However, it advises that, from March 1997 to 3 July 1998, ten cases were registered under the General Scheme, and 155 under the Householders' Scheme.

The arbitration procedure is private between the parties, and the content of any Award is known only to the Arbitrator and the two parties concerned.

### ABI Group

**Mr. Cran:** To ask the President of the Board of Trade (1), pursuant to her letter of 11 May 1998, when her Department's Redundancy Payments Service will complete its scrutiny of claims for payments under the Employment Rights Act 1996 from former employees of the ABI Group; [48808]

(2) what are the reasons for delays in processing claims by her Department's Redundancy Payments Service from former employees of the ABI Group who are seeking payments under the Employment Rights Act 1996. [48807]

**Mr. Ian McCartney** *[holding answer 7 July 1998]:* Information came to light after 11 May suggesting a possible transfer of the business, or part of it, to a new employer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 1981. Those Regulations provide that, where such a transfer takes place, employees automatically transfer to the new employer under existing terms and conditions of employment. Further inquiries were therefore made as a matter of urgency.

Sufficient information has now been received to establish entitlement on some claims and they are being processed. Information remains outstanding in other cases and is being sought as a matter of urgency.

**Mr. Cran:** To ask the President of the Board of Trade when her Department's Redundancy Payments Service received from the Receiver the redundancy payment forms relating to former employees of the ABI Group who are seeking payments under the Employment Rights Act 1996. [48809]

**Mr. Ian McCartney** *[holding answer 7 July 1998]:* The Department's Redundancy Payments Service received the first tranche of these employees' claim forms from the Receiver on 19 May 1998.

### Solar Products

**Mrs. Brinton:** To ask the President of the Board of Trade what plans she has to encourage the building of new production capacity for solar products in the United Kingdom. [48893]

**Mr. Battle:** The Government are committed to a new and strong drive to develop renewable energy sources. In June 1997 I initiated a review of new and renewable energy policy, including what would be necessary and practicable to achieve 10 per cent. of UK's electricity needs from renewables by the year 2010. The Review is considering what further Government support might be given to encourage the development of all forms of renewable energy, including solar power.

I have also visited the photovoltaic (PV) roof at Ford's plant in Bridgend (which has panels supplied by BP Solar) and the Intersolar factory in South Wales.

The UK is competitive with any other country in Europe as a location for new production plants. Amongst the attractions are low corporation tax, low costs of production, an established enterprise culture, a skilled adaptable workforce, and an established industrial infrastructure. My Department would be pleased to talk to any companies which are thinking of setting up a solar manufacturing plant in this country, and to advise them on the range of incentives available, such as Regional Selective Assistance and other Enterprise grants.

### Multinational Enterprises

**Dr. Tonge:** To ask the President of the Board of Trade if she will make a statement on the current review of the OECD guidelines for multinational enterprises. [49159]

**Mrs. Roche** *[holding answer 7 July 1998]:* The Government fully support the review of the OECD Guidelines for Multinational Enterprises which was formally launched last month. The first phase of the review, a stocktaking and examination of experience of the guidelines, will provide a basis for determining which areas of the guidelines require revision or updating. This Department will continue to consult widely with other Government Departments and with business, trade unions, and interested NGOs in preparing detailed positions on the issues addressed by the guidelines.

### Toys (Phthalates)

**Mr. Baker:** To ask the President of the Board of Trade what recent advice her Department has issued to toy retailers in respect of toys containing phthalates. [49203]

**Mr. Nigel Griffiths** *[holding answer 7 July 1998]:* I refer the hon. Member to the response I gave my hon. Friend the Member for Chorley (Mr. Hoyle) on 1 July 1998, *Official Report*, columns *214–15*, on the use of phthalates in toys. Since that reply, the European Commission has issued a statement recommending that Member States take steps to ensure that the migration of phthalates from PVC child-care articles and toys on their markets do not exceed the limits proposed by the Scientific Committee on Toxicity, Ecotoxicity, and Environment. I welcome the Commission's statement—it vindicates the approach the UK has taken in discussions with the Commission and other Member States. Manufacturers' and retailers' representatives are aware of the Commission's statement.

## LORD CHANCELLOR'S DEPARTMENT

### Legal Insurance

**Mr. Garnier:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list the meetings *(a)* he and *(b)* the Lord Chancellor has had with Mr. Brian Raincock of Litigation Protection to discuss legal insurance. [48614]

**Mr. Hoon:** Both the Lord Chancellor and I have had a number of meetings with various representatives of the insurance industry, in the context of our proposals for the expansion of conditional fee arrangements. The Lord Chancellor met representatives of the Association of British Insurers and seven insurance companies, including Mr. Raincock, on 9 December 1997. I held a briefing session for legal journalists on 31 March 1998 along with others, including Mr. Raincock, interested in the Government's reforms in this area. I also spoke at a conference on 30 June 1998 organised by Neil Stewart Associates, which was chaired by Mr. Raincock.

**Mr. Garnier:** To ask the Parliamentary Secretary, Lord Chancellor's Department when he last met Mr. Brian Raincock of Litigation Protection to discuss the insurance of conditional fee arrangements. [48613]

**Mr. Hoon:** I have had no formal meetings with Mr. Raincock. I last met Mr. Raincock at a conference on 30 June 1998, organised by Neil Stewart Associates, which he chaired.

**Mr. Garnier:** To ask the Parliamentary Secretary, Lord Chancellor's Department what assessment he has made of the *(a)* viability and *(b)* integrity of Litigation Protection as a provider of conditional fee arrangement insurance. [48612]

**Mr. Hoon:** The Department has a continuing dialogue with the insurance industry about developing the market in insurance products to underpin the use of conditional fees. That has not involved us in undertaking an assessment of particular products or individual providers.

### Magistrates

**Mr. Mullin:** To ask the Parliamentary Secretary, Lord Chancellor's Department what is the current average time that elapses between an application to become a magistrate and *(a)* the interview and *(b)* the outcome of the interview being made known to the candidate; and if he will make a statement. [48493]

**Mr. Hoon:** Advisory Committees on Justices of the Peace normally make recommendations to the Lord Chancellor only once a year. The length of time a candidate must wait, from making an application to being informed of its outcome, depends on when an application is made in relation to the point in the year when recommendations are made. The Lord Chancellor directs his Advisory Committees to keep candidates informed of the progress of their applications at all stages.

### Public Registers

**Mr. Cohen:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list the public registers which his Department has responsibility for. [47350]

**Mr. Hoon:** The Lord Chancellor's Department or its Agencies are responsible for the following public registers:

*Court Service Headquarters*

- Register of County Court Judgments (administered by the Registry Trust Ltd.)
- The Register of bailiffs holding a general certificate to levy distress for rent.

*Principal Registry of the Family Division*

- Probate Calender—record of all grants issued in England and Wales since 1895

*Royal Courts of Justice*

- Petitions for Bankruptcy, applications for interim orders, and applications to set aside Statutory Demands
- Petitions for administration issues in the Companies Court
- Winding up Petitions issued in England and Wales
- Local Election Petitions
- Parliamentary Election Petitions

Deeds Poll Register
Bill of Sale Register
Book Debt Register

*Public Trust Office*

Register of unclaimed balances
Register of Enduring Powers of Attorney
Register of Notices served on the Public Trustee under Section 18 of the Law of Property (Miscellaneous Provisions) Act 1994

*Lands Tribunal*

References
Law of Property Act 1925 Section 84 Applications
Rating Appeals
Leasehold Reform Appeals
Absent Owner Applications
Rights of Light Act 1959 applications
Appeals against Determinations of the Inland Revenue

*Land Registry*

Registers of Title
Register of Agricultural Charges
Register of Land Charges
Register of Pending Actions
Register of Writs and Orders
Register of Deeds of Arrangement
Register of Annuities
Index of Proprietors' Names

*Northern Ireland Court Service*

The following are all registers within the Northern Ireland Court Service which the public have access to in whole or part:

*Supreme Court*

Queen's Bench Writs/Cause
Queen's Bench Judgments
Court of Appeal Register
Bankruptcy Register
Companies (Winding Up) Register
Probate Register
Matrimonial Register

*Crown and County Court*

Crown Court Book
Civil Bill Book
Small Claims Register
Criminal Injuries Register
Equity Register
Divorce Register
Default Judgment Register

*Magistrates' Court*

Intoxicating Liquor Licences Register
Registered Clubs Register
Bookmakers Licences Register
Bookmaking Office Licences Register
Bingo Club Licences Register
Gaming Machine Certificates Register
Gaming Machine Permits Register
Lottery Certificates Register

*Enforcement of Judgments Office*

Register of Judgments.

A number of registers are kept within the Magistrates' Courts in England and Wales but they are the responsibility of the Justices Clerks rather than the Lord Chancellor's Department and so are not included.



## SCOTLAND

### Lottery Funding

**Mr. Alexander:** To ask the Secretary of State for Scotland how much National Lottery funding has been distributed by *(a)* the Scottish Sports Council and *(b)* the Scottish Arts Council for projects in (i) Paisley, South constituency and (ii) Renfrewshire. [48485]

**Mr. Galbraith:** The information requested is given in the table.

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| *Distributing body* | *Paisley, South* | *Renfrewshire* |
|---|---|---|
| Scottish Sports Council | — | [1] 681,575 |
| Scottish Arts Council | 69,520 | [2] 241,312 |

[1] Figure relates to capital projects only and refers to the pre-1996 constituency of Renfrew, West and Inverclyde

[2] Figure relates to projects in the local government area of Renfrewshire and includes figure quoted for Paisley, South

### Unemployment

**Mr. Alexander:** To ask the Secretary of State for Scotland if he will estimate how many claimants of jobseeker's allowance over the age of 25 in Paisley, South have been unemployed for more than two years. [48487]

**Mr. Wilson:** In April 1998, there were 361 people in the Paisley, South constituency aged 25 and over who had been claiming unemployment related benefits for over two years.

### Further Education Colleges

**Mr. Gorrie:** To ask the Secretary of State for Scotland if he will estimate the (i) percentage and (ii) amount of the fee income paid to further education colleges in February which related to expenditure required to be met in the third term in the academic year, relating to next financial year. [48300]

**Mr. Wilson:** For the 1997–98 academic year tuition fees for full time higher education students have been paid by the Student Awards Agency for Scotland (SAAS) in three instalments, one third in October, one third in February and one third in April. From academic year 1998–99, those fees payable by SAAS will be paid in a single instalment, in February. Approximately one third, or £8 million, of the amount to be paid to further education colleges in February 1999 will relate to expenditure on tuition during the third term of the 1998–99 academic year.

### Departmental Staff

**Mr. Brake:** To ask the Secretary of State for Scotland how staff numbers in his Department have varied between 1 May 1997 and 31 March 1998. [48876]

**Mr. Dewar:** Details of the number of permanent staff in The Scottish Office, expressed in full-time equivalents, at 1 May 1997 and 1 April 1998 are shown in the table. Figures are shown separately for the policy core and Executive Agencies of The Scottish Office.

| | *1 May 1997* | *1 April 1998* | *Percentage change* |
|---|---|---|---|
| *Scottish Office Core* | 3,489.1 | 3,436.5 | -1.5 |
| *Executive Agencies:* | | | |
| Fisheries Research Service | 217.9 | 227.0 | +4.2 |
| Scottish Fisheries Protection Agency | 254.0 | 255.6 | +0.6 |
| Scottish Agricultural Science Agency | 123.2 | 121.0 | -1.8 |
| Scottish Office Pensions Agency | 152.1 | 143.5 | -5.7 |
| Student Awards Agency for Scotland | 122.3 | 125.8 | +2.9 |
| Historic Scotland | 592.7 | 626.8 | +5.8 |
| Scottish Prison Service | [1]4,531.0 | 4,723.0 | +4.2 |

[1] Figure relates to the position as at 1 April 1997

### Respiratory Disease

**Mr. Chisholm:** To ask the Secretary of State for Scotland how many emergency admissions to hospitals where the diagnosis related to a respiratory disease other than influenza there were in each month in (i) 1993, (ii) 1994, (iii) 1995 and (iv) 1996 in respect of patients aged *(a)* 0 to 14, *(b)* 14 to 64 and *(c)* 64 years and over. [48986]

**Mr. Galbraith:** The number of emergency admissions to NHS hospitals in Scotland, where a diagnosis related to a respiratory disease other than influenza was recorded in each month in 1993, 1994, 1995 and 1996 in respect of patients aged under 15, 15 to 64 and 65 years and over is given in the table.

*Number of emergency admissions where a respiratory diagnosis[1] excluding influenza was recorded*

| | | *Age group (years)* | | | |
|---|---|---|---|---|---|
| *Year of admission* | *Month of admission* | *under 15* | *15–64* | *65+* | *Total* |
| 1993 | January | 1,337 | 1,542 | 2,674 | 5,553 |
| | February | 1,648 | 1,338 | 2,239 | 5,225 |
| | March | 1,546 | 1,692 | 2,906 | 6,144 |
| | April | 1,061 | 1,338 | 2,386 | 4,785 |
| | May | 1,147 | 1,425 | 2,207 | 4,779 |
| | June | 1,132 | 1,397 | 2,178 | 4,707 |
| | July | 872 | 1,356 | 2,003 | 4,231 |
| | August | 909 | 1,358 | 1,965 | 4,232 |
| | September | 1,381 | 1,467 | 2,071 | 4,919 |
| | October | 1,679 | 1,952 | 2,810 | 6,441 |
| | November | 1,945 | 1,962 | 3,713 | 7,620 |
| | December | 2,144 | 1,783 | 3,190 | 7,117 |
| | Total | 16,801 | 18,610 | 30,342 | 65,753 |
| 1994 | January | 1,587 | 1,786 | 3,067 | 6,440 |
| | February | 1,216 | 1,429 | 2,304 | 4,949 |
| | March | 1,214 | 1,569 | 2,474 | 5,257 |
| | April | 966 | 1,450 | 2,354 | 4,770 |
| | May | 1,141 | 1,575 | 2,280 | 4,996 |
| | June | 1,033 | 1,455 | 2,263 | 4,751 |
| | July | 751 | 1,395 | 2,229 | 4,375 |
| | August | 722 | 1,511 | 2,040 | 4,273 |
| | September | 1,143 | 1,557 | 2,188 | 4,888 |
| | October | 1,174 | 1,651 | 2,303 | 5,128 |
| | November | 1,532 | 1,594 | 2,216 | 5,342 |
| | December | 1,955 | 1,758 | 2,792 | 6,505 |
| | Total | 14,434 | 18,730 | 28,510 | 61,674 |
| 1995 | January | 1,548 | 1,841 | 2,946 | 6,335 |
| | February | 1,453 | 1,477 | 2,458 | 5,388 |
| | March | 1,357 | 1,742 | 2,737 | 5,836 |
| | April | 955 | 1,569 | 2,452 | 4,976 |
| | May | 984 | 1,691 | 2,498 | 5,173 |
| | June | 1,011 | 1,687 | 2,354 | 5,052 |
| | July | 705 | 1,612 | 2,312 | 4,629 |
| | August | 665 | 1,594 | 2,145 | 4,404 |
| | September | 1,120 | 1,866 | 2,276 | 5,262 |

*Number of emergency admissions where a respiratory diagnosis[1] excluding influenza was recorded*

| Year of admission | Month of admission | Age group (years) under 15 | 15–64 | 65+ | Total |
|---|---|---|---|---|---|
| | October | 1,221 | 1,953 | 2,537 | 5,711 |
| | November | 2,067 | 2,150 | 3,116 | 7,333 |
| | December | 2,505 | 2,280 | 4,457 | 9,242 |
| | Total | 15,591 | 21,462 | 32,288 | 69,341 |
| 1996 | January | 1,934 | 2,133 | 3,801 | 7,868 |
| | February | 1,458 | 1,664 | 2,568 | 5,690 |
| | March | 1,291 | 1,809 | 2,771 | 5,871 |
| | April | 980 | 1,799 | 2,785 | 5,564 |
| | May | 1,120 | 1,693 | 2,665 | 5,478 |
| | June | 994 | 1,656 | 2,480 | 5,130 |
| | July | 783 | 1,621 | 2,361 | 4,765 |
| | August | 784 | 1,662 | 2,288 | 4,734 |
| | September | 1,121 | 1,643 | 2,324 | 5,088 |
| | October | 906 | 1,654 | 2,524 | 5,084 |
| | November | 1,162 | 1,647 | 2,555 | 5,364 |
| | December | 1,871 | 2,297 | 4,001 | 8,169 |
| | Total | 14,404 | 21,278 | 33,123 | 68,805 |

[1] Respiratory diagnosis, excluding influenza—cases selected from relevant codes based on the Health Organisation's International Classification of Diseases 9th and 10th Revisions (ICD9 & ICD10 respectively), the codes used were ICD9 460–519, excluding 487 and ICD10 J00-J99, excluding J10-J1

*Source:*

ISD Scotland, SMR1/SMR01

### Disabled Voters

**Mr. Evans:** To ask the Secretary of State for Scotland what representations he has received concerning access for disabled people to polling stations during the Scottish parliamentary elections. [49325]

**Mr. McLeish:** We have received no representations directly concerning the Scottish Parliamentary elections. However, my officials, together with representatives from Capability Scotland, have recently held 2 seminars attended by officials from local authorities in Scotland responsible for electoral arrangements to highlight improvements which can be made to access at polling stations.

### Police (Firearms)

**Mr. Sarwar:** To ask the Secretary of State for Scotland how many police officers in Scotland are authorised to carry firearms. [49340]

**Mr. McLeish:** In 1997, the most recent year for which figures are available, there were 723 police officers in Scotland authorised to carry firearms in the strictly limited circumstances covered in guidelines issued by the Secretary of State in 1984.

### Burncrooks Waterworks (Contamination Incident)

**Mrs. Fyfe:** To ask the Secretary of State for Scotland what plans he has to publish the report of Robert Fraser into the diesel contamination incident at the Burncrooks Waterworks in December 1997. [49977]

**Mr. Dewar:** I am publishing Mr. Fraser's report today. I have placed copies of the report in the libraries of both Houses.

### Repossession Orders

**Mrs. Ewing:** To ask the Secretary of State for Scotland how many mortgage repossession orders there were to each court district in each of the months of April, May and June 1997 and the month of April 1998. [49208]

**Mr. Dewar:** Figures in relation to repossession of property by mortgage lenders have been collected by the courts since a revised system of collecting Civil Judicial Statistics was instituted on 1 January 1994. The figures for the months of April, May and June 1997 and the month of April 1998 are shown in the table.

*Mortgage Lender*

| Court | April 1997 | May 1997 | June 1997 | April 1998 |
|---|---|---|---|---|
| Aberdeen | 1 | 28 | 8 | 15 |
| Airdrie | 16 | 18 | 12 | 3 |
| Alloa | 2 | 0 | 9 | 5 |
| Arbroath | 0 | 3 | 8 | 10 |
| Ayr | 7 | 12 | 12 | 18 |
| Banff | 0 | 0 | 1 | 2 |
| Campbeltown | 0 | 0 | 2 | 2 |
| Cupar | 6 | 4 | 1 | 3 |
| Dingwall | 1 | 0 | 0 | 2 |
| Dornoch | 0 | 0 | 1 | 0 |
| Dumbarton | 10 | 5 | 17 | 19 |
| Dumfries | 4 | 1 | 1 | 4 |
| Dundee | 15 | 16 | 10 | 12 |
| Dunfermline | 0 | 15 | 17 | 11 |
| Dunoon | 2 | 1 | 2 | 1 |
| Duns | 0 | 0 | 2 | 0 |
| Edinburgh | 55 | 46 | 39 | 42 |
| Elgin | 4 | 1 | 1 | 4 |
| Falkirk | 5 | 12 | 10 | 9 |
| Forfar | 3 | 2 | 1 | 4 |
| Fort William | 0 | 0 | 0 | 1 |
| Glasgow | 87 | 56 | 109 | 63 |
| Greenock | 2 | 0 | 5 | 5 |
| Haddington | 7 | 4 | 5 | 6 |

*Mortgage Lender*

| *Court* | *April 1997* | *May 1997* | *June 1997* | *April 1998* |
|---|---|---|---|---|
| Hamilton | 29 | 23 | 0 | 0 |
| Inverness | 13 | 6 | 9 | 10 |
| Jedburgh | 0 | 0 | 0 | 6 |
| Kilmarnock | 17 | 3 | 0 | 10 |
| Kirkcaldy | 20 | 17 | 17 | 23 |
| Kirkcudbright | 0 | 1 | 2 | 0 |
| Kirkwall | 0 | 0 | 0 | 0 |
| Lanark | 7 | 4 | 4 | 6 |
| Lerwick | 0 | 0 | 0 | 0 |
| Linlithgow | 18 | 11 | 13 | 25 |
| Lochmaddy | 0 | 0 | 0 | 0 |
| Oban | 1 | 2 | 0 | 3 |
| Paisley | 24 | 0 | 25 | 0 |
| Peebles | 2 | 0 | 0 | 1 |
| Perth | 10 | 5 | 4 | 10 |
| Peterhead | 2 | 5 | 8 | 4 |
| Portree | 0 | 0 | 0 | 0 |
| Rothesay | 2 | 0 | 0 | 3 |
| Selkirk | 5 | 4 | 1 | 3 |
| Stirling | 5 | 3 | 6 | 6 |
| Stonehaven | 4 | 5 | 3 | 5 |
| Stornoway | 3 | 0 | 1 | 2 |
| Stranraer | 0 | 3 | 2 | 3 |
| Tain | 2 | 2 | 0 | 0 |
| Wick | 0 | 0 | 0 | 0 |
| Grand Total | 391 | 318 | 368 | 361 |

**Mrs. Ewing:** To ask the Secretary of State for Scotland how many mortgage repossession orders there were to each court district in each quarter of 1992–93. [49211]

**Mr. Dewar:** Information as to orders for mortgage repossession for each court district in 1992 and 1993 are included in the returns relating to all actions involving land or heritable estate which are supplied to the courts for the purposes of the Judicial Statistics (Scotland) Act 1869 and cannot be identified separately.

## Health Service

**Mrs. Ewing:** To ask the Secretary of State for Scotland what were the actual or estimated payments *(a)* in real terms, *(b)* in cash terms and *(c)* as a percentage of total NHS expenditure in Scotland to NHS trust chairs and non-executive directors in the year 1997–98. [49210]

**Mr. Galbraith:** Details for 1997–98 are not yet available. Provisional figures will be available from 31 August 1998.

**Mrs. Ewing:** To ask the Secretary of State for Scotland what were the average waiting times for each Scottish health board for *(a)* knee and *(b)* hip joint replacement operations at 31 March in each year since 1992. [49209]

**Mr. Galbraith:** The meaning waiting time for knee and hip joint replacement operations at 31 March in each year since 1992 is given in the table.

*Knee joint replacement*

*Mean wait (days)*

| *Area of residence* | *31 March 1992* | *31 March 1993* | *31 March 1994* | *31 March 1995* | *31 March 1996* | *31 March 1997* | *31 March 1998*[1] |
|---|---|---|---|---|---|---|---|
| Argyll and Clyde | 160 | 163 | 152 | 148 | 129 | 151 | 189 |
| Ayrshire and Arran | 125 | 124 | 124 | 118 | 105 | 102 | 109 |
| Borders | 85 | 61 | 76 | 78 | 90 | 97 | 90 |
| Dumfries and Galloway | 230 | 205 | 290 | 276 | 239 | 217 | 204 |
| Fife | 163 | 150 | 133 | 155 | 106 | 87 | 131 |
| Forth Valley | 143 | 207 | 233 | 227 | 251 | 237 | 238 |
| Grampian | 73 | 102 | 97 | 82 | 88 | 106 | 94 |
| Greater Glasgow | 133 | 109 | 162 | 172 | 173 | 193 | 216 |
| Highland | 227 | 193 | 206 | 182 | 211 | 206 | 182 |
| Lanarkshire | 117 | 117 | 140 | 179 | 170 | 158 | 125 |
| Lothian | 159 | 177 | 141 | 173 | 174 | 168 | 145 |
| Orkney | 41 | 35 | 38 | 39 | 48 | 34 | 74 |
| Shetland | 33 | 45 | 86 | 118 | 132 | 109 | 109 |
| Tayside | 138 | 136 | 110 | 109 | 102 | 129 | 141 |
| Western Isles | 234 | 263 | 145 | 136 | 121 | 78 | 75 |
| Scotland | 146 | 145 | 146 | 152 | 145 | 149 | 155 |

*Hip joint replacement*

*Mean wait (days)*

| *Area of residence* | *31 March 1992* | *31 March 1993* | *31 March 1994* | *31 March 1995* | *31 March 1996* | *31 March 1997* | *31 March 1998*[1] |
|---|---|---|---|---|---|---|---|
| Argyll and Clyde | 132 | 121 | 127 | 123 | 120 | 141 | 144 |
| Ayrshire and Arran | 105 | 130 | 97 | 96 | 93 | 83 | 113 |
| Borders | 68 | 63 | 68 | 76 | 82 | 85 | 86 |
| Dumfries and Galloway | 196 | 225 | 218 | 233 | 184 | 153 | 136 |
| Fife | 131 | 114 | 131 | 138 | 107 | 83 | 115 |
| Forth Valley | 105 | 158 | 176 | 193 | 186 | 169 | 175 |
| Grampian | 81 | 95 | 90 | 81 | 81 | 90 | 82 |
| Greater Glasgow | 127 | 127 | 145 | 149 | 158 | 176 | 184 |
| Highland | 185 | 144 | 159 | 153 | 201 | 191 | 182 |
| Lanarkshire | 104 | 125 | 140 | 146 | 139 | 114 | 116 |
| Lothian | 130 | 150 | 128 | 159 | 154 | 143 | 133 |
| Orkney | 40 | 39 | 24 | 36 | 44 | 48 | 55 |
| Shetland | 24 | 48 | 100 | 100 | 77 | 108 | 92 |
| Tayside | 112 | 107 | 94 | 111 | 99 | 108 | 122 |

*Hip joint replacement*

*Mean wait (days)*

| *Area of residence* | *31 March 1992* | *31 March 1993* | *31 March 1994* | *31 March 1995* | *31 March 1996* | *31 March 1997* | *31 March 1998*[1] |
|---|---|---|---|---|---|---|---|
| Western Isles | 141 | 153 | 123 | 90 | 77 | 66 | 59 |
| Scotland | 121 | 127 | 126 | 133 | 128 | 126 | 131 |

[1] Provisional
*Source:*
SMR1/SMR01

### Women Prisoners

**Mrs. Ewing:** To ask the Secretary of State for Scotland, pursuant to his answer of 3 June 1998, *Official Report*, columns *281–82*, on women prisoners, what percentage of female prisoners in each year were incarcerated for non-payment of fines. [49206]

**Mr. McLeish:** The information provided in the table relates to all sentenced female receptions, both direct and fine default, to the Scottish prison system by type of sentence. The table also provides details of the percentage of female prisoners in each year who were incarcerated for fine default.

*Total number of sentenced female receptions to Scottish prison system, 1978–79, 1979–80, 1986–87, 1987–88, 1996–97 and 1997–98 by type of sentence*

| *Year* | *Total number of sentenced female receptions*[1] | *Total number of fine default female receptions* | *Fine default female receptions as a percentage of total sentenced female receptions* |
|---|---|---|---|
| 1978–79 | 731 | 381 | 52 |
| 1979–80 | 656 | 292 | 45 |
| 1986–87 | 1,220 | 698 | 57 |
| 1987–88 | 1,216 | 623 | 51 |
| 1996–97 | 1,325 | 722 | 54 |
| 1997–98 | 1,141 | 575 | 50 |

[1] Excludes borstal sentences; of which there were 38 in 1978–79 and 36 in 1979–80

### School Curriculum

**Mrs. Ray Michie:** To ask the Secretary of State for Scotland how many responses were received by the Scottish Consultative Council on the Curriculum on the place of Scottish culture in the curriculum; and when he expects the report to be published. [49274]

**Mr. Wilson:** This is a matter for the Scottish Consultative Council on the Curriculum since the report of their Review Group on Scottish Culture and the Curriculum has not been submitted to the Secretary of State. A decision not to publish the report was taken by the Council at its meeting on 19 June.

## DEFENCE

### Army Tactical Reconnaissance Capability

**Ms Dari Taylor:** To ask the Secretary of State for Defence if he will make a statement on the Army's future tactical reconnaissance capability. [50040]

**Mr. Spellar:** The Strategic Defence Review has emphasised the importance of investment in the area of fast, detailed and accurate intelligence, surveillance, target acquisition and reconnaissance, known as ISTAR. This is not only vital for combat operations, but also for many peace support operations.

We have, therefore, decided to undertake a programme of work aimed at enhancing the Army's tactical reconnaissance capability. This involves an integrated series of studies into future sensors, land reconnaissance vehicles and unmanned air vehicles. These studies will enable us to identify the most cost-effective mix of reconnaissance sensors and platforms to meet our future needs.

As part of this programme, we will conduct with the United States a collaborative Project Definition study which will examine sensors, sensor integration and the vehicles needed to meet our armies' future manned land-based reconnaissance requirements. This joint project is known as the Armoured Scout and Reconnaissance Vehicle, ASRV, and seeks to provide a highly mobile, stealthy battlefield reconnaissance capability. A Memorandum of Understanding with the United States has now been signed, and an Invitation to Tender will be released to industry in the near future. The United Kingdom element of ASRV is known as TRACER—Tactical Reconnaissance Armoured Combat Equipment Requirement. The United Kingdom will be an equal partner with the United States in this project, which will have major benefits for the United Kingdom armed forces and industry.

In parallel, we are conducting national studies into the use of Unmanned Air and Land Vehicles for meeting the Army's future reconnaissance requirements. The sensor and sensor integration work carried out under the ASRV project will inform this work. We are also examining the scope for collaboration with the United States on the Unmanned Air Vehicle element of the programme.

### Multiple Launch Rocket System

**Mrs. Gilroy:** To ask the Secretary of State for Defence if he will make a statement on a future rocket for the Multiple Launch Rocket System. [50046]

**Mr. Spellar:** The United Kingdom intends to join the collaborative programme to develop a guided rocket for the Multiple Launch Rocket System, MLRS. This guided rocket will replace the current MLRS rocket, which begins to reach the end of its service life early next century. The new rocket will have a greater range and accuracy than current rockets.

Guided MLRS is expected to be developed collaboratively with the US, France, Germany, and Italy, our partners in the original, highly successful MLRS programme.

## RAF Squadrons

**Mr. Menzies Campbell:** To ask the Secretary of State for Defence what are the personnel numbers for *(a)* the full strength and *(b)* the current strength of each RAF squadron. [44188]

**Dr. Reid** *[holding answer 10 June 1998]:* The table gives the figures for the establishment of each RAF operational Squadron, and the number of established posts filled as at 1 May 98.

| *Squadron station* | *Establishment* | *Established posts filled* |
|---|---|---|
| *Strike/attack* | | |
| 9 Sqn Bruggen | 177 | 169 |
| 12 Sqn Lossiemouth | 175 | 163 |
| 14 Sqn Bruggen | 177 | 164 |
| 17 Sqn Bruggen | 177 | 163 |
| 31 Sqn Bruggen | 175 | 165 |
| 617 Sqn Lossiemouth | 178 | 162 |
| *Offensive support* | | |
| 1 Sqn Wittering | 173 | 158 |
| 3 Sqn Laarbruch | 165 | 158 |
| 4 Sqn Laarbruch | 168 | 154 |
| 6 Sqn Coltishall | 135 | 122 |
| 54 Sqn Coltishall | 134 | 119 |
| *Air defence* | | |
| 5 Sqn Coningsby | 179 | 169 |
| 11 Sqn Leeming | 194 | 181 |
| 25 Sqn Leeming | 192 | 178 |
| 29 Sqn Coningsby | 180 | 168 |
| 43 Sqn Leuchars | 193 | 184 |
| 111 Sqn Leuchars | 193 | 181 |
| *Airborne early warning* | | |
| 8 Sqn Waddington | 102 | 90 |
| 23 Sqn Waddington | 89 | 77 |
| *Maritime patrol* | | |
| 120 Sqn Kinloss | 125 | 118 |
| 201 Sqn Kinloss | 125 | 123 |
| 206 Sqn Kinloss | 126 | 114 |
| *Reconnaissance* | | |
| 2 Sqn Marham | 222 | 211 |
| 13 Sqn Marham | 221 | 207 |
| 39 Sqn Marham | 126 | 118 |
| 41 Sqn Coltishall | 204 | 190 |
| 51 Sqn Waddington | 216 | 178 |
| *Air transport/tankers* | | |
| 10 Sqn Brize Norton | 333 | 310 |
| 101 Sqn Brize Norton | 244 | 217 |
| 216 Sqn Brize Norton | 350 | 309 |
| *Air transport* | | |
| 24 Sqn Lyneham | 117 | 110 |
| 30 Sqn Lyneham | 118 | 115 |
| 32 Sqn Northolt | 85 | 59 |
| 47 Sqn Lyneham | 129 | 125 |
| 70 Sqn Lyneham | 121 | 114 |
| *Support helicopters* | | |
| 7 Sqn Odiham | 220 | 200 |
| 18 Sqn Odiham | 201 | 185 |
| 27 Sqn Odiham | 209 | 170 |
| 33 Sqn Benson | 182 | 156 |
| 72 Sqn Aldergrove | 165 | 163 |
| 78 Sqn Mount Pleasant | 41 | 37 |
| 84 Sqn Akrotiri | 57 | 42 |
| 230 Sqn Aldergrove | 181 | 167 |
| *Search and rescue* | | |
| 22 Sqn St. Mawgan | 9 | 8 |
| A Flt Chivenor | 53 | 50 |
| B Flt Wattisham | 55 | 5 |
| C Flt Valley | 51 | 49 |
| 202 Sqn Boulmer | 60 | 57 |
| D Flt Lossiemouth | 54 | 53 |
| E Flt Leconfield | 50 | 48 |
| *RAF regiment* | | |
| 1 Sqn RAF Regt | 164 | 141 |
| 2 Sqn RAF Regt | 164 | 102 |
| 3 Sqn RAF Regt | 131 | 119 |
| 15 Sqn RAF Regt | 108 | 99 |
| 16 Sqn RAF Regt | 108 | 100 |
| 26 Sqn RAF Regt | 108 | 88 |
| 27 Sqn RAF Regt | 78 | 71 |
| 34 Sqn RAF Regt | 163 | 146 |
| 37 Sqn RAF Regt | 108 | 95 |
| 63 Sqn RAF Regt | 122 | 111 |
| | 8,858 | 8,052 |

*Notes:*
1. Service posts only
2. Excludes station staffs not covered by squadron establishments

## Public Registers

**Mr. Cohen:** To ask the Secretary of State for Defence if he will list the public registers which his Department has responsibility for. [47358]

**Dr. Reid** *[holding answer 29 June 1998]:* We have no requirement for a central record of such registers for which the Ministry of Defence is responsible.

## Major Eric Joyce

**Mr. Keith Simpson:** To ask the Secretary of State for Defence what disciplinary action, under Queen's Regulations, is being taken against Major Eric Joyce, Adjutant-General's Corps in respect of his participation in the selection process as a parliamentary candidate for the Scottish Parliament. [48336]

**Mr. George Robertson** *[holding answer 2 July 1998]:* Administrative action in respect of Major Joyce's future in the Army has been in hand for some time. No disciplinary action is currently being taken against Major Joyce.

## Royal Navy Establishment

**Mr. Blunt:** To ask the Secretary of State for Defence if he will list the *(a)* current establishment and *(b)* actual current manning levels of (i) the Royal Navy as a whole, (ii) the Fleet Air Arm, (iii) the Royal Marines, (iv) the Royal Marine Reserve and (v) the Royal Naval Reserve. [47547]

**Dr. Reid** *[holding answer 25 June 1998]:* I will write to the hon. Member and a copy of my letter will be placed in the Library of the House.

## INTERNATIONAL DEVELOPMENT

### Microfinance

**Dr. Tonge:** To ask the Secretary of State for International Development what representations her Department has made to British banking institutions concerning their support for micro-credit financing in developing countries. [49315]

**Clare Short:** The Department for International Development (DFID) has engaged with a number of UK based banks to involve them in support to particular bilateral microfinance projects in Bangladesh and Kenya. DFID is a very active member of the World Bank based Consultative Group to Assist the Poorest (CGAP) which is currently devoting considerable attention to developing methodologies to involve the formal banking sector in microfinance. For the past two years DFID has supported a series of round table discussions on microfinance at the London based Centre for the Study of Financial Innovation (CSFI). These meetings involved a variety of financial institutions from the City and resulted in a well received publication on mainstreaming microfinance. DFID has also recently established a Working Group on Financial Service, the first meeting of which was attended by a number of bankers and is likely to lead to the creation of a sub-committee specifically concerned with involving British financial institutions in microfinance in developing countries.

### Indonesia

**Ann Clwyd:** To ask the Secretary of State for International Development if she will list the projects in Indonesia supported by her Department which have been cancelled or reviewed by the Indonesian Government in the last 12 months *(a)* as a condition of IMF assistance to Indonesia, *(b)* as a result of links with the family of former President Suharto and *(c)* for other reasons, in each case specifying (i) the reason, (ii) the nature of the project and (iii) the expenditure incurred to date; and if she will make a statement. [49353]

**Clare Short:** We know of two projects, both concerned with power supply, that have been reviewed by the Government of Indonesia. They are:

(a) 150/500 KV sub-stations and

(b) Outer islands diesel generation.

Work on (a) has been suspended. Discussions continue on both projects. They are existing commitments supported from the Aid and Trade Provision. DFID expenditure to date on (a) has been £14.473 million while (b) has not yet commenced. The reviews are a direct response to the overall economic situation.

**Ann Clwyd:** To ask the Secretary of State for International Development what level of aid commitment her Department plans to make at the forthcoming meeting of the Consultative Groups on Indonesia, specifying the amounts which will be provided as *(a)* budgetary support, *(b)* project aid and *(c)* humanitarian aid; and to what extent the commitment will be dependent on political reforms in Indonesia and East Timor. [49334]

**Clare Short:** Discussions are continuing in the run-up to the Consultative Group meeting on 28–30 July. To address the current crisis, urgent action is needed by the Government of Indonesia to implement economic and political reform, supported by a concerted international effort. We are already making a substantial contribution through our membership of the International Financial Institutions and in other ways. We are considering what more we might do. In particular, my Department is looking at options for providing rapid assistance through civil society organisations to particularly vulnerable groups affected by the crisis.

## NORTHERN IRELAND

### Millennium Compliance

**Mr. David Atkinson:** To ask the Secretary of State for Northern Ireland what contingency plans her Department is making in the event of the failure of computer systems to recognise the year 2000; when she expects them to be in place, and tested; and if she will make a statement. [48840]

**Mr. Paul Murphy:** The Northern Ireland Office and the Northern Ireland Departments are addressing contingency planning within their overall year 2000 programmes to ensure that systems will not fail before, during, or after the year 2000. The plans are due to be in place by December 1998 and will be tested by the Departments during 1999.

### Departmental Staff

**Mr. Brake:** To ask the Secretary of State for Northern Ireland how staff numbers in her Department have varied between 1 May 1997 and 31 March 1998. [48885]

**Mr. Paul Murphy:** The number of industrial and non-industrial Northern Ireland Civil Servants and Home Civil Servants in the Northern Ireland Office and Northern Ireland Departments, including those seconded to the Police Authority for Northern Ireland, at 1 May 1997 and 1 April 1998 was as follows:

| | *Permanent* | *Casual* | *Total* |
|---|---|---|---|
| 1 May 1997 | 25,672 | 1,889 | 27,561 |
| 1 April 1998 | 25,270 | 1,861 | 27,131 |

*Note:*
Staff numbers are quoted as full-time equivalents where part-time staff are counted as a proportion of full-time hours worked

### Fair Treatment Analyses

**Mr. McNamara:** To ask the Secretary of State for Northern Ireland what date the policy appraisal and fair treatment analyses undertaken in relation to the impact of the proposed Criminal Justice (Children)(NI) Order was completed; and if she will place it in the Library. [48356]

**Mr. Ingram** *[holding answer 6 July 1998]:* A Policy Appraisal and Fair Treatment analysis of the draft Criminal Justice (Children)(NI) Order was completed in July 1997. A copy has been placed in the Library.

## SOCIAL SECURITY

### Benefits (Equality of Treatment)

**Mr. Todd:** To ask the Secretary of State for Social Security what plans she has to secure equality of treatment between widows and widowers in the benefits system. [49106]

**Mr. Denham:** I refer my hon. Friend to the Written Answer I gave the hon. Member for Edinburgh, West (Mr. Gorrie) on 23 June 1997, *Official Report*, column *413*.

### Benefits (Intensive Treatments)

**Mr. Hancock:** To ask the Secretary of State for Social Security (1) what benefits are available to individuals and their carers during temporary periods of chemotherapy and other intensive treatments; [48932]

(2) what research she has evaluated into the success rate of claims for disability living allowance from people undergoing periods of chemotherapy and other intensive treatments; [48933]

(3) what assessment she has made of the effect of the rules for disability living allowance on those people undergoing periods of chemotherapy and other intensive treatments. [48934]

**Mr. Denham:** People who receive chemotherapy and their carers can qualify for Social Security benefits on the same basis as others who are sick or disabled or provide care, and discrete information about their claims is not collected.

The benefits designed specifically to help sick or disabled people or their carers are Attendance Allowance, Disability Living Allowance, Disability Working Allowance, Severe Disablement Allowance, Invalid Care Allowance, Statutory Sick Pay, Incapacity Benefit and Industrial Injuries Disablement Benefit.

Disability Living Allowance provides help for disabled people who have had care or mobility needs for at least three months and are likely to need help with those needs for a further six months or more. People who are terminally ill and expected to live no longer than six months automatically qualify for the highest rate of Disability Living Allowance care component.

### Gender Impact Assessments

**Jackie Ballard:** To ask the Secretary of State for Social Security, pursuant to her answer of 24 June 1998, *Official Report*, columns *557–58*, prior to 18 May, what mechanisms were used to determine how legislation passed in the current session would affect women; what consultation she had with women's organisations; and if she will make a statement. [49092]

**Ms Ruddock:** Guidance on policy appraisal for equal treatment has been available since 1992. Application of the guidance has been the responsibility of individual Departments.

As Ministers for Women, we have worked to promote the need to identify any adverse differential impact on women as an integral part of the policy making process. On 18 May we launched the mainstreaming initiative across Whitehall.

Within this Department we are making use of consultation, research projects and disaggregated statistics to identify the impact of policy upon women. As an example the recently published draft legislation on pension sharing on divorce has been the subject of consultation with key organisations representing divorcing women.

My right hon. Friend the Secretary of State is preparing a report on the impact of Social Security policies upon women which will be published shortly.

### Child Support Agency

**Mr. Cox:** To ask the Secretary of State for Social Security if she will make a statement on her Department's re-organisation of the Child Support Agency; and when this re-organisation will be implemented. [48324]

**Mr. Keith Bradley:** I refer my hon. Friend to the oral statement made by my right hon. Friend the Secretary of State for Social Security on 6 July 1998, *Official Report*, columns 739–54.

**Mr. Terry Davis:** To ask the Secretary of State for Social Security what targets have been established by her Department for the Child Support Agency. [49363]

**Mr. Keith Bradley:** The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to my hon. Friend.

*Letter from Faith Boardman to Mr. Terry Davis, dated 7 July 1998:*

I am replying to your Parliamentary Question to the Secretary of State for Social Security about Child Support Agency targets.

Every year the Secretary of State for Social Security sets targets for the Agency which are published in the Business Plans each March. For 1998/99 these targets generally follow a similar format to those for the previous 2 years, but with much increased levels, they are as follows:

*Child maintenance collected and arranged*

£750 million of child maintenance to be collected or arranged for direct payment from the non-resident parent to the parent with care

*Maintenance assessments*

65% of new maintenance applications to be cleared within 22 weeks and on 31 March 1999 there to be no applications outstanding over 52 weeks old

*Reviews*

Where a client is dissatisfied with a Child Support Officer's decision and requests a review; or where a change of circumstances requires a review; 80% to be cleared within 13 weeks

*Payments*

97% of payments made to the parent with care to be made within 10 working days of receipt from the non-resident parent

*Accuracy*

The cash value of all assessments checked in the year to be correct in at least 75% of cases

The following Milestone targets have also been set:

Review the first six months of closer working with the Benefits Agency, taking into account the views of stakeholders and produce a report by 31 December 1998

By 30 June 1998 formalise national and local consultation arrangements with stakeholders with a view to improving customer service.

However, Ministers have asked the Agency to carry out a review of the targets so they focus more on outputs rather than processes (for example, on the time taken to secure an actual payment rather

than to complete a formal assessment or review). Ministers will be considering our proposals, in the light of their priorities set out in the Green Paper and we plan to test them out later this year. As part of the review of targets Ministers are also likely to include a Secretary of State target on customer service.

I hope this is helpful.

### Pensioner Incomes

**Mr. O'Hara:** To ask the Secretary of State for Social Security if she will list the *(a)* mean and *(b)* median income of (i) single pensioners, (ii) pensioner couples and (iii) all pensioners living in (1) pre-1989 regulated tenancies in the private sector and (2) housing association tenancies (A) before and (B) after housing costs. [48551]

**Mr. Denham:** The information is set out in the tables.

*Incomes of pensioner units living in pre-1989 regulated tenancies in the private sector*

*£ per week July 1995 prices*

| | *Mean Income* | *Median Income* |
|---|---|---|
| *All Pensioner Units* | | |
| Net income before housing costs | 126.30 | 110.10 |
| Net income after housing costs | 93.70 | 74.00 |
| *Pensioner Couples* | | |
| Net income before housing costs | 185.20 | 163.40 |
| Net income after housing costs | 149.30 | 122.70 |
| *Single Pensioners* | | |
| Net income before housing costs | 109.60 | 101.80 |
| Net income after housing costs | 77.80 | 66.30 |

*Notes:*

1. All figures are in July 1995 prices and rounded to the nearest 10 pence
2. Due to small sample size figures should be treated with a degree of caution
3. All figures are based on Pensioner Units. A Pensioner Unit is defined as a single (non-cohabiting) person over the State Pension Age (SPA) or a couple (married or cohabiting) where the man, defined as the head, is over SPA
4. The answer is comparable with Table 1a in the Family Resources Section of The Pensioners' Incomes Series 1995/96-Revised Edition

*Source:*

The Family Resources Survey 1995/96

*Incomes of pensioner units living in housing association tenancies*

*£ per week July 1995 prices*

| | *Mean Income* | *Median Income* |
|---|---|---|
| *All Pensioner Units* | | |
| Net income before housing costs | 130.10 | 118.60 |
| Net income after housing costs | 85.10 | 70.00 |
| *Pensioner Couples* | | |
| Net income before housing costs | 176.80 | 171.50 |
| Net income after housing costs | 129.20 | 121.80 |
| *Single Pensioners* | | |
| Net income before housing costs | 118.60 | 110.80 |
| Net income after housing costs | 74.30 | 65.90 |

*Notes:*

1. All figures are in July 1995 prices and rounded to the nearest 10 pence
2. Due to small sample size figures should be treated with a degree of caution
3. All figures are based on Pensioner Units. A Pensioner Unit is defined as a single (non-cohabiting) person over the State Pension Age (SPA) or a couple (married or cohabiting) where the man, defined as the head, is over SPA
4. The answer is comparable with Table 1a in the Family Resources Section of The Pensioners' Incomes Series 1995/96-Revised Edition

*Source:*

The Family Resources Survey 1995–96

### Fraud

**Mr. Chope:** To ask the Secretary of State for Social Security what is her latest estimate of how much money the ICL Pathway Project will save through a reduced incidence of claimants-fraud in 1998, 1999 and 2000. [49503]

**Mr. Field:** Current plans assume that the project to automate benefit payments at post offices will save £1 million in 1998–99, £64 million in 1999–2000 and £135 million in 2000–2001, in addition to savings of £70 million, £52 million and £52 million from existing anti-fraud measures at post offices over the same period.

*Note:*

All figures are in today's prices

### Benefits Agency Caller Offices

**Mr. Gordon Prentice:** To ask the Secretary of State for Social Security how many Benefits Agency public caller offices were closed during the period April 1992 to May 1997; how many have been closed since May 1997; and how many are under review. [46980]

**Mr. Keith Bradley:** The administration of the Benefits Agency is a matter for Peter Mathison, its Chief Executive. He will write to my hon. Friend.

*Letter from Peter Mathison to Mr. Gordon Prentice, dated 7 July 1998:*

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question concerning the number of Benefits Agency public caller offices closed during the period April 1992 to May 1997, the number closed since May 1997, and the number under review.

The numbers are as follows:

April 1992 to May 1997: 62

Since May 1997: 2

Under review: 11

Since May 1997, where a public caller office has been closed, measures have been taken to ensure that there was no reduction in the level of service to customers. The 2 public caller offices closed since May 1997 are Evesham and Bromsgrove. Although the closure of Bromsgrove has been approved, the closing date has not been finalised.

We are consulting the local community about the future of those offices under review.

I hope you find this reply helpful.

## WALES

### Departmental Staff

**Mr. Brake:** To ask the Secretary of State for Wales how staff numbers in his Department have varied between 1 May 1997 and 31 March 1998. [48886]

**Mr. Ron Davies:** The number of full time equivalent staff employed by The Welsh Office between 1 May 1997 and 31 March 1998 is as follows:

| | *Permanent staff* | *Casual staff* |
|---|---|---|
| 1 May 1997 | 2105.3 | 199.4 |
| 31 March 1998 | 2115.9 | 204.5 |

### Rhuddlan Borough Council

**Mr. Martyn Jones:** To ask the Secretary of State for Wales how many capital grants and for what purpose the former Rhuddlan Borough Council received from his Department and its agencies in the last 10 years of its existence; and which have final grant claims outstanding. [48741]

**Mr. Win Griffiths:** Information on grants paid by agencies of this Department is not held centrally. I will reply to my hon. Friend with information on the grants paid by the department as soon as possible and place a copy of my reply in the Library of the House.

### Correspondence

**Mr. Sanders:** To ask the Secretary of State for Wales what is his Department's average response time to correspondence from members of the public; and how such response times are monitored. [48666]

**Mr. Ron Davies:** My Department's target is that all correspondence should be answered within 15 working days of receipt and, for 1997–98, we achieved that target in 86 per cent. of cases. Replies from Ministers are recorded individually as are replies from officials to correspondence addressed to Ministers. Correspondence sent directly to officials is monitored on a sample basis.

### National Assembly

**Mr. Wigley:** To ask the Secretary of State for Wales if he will make it his policy that no binding contract for the construction of a new building for the National Assembly of Wales is entered into until after the National Assembly has been elected. [48898]

**Mr. Ron Davies:** No. The process of procurement of the new building will have several stages, whose nature and timing will depend upon the contract strategy that I adopt. The design competition assessment panel will recommend an appropriate contract strategy together with an outline design in the late Autumn. It will then be necessary to develop the detailed design and seek the appropriate statutory consents. I cannot yet say when the construction contracts will be let.

### Health Service (Sterile Services)

**Ms Lawrence:** To ask the Secretary of State for Wales if the contract between the University Hospital Wales Trust and Sterile Services International Ltd. for the provision of sterile services provides for the trust to receive a financial benefit as a consequence of any new business acquired by Sterile Services International Ltd. for the provision of sterile services to other health trusts. [49186]

**Mr. Win Griffiths:** The Trust will receive a payment equal to 10 per cent. of the charge (net of VAT) made by Sterile Services International for any third party work serviced from the University Hospital of Wales site. There are also revenue savings of £525,000 over 10 years in comparison with current costs.

### Health Service (Complaints)

**Mr. Livsey:** To ask the Secretary of State for Wales if he will make a statement on the findings in the 1997–98 Annual report of the Health Service Commissioner for England, Scotland and Wales relating to the level of increase in new complaints in Wales relative to England and Scotland in 1997–98. [49414]

**Mr. Win Griffiths:** The number of complaints referred to the Health Service Commissioner is low (149 in Wales, 196 in Scotland and 2,315 in England). Relatively small numerical changes, therefore, can produce larger percentage movements year on year than are justified by the trend.

Since 1994–95 the number of complaints received by the Health Service Commissioner increased by 52 per cent. in England, 36 per cent. in Scotland and 33 per cent. in Wales.

### Horticulture

**Mr. Barry Jones:** To ask the Secretary of State for Wales if he will make a statement on the future prospects of the horticulture industry in Wales. [49561]

**Mr. Win Griffiths:** We have a strong horticulture industry in Wales that produces premium products which are in demand across the UK.

As part of our review of the Food Strategy, we will be looking at ways of developing this valuable sector to consolidate its current market position and open up new opportunities.

## ENVIRONMENT, TRANSPORT AND THE REGIONS

### Railway Stations

**Mr. Ottaway:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the percentage of Britain's railway stations which have been upgraded by Railtrack; at what estimated cost; and by what date the full programme of works will be completed. [48640]

**Ms Glenda Jackson:** Railtrack's current Network Management Statement states that 24 per cent. of stations had been upgraded by 31 March 1998 and that the whole programme is expected to be complete by 2001 at a total cost of £1 billion (1996–97 prices).

### Road Accidents

**Mr. Plaskitt:** To ask the Secretary of State for the Environment, Transport and the Regions what proportion of road deaths and injuries involve one or more vehicles driven by someone at work. [48747]

**Ms Glenda Jackson:** The information requested is not available. The Department does not collect data on whether drivers involved in injury accidents are at work. The information given is the number and percentage of

injuries in accidents involving buses, coaches and heavy goods vehicles (HGVs). The majority of these drivers could be presumed to be 'at work'.

*Casualties in accidents[1] involving either a bus, coach or an HGV GB 1995–97*

| | *1995* | *1996* | *1997* |
|---|---|---|---|
| *Casualties* | | | |
| Fatal | 758 | 724 | 655 |
| Injured[2] | 31,638 | 31,732 | 32,924 |
| *Per cent.* | | | |
| Fatal | 2 | 2 | 1 |
| Injured | 10 | 10 | 10 |

[1] Involving at least one bus, coach or HGV
[2] Seriously and slightly injured

### Climate Change

**Mr. Stunell:** To ask the Secretary of State for the Environment, Transport and the Regions when he plans to publish the Government's consultation paper on climate change; and if he will make a statement. [48896]

**Mr. Meacher:** We intend to issue a consultation paper in the summer on policy options for delivering our climate change targets. This will focus on our 12.5 per cent. legally binding commitment from Kyoto as well as considering how we might move beyond that towards our domestic goal of a 20 per cent. reduction in $CO_2$ emissions by 2010. We will be looking at the scope for savings from improved energy efficiency by business and in the home; lower transport emissions; and an increase in the electricity generated from renewables and combined heat and power.

### Refuse Collection

**Mr. Menzies Campbell:** To ask the Secretary of State for the Environment, Transport and the Regions which councils in England have adopted the use of wheeled bins for refuse collection. [48988]

**Angela Eagle:** Of the 337 waste collection authorities in England and Wales who responded on this issue in the Municipal Waste Management Survey 1995–96, 168, or almost exactly a half, were using wheeled bins for waste collection to some degree. The detailed breakdown below shows that on average 36.5 per cent. of households in any one district had wheeled bins. A list of the Councils concerned can be provided if the hon. and learned Member requires. He may also be interested to know that the results of the 1996–97 survey, which will include an analysis of the effects of the provision of wheeled bins, will be available shortly. I will make sure that he receives a copy.

*Proportion of households provided with wheeled bins—1995–96*

| *Authority type* | *0% to 24.99%* | *25% to 49.99%* | *50% to 74.99%* | *75% to 99.99%* | *100%* | *Mean % of households in the district* |
|---|---|---|---|---|---|---|
| London boroughs | 19 | 1 | 3 | 5 | 2 | 24 |
| Metropolitan district | 13 | 3 | 1 | 13 | 0 | 47 |
| Non-metropolitan districts | 150 | 1 | 7 | 89 | 7 | 37 |
| Wales | 10 | 0 | 1 | 5 | 1 | 37 |

*Source:*
Table 51, *Municipal Waste Management 1995–96*, DETR December 1997

### Rural Public Transport

**Mr. Grogan:** To ask the Secretary of State for the Environment, Transport and the Regions what guidance his Department has given to local authorities regarding the spending of the extra funds allocated recently to rural public transport. [49075]

**Ms Glenda Jackson:** I refer my hon. Friend to the answer given to my hon. Friend for South Derbyshire (Mr. Todd) on 17 June 1998, *Official Report*, column *206*.

### Regional Development Agencies

**Mr. MacShane:** To ask the Secretary of State for the Environment, Transport and the Regions what proposals he has to involve *(a)* hon. Members and *(b)* members of local authorities in the process of nomination and appointment to regional development agencies. [49189]

**Angela Eagle:** We wrote to hon. Members in February inviting them to put forward their nominations for RDA board membership. We also invited members of local authority regional associations to submit names to be considered for the four local authority places on each board.

### Air France

**Mr. Ottaway:** To ask the Secretary of State for the Environment, Transport and the Regions what steps his Department is taking to ensure repayment of the £2 billion subsidy paid to Air France by the French Government. [49071]

**Ms Glenda Jackson:** We understand that the Commission is considering its response to the recent judgment of the Court of First Instance. We will consider any further steps in the light of action taken by the Commission.

**Mr. Ottaway:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the decision of the European Court of Justice that Air France received a £2 billion subsidy from the French Government contrary to the Treaty of Rome. [49072]

**Ms Glenda Jackson:** We welcome the recent judgment of the Court of First Instance, which confirms that public subsidies to airlines must be granted only in strict conformity to Treaty rules.

### Radioactive Waste

**Mr. Chaytor:** To ask the Secretary of State for the Environment, Transport and the Regions if his Department's review of the safe storage of radioactive waste takes into account the full cost of *(a)* reprocessing and *(b)* dry storage options. [48977]

**Mr. Meacher:** The Health and Safety Executive are carrying out a review of storage facilities for intermediate-level waste and my Department have commissioned a study of the research requirements for the disposal of high-level waste. The Government intend to publish a consultation paper on radioactive waste management issues in the first half of next year. The issues to be covered in the paper will depend in part on the issues addressed in the report of the House of Lords Select Committee on nuclear waste, which may include reprocessing and dry storage of spent fuel.

**Ms Walley:** To ask the Secretary of State for the Environment, Transport and the Regions if he will call in the application for draft discharge authorisations in respect of nuclear waste from Sellafield; and if he will make a statement. [49321]

**Mr. Meacher:** The Environment Agency are considering the responses received during the public consultation into the applications for variations to BNFL's discharge authorisations for the Sellafield site which ended in March. There have been requests for Ministers to 'call in' these applications and decide the matter for themselves and these requests are being considered. In deciding whether to exercise the statutory powers of 'call in', all representations on this issue will be carefully considered.

### Endocrine-disrupting Chemicals

**Mr. Baker:** To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 30 June 1998, *Official Report*, column *90*, what steps he takes to ensure the precautionary principle is applied to the chemicals identified as having, or suspected as having, endocrine disruptive qualities. [49204]

**Angela Eagle** *[holding answer 7 July 1998]:* A large number of chemicals are suspected of having endocrine disrupting properties. However as yet no agreed mechanism exists for identifying chemicals which actually cause endocrine disruption. International efforts are underway to agree guidelines by which endocrine disrupting chemicals can be identified. When these are in place and we are able to identify which chemicals are likely to cause endocrine disruption, appropriate action will be taken, including precautionary action where there are risks of serious harm to human health or the environment.

**Mr. Baker:** To ask the Secretary of State for the Environment, Transport and the Regions what steps his Department takes to inform the Department of Trade and Industry of the dangers presented by endocrine-disrupting chemicals and their presence in consumer goods. [49156]

**Angela Eagle** *[holding answer 7 July 1998]:* The Department of Trade and Industry is advised on the health effects of chemicals used in consumer products, including those with endocrine disrupting properties, by the Department of Health.

The Department of Trade and Industry is informed by the results of the research on endocrine disrupting chemicals sponsored by the Department of the Environment, Transport and the Regions and other Government Departments and Agencies.

### Interdepartmental Group on Genetic Modification Technology

**Mr. Baker:** To ask the Secretary of State for the Environment, Transport and the Regions what reporting mechanism exists to ensure his views and those of the Minister for the Environment are fully represented at meetings of IGGMOT. [49157]

**Angela Eagle** *[holding answer 7 July 1998]:* The Interdepartmental Group on Genetic Modification Technology (IGGMOT) is organised by the Office of Science and Technology and comprises officials from interested Government Departments. The objectives of the group are to co-ordinate and develop Government policy on biotechnology including the line to be taken by the United Kingdom in negotiations in the European Union and other international forums. Officials from this Department are fully aware of Environment Ministers views and represent them at meetings. After discussion at IGGMOT the proposed Government line is agreed with all Ministers concerned.

### Channel Tunnel Rail Link

**Mr. Snape:** To ask the Secretary of State for the Environment, Transport and the Regions what is the estimated cost of environmental protection works, including tunnelling provided for reasons of environmental protection, involved in phase two of the Channel Tunnel Rail Link between Ebbsfleet and King's Cross. [49466]

**Ms Glenda Jackson** *[holding answer 7 July 1998]:* Few CTRL works in phase two are concerned exclusively with environmental protection and decisions on extensive tunnelling were taken for engineering reasons as much as for environmental reasons. It is not practicable, therefore, to separate environmental protection costs from the total.

### Rural Bus Services

**Mr. Brake:** To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received from local authorities about increasing the scope of de minimis agreements as a means of securing early and substantial improvements to rural bus services; and if he will make a statement. [49496]

**Ms Glenda Jackson:** A number of representations have been received proposing an increase in the 'de minimis' exceptions from the tendering requirements for subsidised local bus services. We have been considering them against the background of the substantial new funding which we have made available for the improvement of rural bus services and expect to be bringing forward proposals shortly.

### Housing

**Mr. Brake:** To ask the Secretary of State for the Environment, Transport and the Regions (1) how many

local authorities' development plans currently have policies identifying the appropriate proportion of houses with a specific number of bedrooms to be built in the area; [49497]

(2) how many local authorities' development plans which proposed policies identifying the appropriate number of houses with a specific number of bedrooms were *(a)* objected to and *(b)* not approved by the relevant regional Government office. [49498]

**Mr. Raynsford:** The information requested is not held centrally and could be obtained only at disproportionate cost.

**Mr. Brake:** To ask the Secretary of State for the Environment, Transport and the Regions (1) what is the average proportion of social and affordable housing required by each local planning authority in its development plan; [49499]

(2) what is the average proportion of social and affordable housing to be provided in each local authority area in relation to accommodation built for sale on the open market; [49500]

(3) what is the average proportion of social and affordable housing in relation to all housing which is to be provided in each local authority area as part of planning gain agreements. [49501]

**Mr. Raynsford:** The information requested is not held centrally and depends on the provisions made by individual local planning authorities in their local plans. Under current arrangements local planning authorities prepare assessments of need for affordable housing as a basis for preparing their local plan policies. Such policies should indicate how many affordable homes will be needed in the plan area over the lifetime of the plan, set indicative targets for the amount of affordable housing that would be sought on suitable sites, and indicate the authority's intention to seek the inclusion of an element of affordable housing on such sites. It is, therefore, not feasible at the moment, to assemble such information, except at disproportionate cost.

### Valuation Tribunals

**Mr. Corbett:** To ask the Secretary of State for the Environment, Transport and the Regions what is the current level of full and part-time staff employed by valuation tribunals; and what will be the impact on their numbers when the number of administrative units serving them is reduced to 14. [49474]

**Mr. Raynsford:** Valuation Tribunals in England currently employ 204 full time and 27 part time staff, or 223 full time equivalent (FTE) staff. Of these FTE staff, 111 are Court Taking Officers (CTOs) and 112 are Clerical Officers (COs).

Numbers of staff are primarily determined by the appeal workload. Current staffing complements, based on planned workload in 1998–99 and the new administrative structure of 14 units, is 89 CTO and 89 CO staff (a total of 178 staff). We have indicated that reductions in staff should be phased in during a 3 to 5 year rationalisation period.

### Local Government

**Helen Jackson:** To ask the Secretary of State for the Environment, Transport and the Regions what proposals he has to ensure greater openness in the conduct of local government. [47943]

**Mr. Raynsford:** Making councils more open and accountable is at the heart of the Government's agenda to modernise local government which we set out in six consultation papers, and on which we now intend to publish a White Paper.

### Fluorescent Tubes (Recycling)

**Ms Rosie Winterton:** To ask the Secretary of State for the Environment, Transport and the Regions if the contract to recycle spent fluorescent tubes across the Government estate has now been let. [49694]

**Mr. Meacher:** The call-off contract has just been awarded to Biffa Waste Services Limited by the Disposal Sales Agency who will manage it on behalf of participating Government departments. I have written to Green Ministers to promote its use across Whitehall. This initiative is in keeping with the Government's consultation paper on the waste strategy for England and Wales.

### Tree Preservation

**Mr. Etherington:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to reform the tree preservation order system. [49976]

**Angela Eagle:** I have today issued a consultation paper, setting out the Government's proposals for reforming the tree preservation order legislation. Copies have been placed in the House library.

A review of the legislation was completed in July 1994. This revealed widespread support for tree preservation orders as an effective means of protecting selected trees and woodlands in the interests of amenity. But it also identified a number of reforms which would help streamline the system and address its main weaknesses.

The Government believe that the 1994 review struck a good balance between the need to ensure that local authorities are able to protect trees effectively and the need to provide an open, efficient and fair system in which the general public can have confidence. We therefore propose to reform the system in line with the 1994 review when a suitable opportunity to amend the primary legislation arises.

In the meantime, we also intend to update the tree preservation order regulations. Draft Regulations are included in the consultation paper. They would implement some of the reforms from the 1994 review and some new proposals which we believe would further improve the system. These include more streamlined procedures for keeping tree preservation orders up to date; new measures to speed up tree preservation order appeals to the Secretary of State; new provisions on the payment of compensation under the tree preservation order system, and clearer procedures for dealing with felling licence applications which involve protected trees.

## EDUCATION AND EMPLOYMENT

### Sixth Form Education

**Mr. Chaytor:** To ask the Secretary of State for Education and Employment if he will list the average unit cost of educating 16 to 19-year-old students in *(a)* school sixth forms, *(b)* sixth form colleges and *(c)* tertiary colleges. [47860]

**Dr. Howells:** It is not possible to give unit funding costs for 16 to 19-year-old students in FE colleges or state school sixth forms. An estimate of the average unit cost in FE colleges for the 16–19 age group that takes account of the mixture of full and part-time students is not available; and because the post-16 Standard Spending Assessment is not hypothecated to school sixth forms, the funding they receive cannot be calculated.

**Mr. Chaytor:** To ask the Secretary of State for Education and Employment if he will list the total number of secondary schools with sixth forms of *(a)* 0 to 50 pupils, *(b)* 51 to 100 pupils, *(c)* 101 to 150 pupils, *(d)* 151 to 200 pupils and *(e)* 201 to 250 pupils. [47861]

**Dr. Howells:** The latest information is shown in the table.

*Numbers of maintained secondary schools by size of sixth form in England in January 1997*

| *Size of sixth form (number of pupils)* | *Number of schools* |
|---|---|
| up to 50 | 114 |
| 51 to 100 | 338 |
| 101 to 150 | 439 |
| 151 to 200 | 402 |
| 201 to 250 | 258 |
| 251 or more | 256 |
| all schools with sixth form | 1,807 |

### Education in World Citizenship

**Mr. Hancock:** To ask the Secretary of State for Education and Employment what changes in funding for the Council for Education in World Citizenship he is proposing for the next three years. [48766]

**Ms Estelle Morris:** Funding of £10,000 has been approved so far for 1998–99. We will consider on their merits requests for further funding from the Council for Education in World Citizenship and from others in this field.

**Mr. Hancock:** To ask the Secretary of State for Education and Employment what representations he has received on funding for the Council for Education in World Citizenship. [48767]

**Ms Estelle Morris:** Representations about funding which my right hon. Friend the Secretary of State has received include three letters and four parliamentary questions in addition to this one.

**Mr. Hancock:** To ask the Secretary of State for Education and Employment what assessment he has made of the work of the Council for Education in World Citizenship; and if he will make a statement. [48768]

**Ms Estelle Morris:** The Department is aware of the nature and content of the work carried out by the Council for Education in World Citizenship, and has supported it for some time.

## FOREIGN AND COMMONWEALTH AFFAIRS

### Taiwan and China

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the state of relations between Taiwan and China. [47384]

**Mr. Fatchett** *[holding answer 29 June 1998]:* We welcome the resumption of cross-Straits talks between Taiwan and the People's Republic of China. This dialogue is important to the economic and political stability of the region.

### Diplomats

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the number of Department of Trade and Industry officials operating from diplomatic posts on *(a)* 1 May 1997 and *(b)* 24 June 1998. [48204]

**Mr. Fatchett:** The numbers of DTI officials operating from Diplomatic Posts on 1 May 1997 and 24 June 1998 were 31 and 37 respectively.

### East Timor

**Ann Clwyd:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about the death in Baucau, East Timor, of Orlando Da Costa during the visit of the European Union Troika; and what provisions have been made to investigate the death of Mr. Da Costa and to publish the findings of the investigation. [49337]

**Mr. Fatchett:** Mr. da Costa was shot during a demonstration in Baucau on 29 June as the EU Troika Heads of Mission to East Timor were going into a meeting with the Bishop of Baucau. As Presidency of the EU we called on the Indonesian authorities for a full investigation into the incident and to ensure those responsible were made accountable. We also asked that Bishop Nascimento and his staff should be closely involved in that investigation. We have also asked to receive the report of the investigation once it is complete.

### Millennium Compliance

**Mr. Nigel Jones:** To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions in the Council have taken place under the UK presidency of the European Union of the risk posed by nuclear installations which are not millennium compliant *(a)* within the European Union, *(b)* in former Warsaw Pact countries and *(c)* in the rest of the world. [49260]

**Mr. Fatchett:** During the UK Presidency, millennium compliance, including that of nuclear installations and utilities in general, was raised at the Telecoms, Internal Market and Industry Councils, at the European Conference on 12 March, and at the Cardiff

European Council. The UK also hosted a seminar on 8 May seeking to increase awareness of the problem amongst our EU partners.

In respect of nuclear installations outside the EU we have been active in the International Atomic Energy Agency, as the responsible international body. We have also been active through our Embassies in raising global awareness of the Year 2000 problem more generally. We continue to encourage all countries to recognise the need to take immediate action to address the problem.

### Kosovo

**Mr. Howard:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on developments in EU policy towards Kosovo, following the recent mission by the US special presidential envoy. [49296]

**Mr. Tony Lloyd** *[holding answer 7 July 1998]*: Britain and our EU Partners remain deeply concerned by the increasing tensions in Kosovo. We fully support the policy of the Contact Group that urgent progress needs to be made towards a peaceful, negotiated settlement. We are working closely with the US special envoy, Richard Holbrooke to implement this policy.

We expect President Milosevic to implement fully and immediately the undertakings which he gave following his meeting with President Yeltsin on 16 June. In particular, we expect the FRY authorities to cooperate fully with the current deployment of additional international, and European, monitors to Kosovo, and attach importance to a comprehensive approach to the refugee issue. The EU intends to work with other international organisations to promote the early return of refugees and displaced persons.

EU Foreign Ministers on 29 June reiterated their condemnation of all violence and acts of terrorism in pursuit of political goals, and called upon all those in a leadership role in the Kosovar Albanian community to make clear their rejection of violence and commitment to dialogue and a peaceful resolution of the crisis.

### Tibet

**Mr. Baker:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy, following the EU troika visit to Tibet, to demand independent verification of the health, whereabouts and situation of the Panchen Lama, Gedhun Choekyi Nyima; and if he will make a statement. [49502]

**Mr. Fatchett:** We are concerned about the health and safety of Gedhun Choekyi Nyima, the child recognised by the Dalai Lama as Panchen Lama, and have raised his case repeatedly with the Chinese authorities. We will continue to raise such cases, and our wider concerns about the situation in Tibet, with the Chinese authorities at every opportunity.

### Human Rights

**Mr. McNamara:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the means by which his Department will monitor adherence to the human rights provisions of the Amsterdam Treaty. [48318]

**Mr. Doug Henderson:** The adherence to the human rights provisions of the Amsterdam Treaty will be constantly monitored as part of the normal work of the Department in consultation with other Government Departments.

## PRIME MINISTER

### Community Hospitals

Q7. **Mr. Simon Hughes:** To ask the Prime Minister if he will make a statement on the policy of Her Majesty's Government on community hospitals. [47955]

**The Prime Minister:** I refer the hon. Member to the oral answer I gave to the hon. Member for Torridge and West Devon (Mr. Burnett) today, 8 July 1998, *Official Report*, column 1070.

### Engagements

**Sir Peter Tapsell:** To ask the Prime Minister if he will list his official engagements for Wednesday 8 July. [48961]

**The Prime Minister:** This morning I had meetings with Ministerial colleagues and others. In addition to my duties in the House, I will have further such meetings later today.

## CULTURE, MEDIA AND SPORT

### Broadcasting (Sporting Events)

**Mr. Grogan:** To ask the Secretary of State for Culture, Media and Sport how many representations he has received on the subject of sporting events listed under Part IV of the Broadcasting Act 1996, since May 1997. [49099]

**Mr. Chris Smith:** I have received 1,949 representations, including 261 from hon. Members, on this subject since I announced my review of the list in May 1997.

**Mr. Grogan:** To ask the Secretary of State for Culture, Media and Sport how many representations he has received supporting the Gordon Committee's representations to remove live coverage of cricket test matches played in England from the events listed under Part IV of the Broadcasting Act 1996. [49098]

**Mr. Chris Smith:** I received 67 representations, including 12 from hon. Members, in support of the recommendations of Lord Gordon's advisory group on Test cricket.

### Opera

**Mr. Chaytor:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on his Department's funding proposals for *(a)* ENO and *(b)* the Royal Opera; and if he will make a statement. [48978]

**Mr. Fisher:** Decisions on funding levels for individual arts organisations are a matter for the Arts Council of England.

### Millennium Dome

**Mr. Hoyle:** To ask the Secretary of State for Culture, Media and Sport what plans he has to help tourist boards in promoting London as a tourist destination for the Millennium Experience. [48791]

**Mr. Tom Clarke** *[holding answer 3 July 1998]:* Our funding to the British Tourist Authority is enabling it to work with the New Millennium Experience Company to promote the Millennium Experience overseas. In addition, we are providing funds to the BTA to work with the London Tourism Board to market London abroad and as a gateway to Britain. The LTB is now developing plans in partnership with the BTA to promote London as the Millennium City.

**Mr. Fabricant:** To ask the Secretary of State for Culture, Media and Sport what budget has been allocated for 2000 by the English Tourist Board for the promotion of the Dome at Greenwich for the millennium celebrations. [48475]

**Mr. Tom Clarke:** The English Tourist Board does not undertake marketing activities and has, therefore, not allocated a budget for the promotion of the Millennium Dome or the millennium celebrations. The ETB does, however, plan to provide information on the Millennium Dome and other millennium attractions to Regional Tourist Boards, Tourist Information Centres and the travel trade.

**Mr. Fabricant:** To ask the Secretary of State for Culture, Media and Sport what budget has now been allocated for 2000 by the British Tourist Authority for the promotion overseas of the Dome at Greenwich for the millennium celebrations. [48476]

**Mr. Tom Clarke:** The British Tourist Authority has allocated £200,000 in 1998–99, as part of a three-year campaign, for specific new Millennium print and promotional work. This allocation is in addition to the more than £10 million the BTA will spend on other print and promotions directed at markets throughout the world, many of which will devote a proportion of their coverage to presenting the attractions of the Millennium Dome and other millennium celebrations.

**Mr. Fabricant:** To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the effect on ticket receipts for the Dome at Greenwich in 2000 arising from marketing by the English Tourist Board. [48474]

**Mr. Tom Clarke:** The English Tourist Board does not currently undertake any marketing activities.

### Television Licences

**Mr. Webb:** To ask the Secretary of State for Culture, Media and Sport if he will estimate the yield from levying an additional 50 per cent. television licence (i) once per household on all households with *(a)* two and *(b)* three or more televisions and (ii) once per television on all households with (1) two or more and (2) three or more televisions. [49269]

**Mr. Fisher** *[holding answer 7 July 1998]:* The available statistics on television ownership show only the number of households without television, those with one set and those with more than one set, broken down into colour and black and white. Charging all households with more than one television set an additional 50 per cent. of the licence fee would raise an estimated £661 million in additional television licence fee revenue.

**Mr. Webb:** To ask the Secretary of State for Culture, Media and Sport what would be the cost of introducing free television licences for all households containing a pensioner aged over *(a)* 70 and *(b)* 75 years of age. [48955]

**Mr. Fisher** *[holding answer 6 July 1998]:* The estimated cost of providing free television licences for all 'pensioner only' households where at least one member has reached the age of 70 is £288 million.

## HOME DEPARTMENT

### Handguns

**Mr. Evans:** To ask the Secretary of State for the Home Department (1) how many outstanding payments there are under schemes A and B for pistol compensation; [49516]

(2) what is the expected date when everyone will have been paid their compensation for pistols under schemes A and B; [49514]

(3) what is the total amount of money which remains to be paid under schemes A and B for pistol compensation. [49515]

**Mr. Michael:** Payments under Options A and B of the large calibre handgun compensation scheme and the parallel ex gratia surrender scheme for small calibre pistols were completed at the end of May, apart from around 300 cases which could not be concluded because inquiries were outstanding. This number has since been reduced to around 130, and will continue to fall as the outstanding matters are dealt with.

Around 11,000 claims have been received under the statutory surrender scheme for small calibre pistols, some 8,300 of which have been registered on the Firearms Compensation Section computer system. Seven thousand two hundred and fifty of the registered claims have an Option A or B element. Substantive processing of these claims will begin when further progress has been made with the remaining Option C claims under the large calibre scheme. Until the claims have been examined in detail it is not possible to give their value or a firm date for their completion. I outlined progress on all the firearms compensation schemes in the reply I gave to the hon. Member for Thanet, North (Mr. Gale) on 8 June 1998, *Official Report*, columns *438–39*.

**Mr. Mackinlay:** To ask the Secretary of State for the Home Department for what reasons it has not been possible to meet the claims in full of Mr. A. Haines of Little Thurrock ref ESS E 097444 of 19 September 1997 and ESS SB17944410 of 10 February 1998; what is the cause of the delay in processing these claims; and if he will make a statement. [49443]

**Mr. Michael:** The Option A and B elements of the claim of 19 September 1997 were paid on 26 March 1998, with an additional payment on 28 May 1998. The Option C element of the claim, which will require individual

consideration of the evidence of value provided, will be dealt with as soon as possible. The claim of 10 February 1998 is under the separate statutory surrender scheme for small calibre pistols. These claims are currently being registered on the Firearms Compensation Section computer system, and substantive work on them will begin when the overall work position permits. I outlined the position on both schemes in the reply I gave to the hon. Member for Thanet, North (Mr. Gale) on 8 June 1998, *Official Report*, columns *438–39*. As he will recall, I wrote to him and to all hon. and right hon. Members on 30 January to outline progress on the payment of compensation claims under the Firearms Act. As I have said on many occasions, these claims inevitably take time to process because of the wide-ranging and generous nature of the firearms compensation schemes which Parliament approved.

### Access to Information (Medical Records)

**Mr. Simon Hughes:** To ask the Secretary of State for the Home Department what measures he is taking to secure freedom of access to medical records by the individual concerned whilst retaining the confidentiality of medical records of other people. [47947]

**Mr. George Howarth:** Individuals may gain access to their medical records under the Data Protection Act 1984 if the records are held on computer, or the Access to Health Records Act 1990 if they are held manually. There are exemptions enabling access to be denied if information relating to a third party (other than a health professional) who could thereby be identified would be disclosed, unless the other individual has consented to the disclosure; or if disclosure would be likely to cause serious harm to the physical or mental health of the patient or of any other individual.

The Data Protection Bill currently before Parliament brings together the subject access rights of the 1984 and 1990 Acts and implements the access requirements of the 1995 European Communities Data Protection Directive. There will continue to be exemptions where giving subject access would incidentally reveal the identity of a third party without his or her consent, but consistent with European Court of Human Rights requirements, decisions to refuse access on that basis will be able to be challenged by the Data Protection Commissioner or in the courts. The Bill also contains powers to provide exemptions for the avoidance of harm to the patient or other individuals.

Access to third parties' medical records in other circumstances will continue to be limited by the general law and by the non-disclosure provisions of the data protection regime.

### Immigration and Asylum

**Mr. Burnett:** To ask the Secretary of State for the Home Department how many prosecutions have been launched under section 25 of the Immigration Act 1971 and sections 4 and 5 of the Asylum and Immigration Act 1996, in respect of the offences of *(a)* facilitating the entry to the United Kingdom of an illegal entrant, *(b)* obtaining leave to enter the United Kingdom by deception and *(c)* assisting or facilitating a person in obtaining leave to enter the United Kingdom by deception since (i) the 1996 Act came into force and (ii) 1 May 1997. [49170]

**Mr. Michael:** Information taken from the Home Office Court Proceedings database is given in the table.

*Number of defendants prosecuted for immigration offences, England and Wales*

| | *1 January 1996 to 30 September 1996* | *1 October 1996 to 31 December 1996* | *1 January 1997 to 30 April 1997* | *1 May 1997[1] to 31 December 1997* |
|---|---|---|---|---|
| Immigration Act 1971 s24(1)(aa) as added by the Asylum and Immigration Act 1996 s4—obtaining leave by deception | | | | |
| Prosecutions | [2] | — | 1 | [2] |
| Immigration Act 1971 s25(1)(a)—knowingly facilitating or assisting the entry of an illegal entrant | | | | |
| Prosecutions | 116 | 37 | 57 | 106 |
| Immigration Act 1971 s25(1)(b) as added by the Asylum and Immigration Act 1996 s5—knowingly facilitating or assisting entry of asylum claimant | | | | |
| Prosecutions | [2] | — | 1 | 2 |
| Immigration Act 1971 s25(1)(c) as added by the Asylum and Immigration Act 1996 s5—knowingly facilitating or assisting person seeking to obtain leave by deception | | | | |
| Prosecutions | [2] | — | 1 | 2 |

Principal immigration offence
Sections 4 and 5 of the Asylum and Immigration Act 1996 came into force on 1 October 1996
1997 data are provisional. Final 1997 information will be available in the autumn
[1] Date of General Election

**Mr. Burnett:** To ask the Secretary of State for the Home Department (1) in how many asylum appeals the Refugee Legal Centre acted as legal representative in each year from 1993 to 1997; [49168]

(2) in how many *(a)* asylum and *(b)* immigration appeals the Immigration Advisory Service acted as legal representative in each year from 1995 to 1997. [49167]

**Mr. Mike O'Brien:** The available information for the financial years 1993–94 to 1997–98 is given in the table. These figures reflect cases in which the Immigration Advisory Service and the Refugee Legal Centre acted as representative in appeals heard by the Immigration Appellate Authority. They exclude other activities, such as giving advice that did not lead to an appeal hearing and bail applications etc.

*Immigration appeals in which the Immigration Advisory Service and the Refugee Legal Centre acted as representative, financial years 1993–94 to 1997–98*

| | Immigration Advisory Service[1] | | | Refugee Legal Centre[2] |
|---|---|---|---|---|
| Financial year | Asylum appeals | Other immigration appeals | Total | Asylum appeals |
| 1993–94 | [3]— | [3]— | [3]— | 1,100 |
| 1994–95 | [3]— | [3]— | [3]— | 2,204 |
| 1995–96 | [4]— | [4]— | 5,066 | 2,159 |
| 1996–97 | 667 | 2,613 | 3,280 | 2,534 |
| 1997–98 | 1,538 | 3,919 | 5,457 | 3,429 |

[1] Source: Immigration Advisory Service

[2] Source: Refugee Legal Centre

[3] Not applicable

[4] Not available

**Mr. Burnett:** To ask the Secretary of State for the Home Department, pursuant to his answer to the right hon. Member for Sutton Coldfield (Sir N. Fowler) of 8 June 1998, *Official Report*, column *438*, what was the average time taken to reach a decision on an asylum application *(a)* immediately prior to the enactment of the Asylum and Immigration Appeals Act 1993 and (b), in the case of applications submitted post-July 1993, immediately prior to the enactment of the Asylum and Immigration Act 1996. [49198]

**Mr. Mike O'Brien:** In my reply to the right hon. Member for Sutton Coldfield (Sir N. Fowler), the estimated average time to initial decision in applications for asylum lodged in the United Kingdom was given as 58 months in applications lodged prior to the Asylum and Immigration Appeals Act 1993 and 14 months for those lodged after this Act.

In comparison, applications were estimated to be taking, on average, 20 months to reach an initial decision immediately prior to the enactment of the Asylum and Immigration Act 1993 on 26 July 1993. Applications lodged after the 1993 Act were estimated to be taking just under 11 months immediately prior to the enactment of the Asylum and Immigration Act 1996 on 24 July 1996.

The increases of 38 months in pre-1993 Act applications and four months in those lodged after this Act reflect the impact on the average figures of the resolution of old cases within the system as backlogs are cleared.

**Mr. Burnett:** To ask the Secretary of State for the Home Department how many rejected asylum seekers, having exhausted all appeal rights, are currently awaiting removal from the United Kingdom. [49166]

**Mr. Mike O'Brien:** The backlog of failed asylum seekers liable for removal, at May 1998, was approximately 19,500 persons. That figure represents a snapshot, taken from Immigration and Nationality Directorate (IND) port and enforcement databases, of those failed asylum seekers (excluding dependants) who have exhausted their rights of appeal (including any who did not submit an appeal against the refusal of asylum) and who are liable for removal.

The above figure needs to be qualified. Firstly, it does not cover failed after-entry asylum seekers whose appeal rights have been exhausted, who have no right to remain, but against whom enforcement action has not yet been initiated.

Secondly, the figure of 19,500 includes a large proportion of cases (estimated at around 90 per cent.) where there are one or more barriers to immediate removal—such as absconding, judicial review, representations by hon. Members and difficulties with removal documentation. Typically, absconding represents a barrier to removal in half of asylum removals backlog cases.

Furthermore, the figure may include some persons who have actually left the United Kingdom voluntarily but whose departure is unknown to IND.

**Mr. Clappison:** To ask the Secretary of State for the Home Department what assessment he has made of the six asylum seekers acquitted on 17 June of violent disorder at the Campsfield Detention Centre being placed at additional risk of persecution if returned to their own countries as a result of their trial. [49177]

**Mr. Mike O'Brien:** When the court directed that they be found not guilty, those who continued to be subject to detention under the Immigration Act 1971, were found places in our detention estate and were held pending consideration of arrangements for removal. However, I can confirm that the United Nations High Commission for Refugees have been afforded until 13 July to look further at the cases involved, and that we will consider any new information that may come to light in individual cases, together with any other issues, in the normal way, including any information on relevant risks of any kind.

### Immigration Cases

**Mr. Vaz:** To ask the Secretary of State for the Home Department what action he is taking in respect of the case of Nazire Javeed Abdul Gaffar Nazire (date of birth 22.09.76)-ref PO8509/98. [48936]

**Mr. Mike O'Brien:** I wrote to my hon. Friend on 29 June, setting out the action which I proposed the Immigration and Nationality Directorate should take.

### Millennium Compliance

**Mr. David Atkinson:** To ask the Secretary of State for the Home Department what contingency plans his Department is making in the event of the failure of computer systems to recognise the year 2000; when he expects them to be in place, and tested; and if he will make a statement. [48850]

**Mr. Straw:** All the main business areas in my Department have projects under way in response to the Year 2000 problem. Contingency planning is a key activity for all of them, but the timing of the development of contingency plans will vary depending on factors particular to each project and the computer systems concerned. Priority is being given to business critical systems.

I have asked that contingency plans for my Department should be assessed by the end of August 1998 and that plans for business critical systems should be in place and tested by the end of 1998. Some projects are well ahead of this timetable.

### Appeals

**Mr. Crausby:** To ask the Secretary of State for the Home Department how many cases have been referred by the Criminal Cases Review Commission to the Court of Appeal. [49078]

**Mr. Michael:** By the end of June, the Criminal Cases Review Commission had referred 17 cases to the Court of Appeal.

### Elections

**Mr. Luff:** To ask the Secretary of State for the Home Department what proposals he has to change the day for parliamentary, European or local government elections to Saturday or Sunday; and if he will make a statement. [49265]

**Mr. George Howarth:** We have no present plans to introduce polling at the weekend for parliamentary or European Parliamentary elections. We are, however, considering the possibility of pilot studies of this and other alternative electoral procedures at local elections.

### Prisons (Halal Meat)

**Mrs. Fiona Jones:** To ask the Secretary of State for the Home Department what guidance is given to prisons on the purchase of halal meat. [46084]

**Ms Quin:** Prison Governors were advised in May 1997 that halal meat should only be purchased for consumption by Muslim prisoners. Centrally contracted meat suppliers were obliged only to supply halal meat on request. It has recently come to my attention that some Prison Service establishments were providing halal meat to all prisoners, regardless of their religious beliefs. I have asked the Director General to rectify this.

## AGRICULTURE, FISHERIES AND FOOD

### Food Standards Agency

**Mr. Curry:** To ask the Minister of Agriculture, Fisheries and Food when he last met the Chancellor of the Exchequer to discuss the funding of the Food Standards Agency. [48496]

**Dr. John Cunningham:** Food Safety and Standards have been considered as part of the comprehensive spending review, on which I have had a number of meetings with the Chancellor of the Exchequer and other colleagues.

### Organophosphates

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on his Department's policy towards the observations in paragraph 10.29 of the Official Group on Organophosphates report to Ministers. [48869]

**Dr. John Cunningham:** Sheep scab mites and other sheep ectoparasites cause serious diseases and it is important to maintain a range of veterinary medicinal products effective against them. We will continue to authorise products that satisfy the statutory criteria of safety, quality and efficacy.

### Beef Labelling

**Mr. Quinn:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the implementation of the Beef Labelling Scheme from 1 July. [49110]

**Mr. Rooker** *[holding answer 6 July 1998]:* There has been an excellent response to this initiative from all parts of the industry. Some 11,000 beef outlets in the UK have received approval for the detailed labelling information they supply. The Scheme is good news for consumers who will get better information about the beef they buy. They can now be confident that beef labelled as British will have come from animals born, raised and slaughtered in Britain.

## HEALTH

### Drug Users (Devon)

**Mrs. Gilroy:** To ask the Secretary of State for Health (1) what discussions he has recently had about the South and West Devon fast track diversion and stabilisation scheme for drug users; [48148]

(2) what recent assessment he has made of the funding of the South and West Devon fast track diversion and stabilisation scheme for drug users. [48150]

**Ms Jowell:** Funding for the South and West Devon fast-track diversion and stabilisation scheme for drug users exists to enable the scheme to continue until March 1999 and locally based joint consultative committees are currently considering whether to provide continued funding for the scheme.

The anti-drug coordinators will be issuing a resource framework document later this year. The framework will set out the resources available for drug services across agencies and how they should be used most effectively.

### Housebound Patients (Medicines)

**Mr. McWalter:** To ask the Secretary of State for Health what plans he has to ensure delivery of medicines to those patients who are housebound. [48234]

**Mr. Milburn** *[holding answer 1 July 1998]:* Many community pharmacies operate delivery services, and this is one of the ways in which housebound people are able to obtain the medicines they need. While demand for this service remains, we expect that it will continue to be provided.

Home delivery by pharmacies is not the only way in which housebound patients may obtain the medicines they need. Informal and formal carers may collect medicines on their behalf, as in some cases do community nurses.

### Asthma

**Mr. Burstow:** To ask the Secretary of State for Health if he will list the numbers of items prescribed for the treatment of asthma in each year since 1993–94. [48311]

**Mr. Milburn:** The number of prescription items dispensed in the community in England used in the treatment of asthma for each of the years from 1993 to 1997 is shown in the table. Information on the use of drugs in hospitals is not available.

*The number of prescription items of drugs dispensed in the community used in the treatment of asthma, 1993 to 1997—England*

| Year | Prescription items (million) |
|---|---|
| 1993 | 31.2 |
| 1994 | 32.7 |
| 1995 | 33.9 |
| 1996 | 34.5 |
| 1997 | 35.5 |

*Note:*
The data cover all prescriptions dispensed by community pharmacists, appliance contractors and dispensing doctors, and prescriptions submitted by prescribing doctors for items personally administered in England. The information was obtained from the prescription cost analysis system for drugs used in the treatment of asthma contained in British National Formulary sections 3.1 (bronchodilators), 3.2 (corticosteroids) and 3.3 (cromoglycate and related therapy). Some of the drugs may be used for the treatment of other conditions

### Ambulances

**Mr. Benton:** To ask the Secretary of State for Health what assessment his Department has made of the comparative costs and benefits of a standard Ford ambulance with *(a)* a Tri Star manufactured in Canada and *(b)* a Chevrolet manufactured in the US; and if he will make a statement. [48758]

**Mr. Boateng:** None. It is for each Ambulance Service National Health Service trust to specify the suitability of the vehicles it needs to achieve national and local standards based on best value for money.

### Multiple Sclerosis (Dental Services)

**Mr. Gordon Prentice:** To ask the Secretary of State for Health if he will make it his policy to allow people with MS to have their amalgam fillings replaced free of charge with fillings made from other non-mercury based materials. [48921]

**Mr. Milburn:** National Health Service dental treatments are provided on the basis of clinical need. This could include replacing fillings if that is the advice of the responsible medical practitioner. Full or partial exemptions from treatment charges are available for people on a low income.

### Link Services Centres (Kent)

**Mr. Shaw:** To ask the Secretary of State for Health what are the names of the organisations and their senior directors who have formally expressed an interest in running the Link Services Centres for Kent County Council. [48821]

**Mr. Boateng:** We do not regularly gather information on local authorities' tendering processes. My hon. Friend may, therefore, wish to write to the County Council.

### Autism (MMR Vaccine)

**Mr. Llew Smith:** To ask the Secretary of State for Health if he will review the study presented to the American Association of Immunologists and Federation of American Societies for Experimental Biology Conference in San Francisco in May by Dr. V. K. Singh on autism and the MMR Vaccine. [48835]

**Ms Jowell:** The Department is aware of an abstract by a Dr. V. K. Singh which was sent to the annual meeting of the American Association of Immunologists and the Federation of American Societies for Experimental Biology and others which was held in San Francisco in April 1998.

The United Kingdom health departments are advised on immunisation matters by the Joint Committee on Vaccination and Immunisation, an independent expert group. Dr. Singh's abstract will be considered by the Committee along with other published work in this area when they next meet.

### Family Planning

**Mrs. Brinton:** To ask the Secretary of State for Health how many general practitioners hold the Diploma of the Faculty of Family Planning. [48965]

**Ms Jowell:** The information requested is not collected centrally.

### Maternal Deaths

**Mrs. Brinton:** To ask the Secretary of State for Health what research he has *(a)* commissioned and *(b)* evaluated into the relative incidence of deaths in pregnancy according to whether women were users of the contraceptive pill before pregnancy. [48969]

**Ms Jowell:** The triennial Report on Confidential Inquiries into Maternal Deaths undertaken by the Department investigates the causes of all maternal deaths in the United Kingdom. As part of this work, the Report routinely collects and assesses information on use of the contraceptive pill by women who subsequently die during or after pregnancy. To date no association between use of oral contraception and maternal deaths has been noted. The authors of the current Confidential Inquiry into Maternal Deaths 1994–96 are looking at this again and will publish their report later this year.

**Mrs. Brinton:** To ask the Secretary of State for Health for what period following childbirth maternal deaths continue to be classified as due to pregnancy. [48970]

**Ms Jowell:** The tenth International Classification of Diseases, Injuries and Causes of Death which is now used by the Confidential Inquiry into Maternal Deaths in the United Kingdom defines maternal death as the death of a woman while pregnant or within 42 days of termination of pregnancy, from any cause related to or aggravated by the pregnancy or its management, but not from accidental or incidental causes. In addition, the United Kingdom collects information on late maternal deaths which occur between 42 days and one year after abortion, miscarriage or delivery that are due to direct or indirect obstetric causes.

Information on late maternal deaths is set out in Chapter 15 of the most recent report on Confidential Inquiries into Maternal Deaths in the United Kingdom 1991–93, copies of which are available in the Library.

### Hospital Treatments

**Mr. Hammond:** To ask the Secretary of State for Health how many NHS hospital treatments have been carried out since 1 May 1997 involving procedures which are at 30 June 1998 no longer available on the NHS. [49107]

**Mr. Milburn:** None. No clinically effective procedure should be ruled out in principle by the National Health Service.

### Antibiotic Resistance

**Mr. Gordon Prentice:** To ask the Secretary of State for Health what evidence he has evaluated of the development of antibiotic resistance among those working in hospitals and other medical establishments. [49077]

**Ms Jowell:** We are not aware of any systematic study which would show whether healthcare personnel are more prone to harbour resistant bacteria than other groups.

The risk of healthcare personnel becoming colonised, via patient contact, with antibiotic resistant pathogens, and of the transfer from one patient to another, is one we take seriously. Keeping this risk to a minimum is one reason why effective infection control practices are imperative.

### NHS Trusts (Enfield and Haringey)

**Ms Ryan:** To ask the Secretary of State for Health what the payments were in cash terms to National Health Service trust chairs and non-executive directors in the years 1996–97 and 1997–98 in the area covered by Enfield and Haringey Health Authority. [49456]

**Mr. Milburn:** There are five National Health Service trusts in the area covered by Enfield and Haringey Health Authority, each with five non-executive directors and a chairman. In 1996–97 and 1997–98, each non-executive director was entitled to a remuneration of £5,000 a year. Four of the chairmen were entitled to a remuneration of £17,245 a year, and one was entitled to a remuneration of £19,285 a year. Chairmen and non-executive directors of NHS trusts are also entitled to claim travelling expenses but details of these expenses are not available centrally.

### Volatile Substance Abuse

**Mr. Derek Twigg:** To ask the Secretary of State for Health what are the most recent figures available on deaths associated with the practice of volatile substance abuse; and if he will make a statement. [49741]

**Ms Jowell:** Statistics collected by St. George's Hospital Medical School and published today show that there were 75 deaths in the United Kingdom in 1996 associated with volatile substance abuse (VSA). This is the second consecutive year in which there has been an increase over the 58 deaths in 1994 which had been the lowest level of mortality since 1981. We take any death associated with VSA very seriously and will consider whether further action is required which could help prevent such tragedies.

Copies of the report are available in the Library.

### Tobacco Products

**Mr. Flynn:** To ask the Secretary of State for Health what plans the Government have to introduce legislation requiring tobacco companies to list all the ingredients on the packages of tobacco products offered for sale. [49451]

**Ms Jowell:** We have no such immediate plans.

### Lariam

**Mr. Flynn:** To ask the Secretary of State for Health how many reports of suspected adverse reactions associated with Lariam (Mefloquine) were reported to the Medicines Control Agency, relative to the number of prescriptions written, in each year from 1989 to 1998; and if he will make a statement. [48699]

**Ms Jowell:** The number of suspected adverse reactions reported to the Committee on Safety of Medicines and the Medicines Control Agency from 1 July 1989 to 2 July 1998 for mefloquine (brand name, Lariam) as the suspect drug in the United Kingdom, and the number of prescription items dispensed in the community for mefloquine, from 1989 to 1997 in England are given in the table:

| Year | Total number of suspected adverse reactions | Number of reports | Number of prescriptions dispensed in the community in England (000) |
|---|---|---|---|
| 1989 | 0 | 0 | |
| 1990 | 54 | 19 | 2.8 |
| 1991 | 58 | 27 | 7.0 |
| 1992 | 51 | 22 | 10.6 |
| 1993 | 182 | 72 | 40.3 |
| 1994 | 606 | 234 | 160.7 |
| 1995 | 1,251 | 458 | 56.6 |
| 1996 | 1,376 | 469 | 18.6 |
| 1997 | 641 | 2,229 | 16.9 |
| Up to 2 July 1998 | 179 | 65 | .. |

A report of a suspected adverse drug reaction (ADR) does not necessarily mean that it was caused by the drug. Each report relates to one patient. Patients may have more than one suspected reaction and the number of reactions given therefore exceeds the number of patients affected as seen in the table. The number of reports received for a medicine is influenced by a number of factors including the extent of its usage and publicity related to the medicine as well as its intrinsic toxicity.

Mefloquine was first dispensed in 1990. The prescription information was obtained from the prescription cost analysis system. Prescription cost analysis is based on information obtained from the Prescription Pricing Authority. The prescription data for 1990 are not consistent with data from 1991 to 1997. The figure for 1990 is based on prescription fees and on a sample of 1 in 200 prescriptions dispensed by community pharmacists only. Figures for 1991 onwards are based on items and cover all prescriptions dispensed by community pharmacists, dispensing doctors and prescriptions submitted by prescribing doctors for items personally administered.

The prescription data provided include prescriptions dispensed in England only, whereas the spontaneous ADR data include reactions occurring throughout the UK. Therefore, these data sets are not directly comparable.

### Alcohol (Health Warnings)

**Mr. Flynn:** To ask the Secretary of State for Health what plans the Government have to introduce health warnings on the dangers of alcohol on the containers of alcoholic drinks. [49450]

**Ms Jowell:** We believe that if alcohol is consumed in accordance with the guidance in Sensible Drinking it is not likely to be harmful to a person's health. We, therefore have no plans to require health warnings to be displayed on alcohol containers. However, we fully support the initiative of a number of manufacturers and retailers in introducing unit labelling on their packaged products on a voluntary basis to support our sensible drinking messages.

## DUCHY OF LANCASTER

### Executive Agencies

3. **Dr. Whitehead:** To ask the Chancellor of the Duchy of Lancaster if he will review the organisation of executive agencies to reflect function rather than departmental origin. [47921]

**Mr. Kilfoyle:** Ministers establish agencies by function to discharge their departmental responsibilities, and they keep them under review to take account of changing needs and priorities. Closer working between agencies is an important part of our Better Government agenda.

### Information Technology

6. **Mr. Dalyell:** To ask the Chancellor of the Duchy of Lancaster pursuant to his oral answer of 10 June 1998, *Official Report*, column 1064, what assessment he has made of the benefits to United Kingdom citizens of Government use of information technology. [47924]

**Dr. David Clark:** Information technology is an important key in improving government services for everyone in our society. There is great potential for the Government to deliver information and services to our citizens at the time and place of their choosing and by the method that is most convenient to them.

My officials in the Central Information Technology Unit are currently conducting extensive national market research to test the public's attitude to using electronic services. The first two interim reports have been published on CITU's website. Initial findings suggest that the reaction of both the public and business to the prospect of using electronic mediums to access government services is positive: 74 per cent. of people said they would be quite likely or very likely to use new methods of service delivery.

26. **Ms Rosie Winterton:** To ask the Chancellor of the Duchy of Lancaster what steps he has taken to use new technology to improve communication between Government Departments. [47945]

**Dr. David Clark:** The Government see new technologies as an important key to the successful delivery of user-friendly Government services to the citizen and business.

Central government departments now have the potential to access the newly established Government Secure Intranet (GSI), which enables secure interconnections across a range of departmental IT systems. The GSI will facilitate a more coherent, customer-focused and integrated electronic service delivery to citizens and businesses, by providing security for information that is entrusted to the Government and by allowing unrestricted access to the Internet where required.

The GSI enables departments to communicate securely by e-mail and to benefit from access to, and the ability to receive communications over, the Internet. It will also enable the public to access the service via the Internet by using home PCs and eventually through digital television. It provides a means of linking up and promoting the increasing volume of Government services that are available electronically.

### Open Government

12. **Mr. Robathan:** To ask the Chancellor of the Duchy of Lancaster what representations he has received on his proposals for open government. [47930]

**Dr. David Clark:** I refer the hon. Member to the oral answer I gave to the hon. Member for Southend, West (Mr. Amess) today, *Official Report*, column 1062.

### Public Appointments

13. **Mr. Canavan:** To ask the Chancellor of the Duchy of Lancaster what recent representations he has received about employment in the public service of people from the Commonwealth and the Republic of Ireland; and if he will make a statement. [47931]

**Mr. Kilfoyle:** In the past three months I have received five representations including one from the hon. Member for Portsmouth, South (Mr. Hancock) written with the support of 32 other hon. Members.

21. **Dr. Tony Wright:** To ask the Chancellor of the Duchy of Lancaster what plans he has to change the system for public appointments. [47939]

**Mr. Kilfoyle:** Proposals for making the public appointments system more transparent and accessible were published on 29 June 1998 in a paper "Quangos: Opening the Doors". This paper, which takes account of the comments received during the Government's recent consultation exercise on quangos, makes further proposals on widening the field of candidates for appointment. A second paper "Quangos: Opening up Public Appointments" was published on the same day. This provides details of the Government's plans to make public appointments more representative of society as a whole.

Copies of both papers have been sent to all hon. and right hon. Members as well as being placed in the Library.

### Parliamentary Accountability

14. **Mr. Rhodri Morgan:** To ask the Chancellor of the Duchy of Lancaster what proposals he has for the parallel development of parliamentary accountability and inter-departmental task forces. [47932]

**Mr. Kilfoyle:** Ministers are accountable to Parliament for the policies, decisions and actions of their Departments. This includes accountability for decisions taken on the basis of advice from task forces.

### Deregulation

15. **Mr. Pike:** To ask the Chancellor of the Duchy of Lancaster what major deregulation proposals are planned to be introduced during the next 12 months. [47933]

**Mr. Kilfoyle:** I would like to thank my hon. Friend for the valuable work he is doing as Chair of the House of Commons Deregulation Committee, who do a very useful job in scrutinising proposals to get rid of outdated legislation. However, it would not be appropriate to announce specific deregulation order proposals at this time, as they are subject to detailed consultation with all interested parties and I would not want to pre-empt announcements by my colleagues with policy responsibility for specific deregulation orders.

We are also looking at the scope for reform of the Deregulation and Contracting Out Act 1994.

### Internet

16. **Mr. Sheerman:** To ask the Chancellor of the Duchy of Lancaster what steps he is taking to increase access to Government Departments by persons using the Internet. [47934]

**Dr. David Clark:** While it is a matter for individual Departments to decide whether to establish and publish web sites on the World Wide Web, I am pleased to say all the major Departments of State do indeed already have public web sites. They form part of the over 600 public sector organisations that are accessible on World Wide Web via the Government Information Service run by the Central Computer and Telecommunications Agency.

### Millennium Compliance

17. **Mr. David Atkinson:** To ask the Chancellor of the Duchy of Lancaster when he expects to make his next quarterly report on the millennium compliance of computer systems in central Government. [47935]

**Dr. David Clark:** The next quarterly report is due in September. As this will fall during the summer recess, I propose to write to all hon. Members during the recess to report the results. I will also arrange for all relevant information to be placed in the Library of the House and published on the Internet.

23. **Mr. Nicholas Winterton:** To ask the Chancellor of the Duchy of Lancaster what progress has been made in the co-ordination of a strategy to combat the threat of year 2000 computer bugs. [47941]

**Dr. David Clark:** A Ministerial Group, which is chaired by the President of the Board of Trade, has been set up to drive forward action across the private and public sectors to ensure that the national infrastructure is not damaged by the failure of electronic systems as a result of the Millennium date change. I chair a sub-group which is responsible for co-ordinating and driving action in tackling the Millennium bug problem across central government and the wider public sector.

27. **Mr. Ben Chapman:** To ask the Chancellor of the Duchy of Lancaster what steps he has taken to address the millennium bug problem as it affects central Government. [47946]

**Dr. David Clark:** I chair the Ministerial sub-group which is responsible for co-ordinating and driving forward action to tackle the millennium bug problem within central government and across the wider public sector. I have initiated a system of quarterly reviews to monitor the progress that has been made in tackling the problem in central government departments and agencies. The latest review also included information on the wider public sector. My statement to the House on 8 June 1998, *Official Report*, columns 716–18, summarised the results. Future statements will cover key elements of the wider public sector in more detail. I am following up concerns highlighted by the latest review with the Departments concerned. Copies and summaries of the completed questionnaires from Departments, and their reports on wider public sector bodies, have been placed in the libraries of both Houses and published on the Internet.

### "Better Government"

18. **Mr. Ronnie Campbell:** To ask the Chancellor of the Duchy of Lancaster if he will make a statement on the proposals contained in the "Better Government" White Paper. [47936]

**Dr. David Clark:** The "Better Government" White Paper will set out the Government's vision for modern, effective public services which match the way people live their lives today. New technology is one of the tools we will use to "join up" government and put the citizen first.

### Secondments (Civil Service)

19. **Mr. Gordon Prentice:** To ask the Chancellor of the Duchy of Lancaster what steps he is taking to encourage secondments from industry, commerce, the professions and other occupations into the *(a)* home civil service and *(b)* diplomatic service. [47937]

**Dr. David Clark:** I have established an Interchange Steering Council to offer advice on the exchange of personnel and good practice between the civil service and other sectors. Officials are working with representatives from business, local government, academia and the voluntary sector to increase participation.

The FCO have specific programmes offering business people opportunities to take up posts or to work on projects overseas.

### Special Advisers

20. **Mr. Gray:** To ask the Chancellor of the Duchy of Lancaster what regulations govern the shareholdings of special advisers to prevent cases of conflict of interest arising. [47938]

**Dr. David Clark:** Special Advisers—like all civil servants—are required under the terms and conditions of their employment to declare to their department any business interests or shareholdings which they or members of their immediate family hold, which they would be able to further as a result of their official position. They must not be involved in taking any decision which could affect the value of their private

investments, or the value of those on which they give advice to others; or use information acquired in the course of their work to advance their private financial interests or those of others.

### Electronic Red Box

22. **Mr. Fabricant:** To ask the Chancellor of the Duchy of Lancaster when his Department plans to introduce the mark 2 version of the prototype electronic red box. [47940]

**Dr. David Clark:** We are currently upgrading the prototype electronic Red Box, which I demonstrated in January, to take account of the latest developments in IT.

Testing trials on the new prototype will shortly be completed and I expect to be able to make more detailed announcement on the introduction of an upgraded prototype Red Box into my office before the end of the month.

28. **Mrs. Anne Campbell:** To ask the Chancellor of the Duchy of Lancaster what progress has been made with the virtual red box. [47948]

**Dr. David Clark:** I am pleased to report that we are making good progress with prototype electronic Red Box, which I demonstrated in January.

A new version is being developed using a small laptop computer, which will be activated by a Smart Card that will allow me to communicate securely with my office from any location in the UK.

Testing trials on the new prototype will shortly be completed and I expect to be able to make more detailed announcement on the introduction of an upgraded prototype Red Box into my office before the end of the month.

### Government Information and Communication Service

24. **Mr. Ruffley:** To ask the Chancellor of the Duchy of Lancaster what representations he has received regarding appointments to the Government information service. [47942]

**Mr. Kilfoyle:** I have nothing further to add to the reply that I gave to the hon. Member on 10 June 1998, *Official Report*, column *619*, which covered appointments to the Government Information and Communication Service (GICS) as well as wider issues affecting the GICS.

### Freedom of Information Bill

25. **Mr. Mitchell:** To ask the Chancellor of the Duchy of Lancaster when he intends to publish the Freedom of Information Bill. [47944]

**Dr. David Clark:** I refer my hon. Friend to the oral answer I gave the hon. Member for Lewes (Mr. Baker) today, *Official Report*, column 1055.

# Written Answers to Questions

*Thursday 9 July 1998*

## TREASURY

### Royal Mint

**Mr. Livsey:** To ask the Chancellor of the Exchequer what options are under consideration for the Royal Mint; and if he will indicate in respect of each option whether consultants have been engaged. [49417]

**Mrs. Liddell:** The terms of reference for the review of public/private-partnership options for the Royal Mint are:

To advise Treasury Ministers on the options for a public/private partnership for the Royal Mint to enable it to take advantage of new commercial opportunities. In considering these options, the review will take into account the views of affected stakeholders and assess the implications for:

the security and competitiveness of supply of UK circulating coins;

the net cost to Government of UK circulating coins;

possible UK entry into stage 3 of economic and monetary union;

enhancing the Royal Mint's ability to take advantage of existing and new commercial opportunities;

the public-policy aspects of coinage, including design, choice of denominations and commemorative issues;

the staff of the Royal Mint, including their conditions and terms of service;

the need for, and requirements of, legislation; and

the speed with which change can be implemented.

The review will also employ consultants to advise on (i) potential purchasers and partners, including institutional investors, for the Mint; (ii) the current market for coin supply, feeding into our consideration of how privatisation might be effected and competitiveness of supply ensured; and (iii) the impact of the euro.

The review will report to Treasury Ministers by the end of September.

All options, including full and partial sale and other forms of private-sector involvement, will be considered by the review.

### Channel Tunnel Rail Link

**Mr. Gibb:** To ask the Chancellor of the Exchequer, pursuant to his answer of 29 June 1998, *Official Report*, column *28*, what assessment he has made of the percentage risk of default if the financial markets had issued a Channel Tunnel Rail Link guarantee. [49444]

**Mr. Darling** *[holding answer 7 July 1998]:* As my right hon. Friend the Deputy Prime Minister made clear in his statement of 3 June 1998, *Official Report*, columns *367–84*, the Government consider the risk of a liability being incurred under the guarantees to be given over the bonds which will be issued by London and Continental Railways to be remote.

### ICL Pathway Project

**Mr. Chope:** To ask the Chancellor of the Exchequer (1) when the Government will set up the review of the ICL Pathway Project; who is undertaking it; and who has been invited to give evidence to it; [49504]

(2) what are the terms of reference of the Government review of the ICL Pathway Project; and when it is due to report. [49505]

**Mr. Geoffrey Robinson** *[holding answer 8 July 1998]:* My officials are working with officials from DSS and DTI to monitor the progress of this important PFI project, as is usual for projects of this scale and complexity. Ministers are being kept fully up to date with progress.

### Default Interest

**Mr. Gibb:** To ask the Chancellor of the Exchequer if he will estimate the extra revenue arising from the increase in default interest for *(a)* late payment of VAT, *(b)* air passenger duty, *(c)* insurance premium tax and *(d)* landfill tax. [49669]

**Dawn Primarolo:** The increase in revenue resulting from the recent increase in the rate of default interest is estimated to be some £20 million in a full year. The majority of this will be in respect of late payment of VAT; the amounts relating to the other taxes are expected to be negligible.

### Smuggling

**Mr. Barnes:** To ask the Chancellor of the Exchequer how many recorded instances of cross-border smuggling of *(a)* petrol, *(b)* alcohol, *(c)* smoking materials, *(d)* animals and *(e)* videos there have been in each of the last 10 years; and if he will make a statement. [48360]

**Dawn Primarolo** *[holding answer 6 July 1998]:* The table shows the number of detections by Customs and Excise of goods smuggled from the Irish Republic into Northern Ireland:

*Instances of cross-border smuggling 1995–1998 (to date)*

| | 1995 | 1996 | 1997 | 1998 |
|---|---|---|---|---|
| Hydrocarbon oils | 6 | 3 | 3 | 32 |
| Alcohol | 19 | 29 | 21 | 10 |
| Tobacco | 24 | 48 | 67 | 7 |
| Alcohol and Tobacco | 19 | 31 | 13 | 19 |
| Videos | 0 | 0 | 0 | 0 |
| Animals | 0 | 0 | 0 | 0 |

Figures include all hydrocarbon oils detections, not only petrol.
All detected at premises in Northern Ireland. Information is not available as to whether the smuggling route used was via mainland UK or the Republic of Ireland, however intelligence suggests that both routes are used.
Instances where both alcohol and tobacco goods were the subject of the smuggling-attempt.

I regret that no figures are available for years before 1995.

### Falkland Islands

**Mrs. Ewing:** To ask the Chancellor of the Exchequer what powers he has to levy taxes on the Falkland Islands. [48344]

**Dawn Primarolo** *[holding answer 6 July 1998]:* None.

The Falkland Island Councillors made a generous offer in 1994 to share revenues from oil production with HMG and we agreed that we should now discuss arrangements for this in a spirit of co-operation and partnership.

### Capital Gains Tax

**Mr. Ieuan Wyn Jones:** To ask the Chancellor of the Exchequer how many taxpayers paid capital gains tax for the last tax year for which figures are available; and what was the total amount of revenue raised. [48086]

**Dawn Primarolo** *[holding answer 6 July 1998]:* It is provisionally estimated that 110,000 taxpayers had capital gains tax liabilities of £1.4 billion for 1996–97, the latest tax year for which information is available.

### Kyoto Protocol Targets

**Mr. Chaytor:** To ask the Chancellor of the Exchequer what assessment he has made of the advantages of introducing additional tax incentives to help the Government achieve their target under the Kyoto Protocol. [48975]

**Dawn Primarolo:** The Government plan to consult later this summer on policy options for delivering its legally-binding target under the Kyoto Protocol, and for moving beyond that towards its domestic aim of a 20 per cent. cut in carbon dioxide emissions on 1990 levels by 2010. Within industry, the Government believe that economic instruments may offer the potential to achieve greenhouse gas reductions cost-effectively. The Chancellor has asked Sir Colin Marshall, assisted by a Government Task Force, to consider whether and, if so, how best to use economic instruments—such as an industrial energy tax and/or other market mechanisms—to improve the business use of energy and to help reduce emissions of greenhouse gases from this sector.

### Pharmaceutical Industry

**Mr. Hoyle:** To ask the Chancellor of the Exchequer how much revenue the Treasury received from the United Kingdom pharmaceutical industry in the last financial year. [47802]

**Dawn Primarolo:** The corporation tax liability of businesses classified to the pharmaceutical industry in respect of accounting periods ending in the financial year 1996–97 is estimated at £400 million.

### Pension Funds

**Mr. Loughton:** To ask the Chancellor of the Exchequer if he will make a statement on progress in respect of measures to allow the streaming of income for pension funds invested in balanced authorised unit trusts. [49164]

**Mrs. Liddell:** This proposal has been put to the Government. It is under review.

### Inland Revenue

**Mr. Rammell:** To ask the Chancellor of the Exchequer if he will make a statement on the Inland Revenue's fixed profit car scheme rates to take account of increases in the costs of motoring. [48983]

**Dawn Primarolo:** The Inland Revenue's authorised mileage rates (used in the fixed profit car scheme) are fixed each year. The rates for 1998–99 were announced last December. A similar timetable will apply to setting the rates for 1999–2000.

### Duty Free

**Mr. Hoyle:** To ask the Chancellor of the Exchequer if ferries en route to France via the Channel Islands will after 1999 be able to sell duty free goods. [48756]

**Dawn Primarolo:** Yes. The Channel Islands are excluded from the fiscal territory of the European Community so journeys to and from the Channel Islands and an EU Member State are not affected by the abolition of intra-EU duty free sales from 30 June 1999.

**Mr. Hoyle:** To ask the Chancellor of the Exchequer if ferries which sail out of EU waters and immediately return will be able to sell duty free goods after 1999. [48757]

**Dawn Primarolo:** The European Commission has set out in a working document its view on the arrangements which should apply to sales on board ships following the abolition of intra-EU duty-free sales after 30 June 1999. They express the view that duty-free sales of goods to be carried away will not be allowed on intra-EU voyages—even if part of a ship's voyage is in international waters. Duty-free sales of goods for consumption on board will continue to be governed by the national provisions of member states until the Council adopts Community provisions on stores for boats and aircraft. Commission chaired discussions at official level are underway to work out the detail of these arrangements.

### Public Corporations

**Dr. Lynne Jones:** To ask the Chancellor of the Exchequer if he will list those public corporations that will be evaluated for possible changes in fiscal rules; and when such changes are likely to be announced. [48760]

**Mr. Geoffrey Robinson:** The public corporations included in section 3.4 of the Economic and Fiscal Strategy Report (published 11 June) under the paragraph headed "Additional flexibility for large public corporations, which are not dependent on government grants, to put them on a more commercial footing" are the Post Office, British Nuclear Fuels Limited, National Air Traffic Services, the Commonwealth Development Corporation, the Royal Mint, the Tote, the Crown Estate Office and Channel 4 Television. Compared with the regime for public corporations in departmental expenditure limits, these largely self-funding public corporations will have more flexibilities to manage their spending between years, within agreed limits on external finance from 1999–2000.

The way of measuring the impact of these public corporations on the fiscal aggregates is unchanged.

### Millennium Experience

**Mr. Mitchell:** To ask the Chancellor of the Exchequer what tax deduction has been made available for sponsorship of the Millennium Experience; and what estimate he has made of the cost to the Exchequer in lost revenue. [48830]

**Dawn Primarolo:** When calculating business profits for tax purposes, the general rule is that a deduction is allowable for tax purposes where expenditure is revenue in nature and incurred wholly and exclusively for trade purposes. This rule applies to sponsorship payments, as it does to business expenditure generally. The availability of a tax deduction for business expenditure on sponsorship payments when calculating business profits will always depend on the particular factors of the donor business. No information is available about sponsorship payments to the Millennium Experience qualifying as a deduction for tax purposes, or of the cost of the tax relief.

## Unemployment

**Mr. Gordon Prentice:** To ask the Chancellor of the Exchequer what is the cost to the Exchequer per unemployed person per year in terms of unemployment-related benefits and forgone taxes where the calculation assumes the person to have been on average earnings. [48247]

**Dawn Primarolo:** The average level of unemployment-related benefits per unemployed person per year, and the direct taxes paid by (or on behalf of) people with average earnings are provided as follows. These figures are not, however, a complete assessment of the exchequer costs of changes in unemployment. Such an assessment will depend upon the reasons for the change, and the extent to which it affects the sustainable level of employment. This in turn requires an analysis of the direct and indirect effects on the wider labour market and the economy as a whole—including the effect on inflationary pressure and the policy response to it. It also needs to reflect the fact that unemployed people do not, on average, move into jobs with average earnings.

The average cost of unemployment-related benefits per unemployed person per year, in 1998–99 benefit levels is around £3,850, with the entitlement of individuals around this average depending on their particular circumstances. For the purposes of calculating this figure, unemployment-related benefits are defined as Jobseeker's Allowance (JSA), and Housing Benefit and Council Tax Benefit payments to people in receipt of JSA.

In 1998–99, a single person in employment for a full year on median earnings (£337 per week) would pay £4,400 in income tax and employee National Insurance Contributions (NICs). In 1998–99, a married couple with one member of the couple in employment for a full year on median earnings (£337 per week) would pay £4,100 in income tax and employee NICs. These figures assume that the individual has no income other than earnings from employment, is not eligible for Mortgage Interest Relief, and that they pay contracted-in employee's NICs. The figures ignore indirect taxes. An employer would pay £1,800 in employer NICs in respect of an employee on median earnings.

## Low Pay

**Mr. Woolas:** To ask the Chancellor of the Exchequer (1) what estimate he has made of the net wage at 1998–99 prices for a single person, working 39 hours a week for *(a)* £3.60 an hour, *(b)* £3.70 an hour, *(c)* £4 an hour and *(d)* £4.26 an hour for (i) 1997–98, (ii) 1998–99, (iii) 1999–2000 and (iv) 2000–2001; [48186]

(2) what estimate he has made of the net wage at 1998–99 prices for a married person with *(a)* one child and *(b)* two children under 12, who is the main wage earner, working 39 hours a week for (i) £3.60 an hour, (ii) £3.70 an hour, (iii) £4 an hour and (iv) £4.26 an hour for (1) 1997–98, (2) 1998–99, (3) 1999–2000 and (4) 2000–2001. [48185]

**Dawn Primarolo:** The table gives the weekly net income (at 1998–99 prices) of a single person, a married couple with one child, and a married couple with two children, at different hourly wage rates.

As the final column of the table shows, the National Minimum Wage and Budget measures such as the Working Families Tax Credit will mean a significant boost for low income working families: every family with children will be guaranteed an income for full-time work of at least £180 a week.

| *Family type* | *Hourly wage rate (at 1998–99 prices)* | *1997–98 (at 1998–99 prices)* | *1998–99* | *1998–99 (including Budget measures due to be introduced in 1999–2000)* |
|---|---|---|---|---|
| Single person | £3.60 | 119.36 | 119.53 | 120.81 |
| | £3.70 | 122.09 | 122.26 | 123.54 |
| | £4.00 | 130.28 | 130.45 | 131.73 |
| | £4.26 | 137.22 | 137.47 | 138.75 |
| Married person, one child | £3.60 | 176.46 | 176.20 | 193.91 |
| | £3.70 | 177.28 | 177.02 | 195.14 |
| | £4.00 | 179.74 | 179.48 | 198.82 |
| | £4.26 | 181.82 | 181.59 | 201.98 |
| Married person, 2 children | £3.60 | 198.09 | 197.85 | 218.06 |
| | £3.70 | 198.91 | 198.67 | 219.29 |
| | £4.00 | 201.37 | 201.13 | 222.97 |
| | £4.26 | 203.45 | 203.24 | 226.13 |

The income figures are net of Income Tax (including Working Families Tax Credit in the last column), National Insurance Contributions, Child Benefit and Family Credit (where appropriate). The figures do not include any Housing Benefit or Council Tax Benefit the households may be eligible for; this would depend upon rent and council tax bills. The net incomes shown would be higher if these benefits were applicable and included in the figures.

The figures assume that the earner is paying contracted-in employees' NICs', that they have no other, non-earned, income, and that they work 39 hours a week.

Figures for 1999–2000 and 2000–2001 are not available; they will depend upon any changes in tax and benefit rates and the rate of inflation.

The Bank of England has played a leading role in facilitating preparation for the euro in the financial sector. All indications are that the City is ready for the launch of the euro and expects to maintain its position as Europe's leading financial centre.

**Ms Ryan:** To ask the Chancellor of the Exchequer (1) how many people in full-time employment in the Greater London area currently earn less than the proposed national minimum wage development rate for 18 to 21-year-olds; [49458]

(2) how many people in full-time employment in Enfield currently earn less than the proposed national minimum wage development rate for 18 to 21-year-olds; [49455]

(3) how many people in the constituency of Enfield, North earn less than the proposed national minimum wage, broken down by *(a)* gender, *(b)* age *(c)* ethnic origin and *(d)* full or part-time employment. [49457]

**Mrs. Liddell:** The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to reply.

*Letter from Tim Holt to Ms Joan Ryan, dated 9 July 1998:*

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary questions (49455, 49457 and 49458) on earnings.

The national minimum wage (NMW) will become effective in April 1999 and has been set at £3.60 for employees aged over 21. A development rate of £3.00 per hour will apply for employees aged 18 to 21. The proposals also include a provision for a rate of £3.20 which will apply to those over 21 years receiving accredited training during the first six months of a new job with a new employer, but we are unable to provide data on this. Workers aged 16 and 17 and all those on apprenticeship with be exempt.

The Low Pay Commission, in arriving at their recommendations, had to adjust 1999 pay rates to 1997 values. Their methodology produces £3.40 and £2.80 as the 1997 values of the government's preferred rates and I have provided supplementary data for these levels.

The new Earnings Survey (NES) does not collect information on the ethnic origin of employees, therefore figures for this element of the question cannot be given.

The preferred method for assessing the coverage of the proposed NMW is to present adjusted NES and Labour Force Survey (LFS) data for the number of employees earning less than the proposed NMW rates. This method adjusts for the fact that the NES is based on a one per cent. sample of employees in the PAYE system and is therefore likely to under-represent relatively low paid staff, earning below the tax-threshold, and in particular those who work part-time. It is not possible to use this method for the data requested for these areas and, where it is available, data, solely from the NES, have been provided in the attached tables. Regrettably, NES cannot provide statistically reliable estimates for much of the information requested for Enfield North constituency and Enfield borough.

The extent of the bias in the NES data may be estimated for Greater London by using the adjusted NES and LFS data for all employees. This suggests that the estimate of the overall proportion of full-time employees aged 18 to 21 years earning below £3.00 could understate the true position by as much as 12 percentage points. The equivalent figure for those aged over 21 years earning below £3.60 is 2 percentage points. However, because the bias has been estimated on the basis of all employees, it would be wise to treat these figures as broadly indicative rather than as precise estimates for full-time employees.

*NES—April 1997 (GB)*

Employees, whose pay for the survey period was unaffected by absence.

*Greater London—employees aged 18 to 21 on all rates of pay*

| | *Percentage earning* | |
|---|---|---|
| | *Less than £2.80* | *Less than £3.00* |
| Full-time males | 2.3 | 3.1 |
| Full-time females | 4.0 | 4.7 |
| All full time employees | 3.2 | 3.9 |

[1] Hourly earnings excluding overtime and shift payments (£)

*Enfield North constituency—employees aged 18 to 21 on all rates of pay*

| | *Percentage earnings* | |
|---|---|---|
| | *Less than £2.80* | *Less than £3.00* |
| Full-time males | — | — |
| Part-time males | — | — |
| All males | — | — |
| Full-time females | — | — |
| Part-time females | — | — |
| All females | — | — |
| All full-time employees | — | — |
| All part-time employees | — | — |
| All employees | — | — |

[1] Hourly earnings excluding overtime and shift payments (£)
[2] A reliable estimate is unavailable

*Enfield North constituency—employees aged over 21 on adult rates of pay*

| | *Percentage earnings* | |
|---|---|---|
| | *Less than £3.40* | *Less than £3.60* |
| Full-time males | — | — |
| Part-time males | — | — |
| All males | — | — |
| Full-time females | — | — |
| Part-time females | — | — |
| All females | 6.0 | 7.3 |
| All full-time employees | 4.6 | 4.6 |
| All part-time employees | — | — |
| All employees | 6.0 | 6.7 |

[1] Hourly earnings excluding overtime and shift payments (£)
[2] A reliable estimate is unavailable

*Enfield borough—employees aged 18 to 21 on all rates of pay*

| | *Percentage earning* | |
|---|---|---|
| | *Less than £2.80* | *Less than £3.00* |
| Full-time males | — | — |
| Full-time females | — | — |
| All full-time employees | — | — |

[1] Hourly earnings excluding overtime and shift payments (£)
[2] A reliable estimate is unavailable

## Working Families Tax Credit

**Mr. Caplin:** To ask the Chancellor of the Exchequer if the working families tax credit is to be delivered through the PAYE system by adjusting PAYE code numbers; and if he will consult employers about the workings of the system. [50366]

**Dawn Primarolo:** The Working Families Tax Credit (WFTC) will be introduced in October 1999 and paid through the payroll from April 2000. Inland Revenue consultations, aimed at minimising any extra work for employers, are continuing. An initial conclusion is that it would not be practical to use the employee's PAYE code to pay the Working Families Tax Credit. Although much work remains to be done before the detailed shape of the new scheme is settled, the current working assumption is that employers will be notified by the Inland Revenue of the amount of WFTC due to an employee and that this will be added to the employee's pay and paid through the PAYE system.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Chancellor of the Exchequer if he will make it his policy to *(a)* record each contact by a lobbying organisation with (i) Ministers and (ii) civil servants and *(b)* publish details of such contacts. [49534]

**Mr. Gordon Brown:** I refer my hon. Friend to the answer given by the Prime Minister today, *Official Report*, column *600*.

### Growth

**Mr. Mitchell:** To ask the Chancellor of the Exchequer what is his latest estimate of the level of economic growth in 1999. [49628]

**Mrs. Liddell:** The March 1998 Budget forecast showed economic growth of between $1\frac{1}{2}$ and $2\frac{1}{4}$ per cent. in 1999. Developments since then have been broadly in line with our expectations, both in terms of total output and also its composition.

### Income Tax

**Mr. MacShane:** To ask the Chancellor of the Exchequer, pursuant to his answers of 20 April 1998, *Official Report*, columns *400–02*, and 5 June 1998, *Official Report*, columns *386–90*, if he will provide comparable figures for two earner married couples where the income is split between them in the ratio of 60:40. [49187]

**Dawn Primarolo:** The information requested is contained in the table.

*Two earner married couple with income split in the ratio 60:40—for the 1998/99 tax year*

| | *Gross income (£ per week)* | | | | |
|---|---|---|---|---|---|
| | *150* | *200* | *250* | *300* | *400* |
| NICs | 3.88 | 9.76 | 14.76 | 19.76 | 31.76 |
| Income Tax | 0 | 2.38 | 12.25 | 22.75 | 49.05 |
| Tax and NICs as percentage of gross earnings | 2.6 | 6.1 | 10.8 | 14.2 | 20.2 |
| Net Income | 146.12 | 187.86 | 222.99 | 257.49 | 319.19 |
| Equivalised Net Income | 146.12 | 187.86 | 222.99 | 257.49 | 319.19 |

*Notes:*

1. The figures are calculated on the basis that all earnings are from employment and that there are no other sources of income.
2. The Married Couples Allowance has been allocated to the person earning 60% of the total.
3. The standard McClements scales have been used to determine equivalised income. This is the same process that is used in the DSS's Households Below Average Income publication.

Some of these families may also be entitled to housing benefit and council tax benefit. However, as this will depend upon the composition of the housing costs (between mortgage payments, council tax, and rent) housing benefit and council tax benefit have been left out of these figures.

### Departmental Staff

**Mr. Brake:** To ask the Chancellor of the Exchequer how staff numbers in his Department have varied between 1 May 1997 and 31 March 1998. [48874]

**Mrs. Liddell:** Staff numbers[1] in HM Treasury are as follows:

| | *1 April 1997*[2] | *1 January 1998*[2] | *Percentage change* |
|---|---|---|---|
| Permanent | 888.0 | 897.5 | +1.06 |
| Casual | 26.0 | 26.0 | 0.00 |

[1] Figures are shown as whole time equivalents
[2] Data are not readily available for either 1 May 1997 or 31 January 1998 and would involve disproportionate cost to obtain

*Note:*

On 5 January 1998, 95 permanent staff were transferred to the Treasury from the Department of Trade and Industry's Insurance Directorate under a machinery of government change. The vast bulk of them will move again to the Financial Services Authority in due course.

### Public Debt

**Dr. Lynne Jones:** To ask the Chancellor of the Exchequer if he will give his reasons for defining a prudent level of public debt as being below 40 per cent. of GDP; and how this compares to the current level of public debt in each EU country. [47034]

**Mr. Darling:** The Government's policy on the level of public debt is explained in section 3.2.4 of the Economic and Fiscal Strategy Report published last month.

A comparison of net public debt as a proportion of GDP is set out in the table. These are based on OECD figures where available, and otherwise on European Commission data for gross Government debt.

*General Government net financial liabilities (per cent. of GDP)*

| | *1997* |
|---|---|
| Finland | -5.3 |
| Luxembourg[1] | 6.7 |
| Sweden | 21.6 |
| Denmark | 40.6 |
| France | 43.0 |
| UK | 43.7 |
| Netherlands | 45.0 |
| Austria | 45.9 |
| Germany | 49.5 |
| Spain | 51.8 |
| Portugal[1] | 62.0 |
| Ireland[1] | 66.3 |
| Greece[1] | 108.7 |
| Italy | 108.8 |
| Belgium | 118.4 |
| UK (whole public sector)[2] | 43.3 |

[1] Figures for these countries are gross rather than net (European Commission)
[2] End-March 1998

### Economic and Finance Council

**Mr. Derek Twigg:** To ask the Chancellor of the Exchequer if he will make a statement on the Council meeting of the Economic and Finance Ministers of the European Union held on 6 July. [50215]

**Mrs. Liddell:** I attended the Economic and Finance Council—ECOFIN—of the European Union in Brussels on 6 July. Given that this was the first Council of the Austrian Presidency, we discussed only one item of substantive business in formal session. The Council heard and then commented on the work programme of the Austrian Presidency for ECOFIN over the next six

months. I and other Ministers welcomed the broad themes set out by Minister Edlinger, which largely take forward work from the previous six months, as anticipated in the Cardiff European Council Conclusions. During discussions, several Ministers paid tribute to the UK Presidency's handling over the past six months, and welcomed the progress made.

## HOUSE OF COMMONS

### Welsh Assembly

**Mr. Letwin:** To ask the President of the Council what proposals she plans to make regarding the ability of hon. Members to ask questions of Ministers on matters that have been devolved to the National Assembly for Wales following the election of the Assembly. [49711]

**Mrs. Ann Taylor:** I have no immediate proposals for any change in the procedure for questions. I understand that the Procedure Committee will be conducting an inquiry into the implications for the House of devolution. Any suggestions from the hon. Member will be welcome. The Government will consider carefully any recommendations the Committee makes.

## FOREIGN AND COMMONWEALTH AFFAIRS

### Government Policies

**Mr. Fabricant:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the projects undertaken by his Department since 1 May 1997 to research public reaction to *(a)* Government policies and *(b)* potential new policies; and if he will place the results of the research in the Library. [46686]

**Mr. Fatchett:** In line with the practice of successive Administrations, the Department consults the public, interested parties and client groups by way of consultation papers, White Papers and discussion on a wide range of policies and proposed legislation. There have been no major exercises since 1 May 1997 researching public reaction to Government policies or potential new policies; nor has the Department published any White Papers. We did however, commission a survey on attitudes to Europe in November 1997. A copy of the results has been placed in the Library.

### Landmines

**Ann Clwyd:** To ask the Secretary of State for Foreign and Commonwealth Affairs if the use of anti-personnel mines will be included in the jurisdiction of the International Criminal Court. [49338]

**Mr. Tony Lloyd:** Our intention is get landmines universally banned.

The Statute of the International Criminal Court is still being negotiated. We support proposals for the Court to be able to try war crimes which are recognised under customary international law. Despite the signature of the Ottawa Convention, the use of anti-personnel landmines does not at present come into this category. But landmines, like any other weapon, might be used in a way that would contravene international law. Under the proposals which we support this could well lead to the user being prosecuted at the International Criminal Court.

**Mr. Howard:** To ask the Secretary of State for Foreign and Commonwealth Affairs what attempts were made by Her Majesty's Government to amend Articles of the Ottawa Convention on Anti-Personnel Mines to permit British personnel to assist members of the armed forces of a state that is not a party to that convention to lay anti-personnel mines. [49671]

**Mr. Tony Lloyd:** None.

### Sierra Leone

**Mr. Hill:** To ask the Secretary of State for Foreign and Commonwealth Affairs when the indemnities relative to the Sierra Leone arms investigation will come into force. [50318]

**Mr. Robin Cook:** To assist Sir Thomas Legg to complete his report as soon as possible, the indemnities will come into force on 10 July.

### Nigeria

**Mr. Howard:** To ask the Secretary of State for Foreign and Commonwealth Affairs what indications have been received from the Nigerian Government regarding the timetable for *(a)* the release of political prisoners and *(b)* the restoration of democracy and human rights. [49698]

**Mr. Tony Lloyd:** We still await an announcement by the Nigerian Government of the timetable for the release of detainees and the restoration of democracy and human rights.

**Mr. Vaz:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the recent visit of the Minister of State, the hon. Member for Manchester, Central (Mr. Lloyd) to Nigeria. [49663]

**Mr. Tony Lloyd:** I visited Nigeria on 25–26 June representing both my right hon. Friend the Prime Minister and the EU Presidency. I had a constructive meeting with General Abubakar. He set out his ideas for the way ahead, stressing the need for all Nigerians, including those in exile, to be a part of the process. I stressed the importance of an inclusive political process leading to the early restoration of democratic civilian rule.

I was deeply saddened by the death of Chief Abiola on 7 July. He had been in detention since 1994 and we had repeatedly called for his release, most recently during my visit. It is particularly tragic that he died at a time when Nigeria had embarked on a process of reconciliation, and we believed his release to be imminent.

During my visit I also called for the release of all other detainees. It is essential that General Abubakar now does this and makes an early announcement about the restoration of civilian rule. I also encouraged General Abubakar to allow the UN Commission on Human Rights Special Rapporteur to visit Nigeria in accordance with his mandate.

**Mr. Vaz:** To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to visit Nigeria. [49664]

**Mr. Tony Lloyd:** My right hon. Friend the Foreign Secretary has no immediate plans to visit Nigeria.

**Mr. Vaz:** To ask the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has received from UK companies about Nigeria. [49665]

**Mr. Tony Lloyd:** I am in correspondence with the West Africa Committee who represent the majority of British companies active in Nigeria.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy to *(a)* record each contact by a lobbying organisation with (i) Ministers and (ii) civil servants and *(b)* publish details of such contacts. [49536]

**Mr. Fatchett:** I refer my hon. Friend to the answer given today by my right hon. Friend the Prime Minister, *Official Report*, column *600*.

## ATTORNEY-GENERAL

### Gender Impact Assessments

**Jackie Ballard:** To ask the Attorney-General, pursuant to the answer of 24 June 1998, *Official Report*, columns *557–58*, prior to 18 May, what mechanisms were used to determine how legislation passed in the current session would affect women; what consultation he had with women's organisations; and if he will make a statement. [49089]

**The Attorney-General:** Guidance for policy appraisal for equal treatment has been available since 1992. Application of the guidance has been the responsibility of individual departments. The only item of legislation for which my department has been directly responsible, the Law Officers Act 1997, did not by its nature, raise an issue of possible differential impact on women.

## ENVIRONMENT, TRANSPORT AND THE REGIONS

### Employees (Health and Safety)

**Mr. Plaskitt:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to ensure that employers reduce to an acceptable level risks posed to the health and safety of employees using public roads while at work. [48748]

**Ms Glenda Jackson:** The Road Traffic and related Acts provide the legal framework for driving on Britain's roads. All drivers, including those who drive as part of their employment, are obliged to obey these laws.

The safety of company car drivers (as distinct from people whose job is specifically driving related e.g. HGV and bus drivers) is of concern. We believe the best way forward is for employers to foster working practices which encourage responsible driving. We have supported the work of the Royal Society for the Prevention of Accidents in producing its guidance document "Managing Occupational Road Risk" published earlier this year, to help organisations to develop an effective management approach. We will continue to encourage employers to adopt such an approach, which could have wider benefits in addition to road safety.

### Local Authority Transport Schemes

**Mr. Matthew Taylor:** To ask the Secretary of State for the Environment, Transport and the Regions how much money in each of the past five years each eligible local authority has received from the European Regional Development Fund; and what *(a)* road and *(b)* other transport schemes have been supported under this scheme. [48917]

**Ms Glenda Jackson:** I have placed a copy of the information requested in the Library.

### Landfill Tax

**Dr. Tonge:** To ask the Secretary of State for the Environment, Transport and the Regions what account will be taken of the increase in landfill tax levy from April 1999 when calculating local authorities' standard spending assessments for 1999–2000. [48911]

**Mr. Raynsford:** In calculating Total Standard Spending for 1999–2000, the Government will take into account spending pressures facing local authorities, including the increase in landfill tax, as well as the opportunities for local government to make savings.

### Sewage Treatment

**Mr. Bennett:** To ask the Secretary of State for the Environment, Transport and the Regions when he will respond to the Second report of the Environment, Transport and Regional Affairs Committee, Sewage Treatment and Disposal (HC 266-I). [48943]

**Mr. Meacher:** The Government aim to respond to the Report later this month.

### Lorries

**Mr. Brake:** To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answers of 18 May 1998, *Official Report*, column *219*, and 15 June 1998, *Official Report*, column *39*, if drivers of lorries engaged in international haulage are required to be in possession of a CMR, goods in transit insurance document; and what role this document will have in assisting the enforcement authorities to distinguish the origin and destination of journeys, if it is decided not to allow five axle lorries weighing 40 tonnes to operate in the domestic market. [48944]

**Ms Glenda Jackson:** Goods carried by road for hire or reward on international journeys to or from the UK, except between the UK and the Republic of Ireland, are covered by the Convention on the contract for the international carriage of goods by road (CMR) and are required to be accompanied by a CMR consignment note. This requirement does not apply to goods being carried by own-account operators.

As indicated in my answers of 18 May and 15 June, *Official Report*, columns *219* and *39* respectively, enforcement issues will be taken into account when considering whether or not to allow 40 tonne lorries for domestic as well as international movements in the UK. A decision will be announced in the forthcoming White paper on Integrated Transport.

### Road Development Projects

**Mr. Cox:** To ask the Secretary of State for the Environment, Transport and the Regions how many properties have been purchased for road development projects in the Greater London area by his Department in each of the last three years; and at what cost. [49278]

**Ms Glenda Jackson:** The total number and value of properties acquired by the Highways Agency in the Greater London Area in the last three years are as follows. The summary relates to properties acquired in connection with trunk roads only.

| *Financial year* | *Number acquired* | *Purchase price (£)* |
|---|---|---|
| 1995–96 | 66 | 15,605,000 |
| 1996–97 | 22 | 1,647,050 |
| 1997–98 | 33 | 5,063,770 |

### Millennium Compliance

**Mr. Nigel Jones:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the potential threat to the environment in the United Kingdom posed by nuclear installations which are not millennium compliant in former Warsaw Pact countries. [49259]

**Angela Eagle:** No specific assessment has been made of the potential threat to the UK environment posed by overseas nuclear installations which are not millennium compliant. However, the UK has been active in the International Atomic Energy Agency and via our own embassies in seeking to raise global awareness of the problem. We are continuing to encourage all countries to recognise the need to take immediate action in this matter. The UK has well developed National Response Plans—including continuous operation of the RIMNET system—for dealing with overseas nuclear incidents which might pose a threat to the UK environment.

### Channel Tunnel Rail Link

**Mr. Snape:** To ask the Secretary of State for the Environment, Transport and the Regions if he will review the costs and benefits of the environmental protection works associated with phase two of the Channel Tunnel Rail Link, between Ebbsfleet and King's Cross. [49467]

**Ms Glenda Jackson:** Few CTRL works in phase two are concerned exclusively with environmental protection and decisions on extensive tunnelling were taken for engineering reasons as much as for environmental reasons. It is not practicable, therefore, to separate environmental protection costs from the total.

### Orange Badge Scheme

**Mr. Burstow:** To ask the Secretary of State for the Environment, Transport and the Regions what are the terms of reference and timescale of his Department's review of the Orange Badge Scheme. [49553]

**Ms Glenda Jackson:** There are no plans for a formal review of the Orange Badge Scheme at this time.

The Disabled Persons Transport Advisory Committee (DPTAC)—our statutory advisers on the transport needs of disabled people—are currently drafting a paper on the Scheme, which they are proposing to put to Ministers shortly. We shall need to consider very carefully what DPTAC have to say before deciding what, if any, review of the Scheme might be appropriate.

### Development Proposals (London)

**Mr. Casale:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the development proposals within London which he has called in since 1 May 1997 on the ground of possible traffic generation, including for each *(a)* the total number of car parking spaces proposed and *(b)* the decision reached. [49366]

**Ms Glenda Jackson:** Four planning applications in London have been called in since 1 May 1997 where the Secretary of State has indicated that traffic generation is one of the issues of which he specifically wishes to be informed in reaching his decision.

| *Site/application* | *Local authority* | *Number of parking spaces* | *Decision* |
|---|---|---|---|
| Strayfield works, Strayfield Road—12 houses | LB Enfield | 48 | Awaiting public inquiry |
| Hackney Wick Greyhound Stadium—16 screen multiplex cinema | LB Hackney | 1,250 | Awaiting public inquiry |
| Wealdstone Town Centre—Superstore, retail and residential units | LB Harrow | 776 | Awaiting public inquiry |
| Key Site 1, Hounslow Town Centre—25 screen multiplex cinema, bingo hall, shops restaurant and town square | LB Hounslow | 1,296 | Awaiting public inquiry |

**Mr. Casale:** To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will list the development proposals within London where more than 50 car parking spaces are planned and where a decision to grant planning permission has yet to be reached, including for each *(a)* the total number of parking spaces proposed and *(b)* the London borough in which it is proposed; [49367]

(2) what records are maintained by his Department on the extent of car parking provision associated with development proposals under consideration within the planning process in London. [49368]

**Ms Glenda Jackson:** My Department does not hold this information.

### Waste Disposal Authorities

**Mr. Etherington:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to consult on proposals to institute the change to a tonnage based levy for statutory joint waste disposal authorities announced in March. [50128]

**Angela Eagle:** When announcing the change from a council tax to a tonnage based system for the apportionment of Joint Waste Disposal Authorities levies, I requested officials in my department to work out methods for such a system and to discuss them with the local authority associations. Proposals have now been developed on how to apportion authorities' contributions on the basis of the amount of waste they deliver for disposal in a preceding period. The aim is to reflect the service each authority draws from the JWDA and to provide encouragement for waste minimisation and other sustainable methods of waste management. The more successful authorities are in minimising waste and diverting it to other forms of sustainable waste management such as recycling and composting, the less they will deliver for disposal and the less they will pay. As I said in March, this will form one more element in our policy to encourage waste management options higher up the waste hierarchy.

A consultation document will therefore be issued today to local authority associations, the JWDAs and their constituent authorities. It remains our intention to have an efficient and effective default system in place in time for the 1999–2000 levy and I would very much welcome their responses to our proposals.

### Correspondence

**Mr. Swayne:** To ask the Secretary of State for the Environment, Transport and the Regions when the Minister for Local Government and Housing plans to respond to the letter of 16 April 1998 from Mr. John Booth, on electoral registration. [48682]

**Mr. George Howarth:** I have been asked to reply.

This letter was transferred to the Home Office from another Government department on 30 April. My officials have now written to Mr. Booth in response to this and to his further letter of 30 May.

### Sellafield

**Mr. Llew Smith:** To ask the Secretary of State for the Environment, Transport and the Regions if he will arrange a meeting with the Director-General of the Health and Safety Executive and Chief Inspector of the Nuclear Installations Inspectorate in respect of the current safety status of the high-activity liquid radioactive waste tanks at Sellafield. [47878]

**Mr. Battle:** I have been asked to reply.

The UK's independent nuclear safety regulator, the Health and Safety Executive (HSE), has made clear that it is satisfied that arrangements for the management by BNFL of liquid High Level Waste (HLW) are adequately safe. This Department is in regular contact with HSE and NII. Its views on liquid HLW storage at Sellafield were set out in a report published in December 1995 entitled 'Safety of the Storage of Liquid High Level Waste (HLW) at BNFL Sellafield', a copy of which is available in the Library of the House. The UK's independent Nuclear Safety Advisory Committee (NuSAC) has also recently examined the safety of HLW storage at Sellafield. NuSAC concluded that there were no immediate problems and supported BNFL plans to vitrify liquid HLW as soon as practicable.

**Mr. Llew Smith:** To ask the Secretary of State for the Environment, Transport and the Regions how many prohibition notices have been issued to BNFL at Sellafield under section 22 of the Health and Safety at Work, etc. Act 1974, since it entered into force. [47874]

**Mr. Battle:** I have been asked to reply.

The independent Health and Safety Executive only keeps records on prohibition notices for ten years. Since 1988 there have been three prohibition notices issued to BNFL Sellafield under Section 22 of the Health and Safety at Work, etc. Act 1974. These all related to non-nuclear aspects of safety: one relating to a drilling machine in an engineering workshop, and two relating to protection of people carrying out construction work at roof level.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make it his policy to *(a)* record each contact by a lobbying organisation with (i) Ministers and (ii) civil servants and *(b)* publish details of such contacts. [49539]

**Mr. Prescott:** I refer my hon. Friend to the reply given today by my right hon. Friend the Prime Minister, *Official Report*, column *600*.

## HOME DEPARTMENT

### Immigration (Internet)

**Fiona Mactaggart:** To ask the Secretary of State for the Home Department, pursuant to his answer of 6 April 1998, *Official Report*, columns *31–32*, if he will place a copy of the instructions to the Immigration Service and his Department's staff on dealing with immigration cases on the Internet. [50228]

**Mr. Mike O'Brien:** Further to my announcement of 6 April 1998, *Official Report*, columns *31–32*, I am pleased to announce that a copy of the disclosable version of four of the six volumes of the Immigration Directorates' Instructions (IDIs) is being placed on the Internet. The material is subject to periodic review and revision.

The Government are committed to ensuring that these instructions are as widely available as possible and arrangements are also in hand to place a paper-based copy of the IDIs at various selected sites around the United Kingdom. This will provide an alternative means of access for those without direct access to the Internet. I will arrange for a copy of the list containing details of the selected sites to be placed in the Library and on the Internet.

### Life Imprisonment

**Mr. Stinchcombe:** To ask the Secretary of State for the Home Department if he intends to make changes to the review procedures in cases of persons sentenced to life imprisonment. [50369]

**Mr. Straw:** Under the present arrangements announced by previous Home Secretaries, most recently on 7 December 1994, *Official Report*, columns *234–35*, by the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), the first Parole Board review in the case of a life sentenced prisoner begins three years before the expiry of tariff. The purpose of this review is normally to enable the prisoner to be assessed for, and, where appropriate, transferred to, open conditions (category D) where he or she may be tested in conditions of lower security, fully assessed by staff and prepared for release. A further Parole Board review is then held to determine whether the level of risk is low enough to enable the prisoner to be safely released on life licence. Where the level of risk is considered to be acceptable, the objective is to release the prisoner on or very shortly after tariff expiry.

The need for two or more reviews and the average time of eight and a half months to complete each one make it very difficult for this objective to be achieved. Of the 109 life sentenced prisoners who were released on life licence between April 1997 and March 1998, only one was released on tariff expiry. A further 31, who could have been safely released at or close to tariff expiry, were released within 12 months. I have therefore decided to make some adjustments to the review timetabling arrangements to reduce delays by enabling prisoners whom it is safe to release but who are currently being released within 12 months of tariff expiry to be released on tariff or shortly afterwards.

In future, the first Parole Board review for mandatory and discretionary life sentenced prisoners will be brought forward by six months to start three and a half years before tariff expiry, but normally only where the prisoner has been in category C prison conditions for 12 months or more at that point. Cases falling just outside the 12 month criterion, and cases where exceptional circumstances exist, will be considered for early review on their merits.

In addition, reviews for all mandatory life sentenced prisoners who are in open conditions will commence 18 months after arrival rather than after two years as is now the practice. I am satisfied that this will still allow ample time (at least two years) in open prison for the prisoner to be fully tested, assessed and prepared for release. This change will bring the timetable for the review of mandatory life sentenced prisoners into line with that for discretionary cases in which there is a statutory entitlement to a further review on the second anniversary of the conclusion of the previous one. In order to avoid disrupting the scheduled offending behaviour programmes and pre-release preparatory work for those already in open conditions, this new arrangement will apply to those transferring to open conditions from 1 August.

The statement of 7 December 1994 also announced the abolition in discretionary life sentence cases of the ten year Ministerial review to consider whether there were any grounds for bringing forward the date of the first Parole Board review. The purpose of that review had been to identify any special circumstances or exceptional progress which might justify bringing forward the date of the first Parole Board review. I have decided that this review should also be abolished in mandatory life sentence cases. Those convicted of murder are now fully informed about the tariff-setting process and may make representations at any time about the length of their tariff. In addition, they may at any time make representations for their tariff to be reduced to take account of exceptional circumstances, including exceptional progress in prison. Those sentenced to be detained during Her Majesty's pleasure have an annual review of tariff by officials and a Ministerial review at the halfway point. In these circumstances, the ten year review is now redundant.

### Infanticide

**Mr. Cox:** To ask the Secretary of State for the Home Department how many children under the age of 14 have been murdered by their parents in England and Wales in each of the last three years. [49477]

**Mr. Michael:** The table shows the number of offences recorded as homicide in England and Wales, as at 1 August 1997, where children under the age of 14 years were killed by their parents:

| *Year* | *Number* |
|---|---|
| 1994 | 52 |
| 1995 | 46 |
| 1996 | 58 |

Figures for 1997 are not yet available.

### Telephone Interceptions

**Mr. Malcolm Bruce:** To ask the Secretary of State for the Home Department how many telephone interceptions were authorised by his Department in *(a)* 1996–97, *(b)* 1997–98 and *(c)* 1998–99 to date; and if he will make a statement. [49696]

**Mr. Straw:** The annual reports of the Commissioner appointed under the Interception of Communications Act 1985 list the number of interception warrants issued by the Home Secretary in the course of each year. In 1996, 1,073 telecommunications warrants were issued by the Home Secretary. In 1997, the number was 1,391. During the period 1 January to 30 June this year, 816 such warrants were issued by me.

### Prison, Agecroft

**Mr. Gibb:** To ask the Secretary of State for the Home Department how the PFI contract awarded to UK Detention Services to build and operate a new prison in Agecroft, Salford, will be accounted for in the Government's accounts. [49666]

**Ms Quin:** We have taken advice from Her Majesty's Treasury and the National Audit Office and we are satisfied that the underlying assets of the contract for the new prison to be built on the Agecroft site at Salford will be off balance sheet. This means that the capital expenditure incurred by the Prison Service as a result of the contract is amortised over the 25 year contract.

### Diarmuid O'Neill

**Mr. McNamara:** To ask the Secretary of State for the Home Department how many members of the Police Complaints Authority and staff have been assigned to investigate the shooting of Diarmuid O'Neill in each month since September 1996; and how many staff hours were expended each month. [48366]

**Mr. Michael:** One member of the Police Complaints Authority (PCA) and one caseworker have been assigned to this case since it was referred to the PCA for supervision of the investigation in September 1995. The PCA does not record its staff time expended on individual cases.

In accordance with standard practice, the investigation by the Metropolitan Police into the shooting of Mr. O'Neill was deferred until the completion in December last year of criminal proceedings against those arrested in the same operation.

**Mr. McNamara:** To ask the Secretary of State for the Home Department when he expects the Police Complaints Authority to complete its investigation into the shooting of Diarmuid O'Neill; and when he expects the family will be notified of the full circumstances of his death. [48367]

**Mr. Michael:** I understand that the Police Complaints Authority (PCA) expects the investigation to be completed by the end of August. The Crown Prosecution Service and the PCA will then consider whether any criminal or disciplinary proceedings should be brought against any of those involved in the case.

A police report on Mr. O'Neill's death will also be submitted to the coroner. The coroner's inquest will inquire into the cause of death and the circumstances in which it occurred, unless these have already been established by criminal proceedings following the PCA investigation.

### Pregnant Prisoners

**Mr. McNamara:** To ask the Secretary of State for the Home Department if he will make a statement on the impact of recommendations contained in the Department of Health White Paper "Changing Childbirth", on pregnant women in prison; what timetable for implementation of proposals in the White Paper was proposed by Her Majesty's Inspector of Prisons; and what is the current timetable. [48368]

**Ms Quin:** The Prison Service is committed to implementing, in partnership with the NHS and within the constraints necessarily presented by the facts of custody, the recommendations of "Changing Childbirth".

The timetable proposed by Her Majesty's Chief Inspector of Prisons was that these recommendations be implemented by December 1997, an earlier target date than that to which the NHS was committed. Progress is being made in line with developments in local NHS maternity services.

In the meantime, the Directorate for Health Care is developing a standard for women's health. The new standard, which is expected to be completed by March 1999, will incorporate objectives and outcomes drawn from "Changing Childbirth" and such further guidance from the Department on Health as becomes available in the course of its development.

### Strip Searches

**Mr. McNamara:** To ask the Secretary of State for the Home Department if he will list the conclusions and recommendations of the review evaluated by his Department into strip searching procedures; and if he will place a copy in the Library. [48369]

**Ms Quin:** The Prison Service review of searches of the person, which has proved to be more complex and wide-ranging than originally envisaged, will be completed by late summer. A copy of the final report will be placed in the Library.

### Criminal Cases Review Commission

**Mr. McNamara:** To ask the Secretary of State for the Home Department when he expects to receive the first annual report of the Criminal Cases Review Commission; and if he will place it in the Library. [48370]

**Mr. Michael:** I have already received a proof copy of this Report, and hope to be able to lay it before each House on 20 July. Copies will also be placed in the Libraries.

### Race Relations Forum

**Mr. McNamara:** To ask the Secretary of State for the Home Department what are the terms of reference of the Race Relations Forum; how many staff of what grade are attached to it; what decisions were taken at its first meeting; and what is its postal address, telephone, fax number and E-mail address. [48371]

**Mr. Mike O'Brien:** The Race Relations Forum was established for the purpose of giving ethnic minority communities a voice at the heart of government. It is intended to complement the existing channels of communication. The first meeting took place on 23 June and was chaired by my right hon. Friend the Home Secretary. The Forum's terms of reference were discussed but not finalised. We will publish them once they have been agreed. As an advisory body, it is not the role of the Forum to take decisions. We are, however, considering the points members made.

The Secretariat to the Forum is provided by a Grade 7 civil servant, a Higher Executive Officer and an Executive Officer.

Its postal address is The Race Relations Forum Secretariat, Race Equality Unit, Room 1272, Home Office, 50 Queen Anne's Gate, London SW1A 9AT. The secretary's telephone number is 0171 273 2792, fax number 0171 273 3771. There is no e-mail address.

## Police Records

**Mr. Crausby:** To ask the Secretary of State for the Home Department what is the procedure in relation to the destruction of a suspect's police records *(a)* if the victim decides not to press charges and *(b)* if the Crown Prosecution Service decides not to prosecute. [49073]

**Mr. Michael:** Save in exceptional circumstances, details of cases which are discontinued are deleted from the Police National Computer and fingerprints and other samples taken from a suspect are destroyed within forty-two days of notification of the decision not to proceed. This does not apply in cases where the offender is cautioned.

The retention of local police records in these circumstances is an operational matter for the chief constable concerned.

## Prisoners (Condoms)

**Dr. Lynne Jones:** To ask the Secretary of State for the Home Department (1) what plans there are to improve prisoners' access to condoms; [48762]

(2) what plans there are to include condoms in the health pilot schemes currently providing disinfectant tablets to Class IV drug users in prisons. [48761]

**Ms Quin:** Prison doctors are able to prescribe condoms to individual prisoners, on application, where, in their clinical judgment, there is a known risk of HIV infection. We have no present plans to make condoms more freely available to prisoners, either as part of the pilot project for the reintroduction of disinfecting tablets or generally.

## Prisoner Releases (Northern Ireland)

**Mr. William Ross:** To ask the Secretary of State for the Home Department what discussions he has had with the Government of the Irish Republic about the possible release of prisoners convicted of terrorist offences, repatriated to the Irish Republic following the Belfast Agreement. [48947]

**Ms Quin:** As part of the 10 April Belfast Agreement, both the British and the Irish Governments agreed to put in place mechanisms to provide for the accelerated release of prisoners. The release of prisoners within the Irish Republic, including those repatriated from England and Wales, is a matter for the Irish Government. However, discussions are taking place about the effect of the Republic's proposals for the accelerated release of prisoners on those prisoners repatriated from England and Wales.

## Crime Statistics

**Ms Buck:** To ask the Secretary of State for the Home Department how many offences were recorded per 1,000 population by *(a)* the Metropolitan Police and *(b)* police elsewhere in the country in (i) 1996–97 and (ii) 1997–98, (1) in total, (2) of violence against the person, (3) sexual offences, (4) of robbery, burglary, theft and handling stolen goods, (5) of fraud, (6) of criminal damage and (7) of other notifiable offences. [49437]

**Mr. Michael:** The available information is given in the table. Overall figures for England and Wales, excluding the Metropolitan Police, in 1997–98 are not yet available.

*Notifiable offences recorded by the police*

| *Offence* | *1996–97 Number per 1,000 population* | *1997–98 Number per 1,000 population* |
|---|---|---|
| *Metropolitan Police* | | |
| Total all offences | 112 | 103 |
| Violence against the person | 7 | 7 |
| Sexual offences | 1 | 1 |
| Burglary, robbery and theft and handling stolen goods | 77 | 70 |
| Fraud and forgery | 5 | 6 |
| Criminal damage | 20 | 18 |
| Other offences | 2 | 2 |
| *All forces except Metropolitan Police* | | |
| Total all offences | 92 | — |
| Violence against the person | 4 | — |
| Sexual offences | 1 | — |
| Burglary, robbery and theft and handling stolen goods | 66 | — |
| Fraud and forgery | 2 | — |
| Criminal damage | 18 | — |
| Other offences | 1 | — |

— Not available

## Prison Officers

**Dr. Cable:** To ask the Secretary of State for the Home Department what plans he has to change the current qualification requirements and training for prison officers working with juveniles in young offender institutions or adult prisons. [49352]

**Ms Quin:** The Prison Service in partnership with the Trust for the Study of Adolescence (TSA), have developed a specialist training course on the "Nature of Adolescence: Working with Young People in Custody". The Prison Service is working towards national accreditation for this course, which it is intended will form part of basic training for all prison officers who are going to work in establishments holding juveniles from November 1998.

In addition, a course on "Understanding and Working with Young Women in Custody" has been developed with the TSA. It is intended that national accreditation will also be sought for this course. Trials in September this year will incorporate this training package into the basic training for prison officers going to Styal and Send women's prisons, which hold a proportion of juveniles.

There are no current plans to change the qualification requirement for prison officers working with juveniles.

**Dr. Cable:** To ask the Secretary of State for the Home Department what has been the average turnover of prison officers in each young offender institution in England over the last five years. [49351]

**Ms Quin:** These figures are not collated centrally and could be provided only at disproportionate cost.

## Closed Circuit Television (Gloucestershire)

**Mr. Nigel Jones:** To ask the Secretary of State for the Home Department what financial assistance he will

provide in the current financial year to Gloucestershire district councils that wish to install CCTV cameras within their areas. [49246]

**Mr. Michael:** A total of £9m has been provided in 1998–99 through the Home Office Closed Circuit Television (CCTV) Challenge Competition to fund CCTV schemes in England and Wales, of which around £1.5m will be used to fund 32 schemes successful under round four of the competition. The remaining £7.5m will be used to honour existing schemes inherited from previous rounds of the competition, including £16,840 paid to Gloucester City Council for a CCTV scheme in Brunswick Square, Gloucester. In total, over £453,000 has been paid to nine schemes in Gloucestershire under the four Home Office CCTV challenge competitions. They are:

| | *Location* | *Amount (£)* |
|---|---|---|
| 1 | Cirencester town centre and integral parking, public transport and business area | 70,000 |
| 2 | Gloucester city centre | 10,000 |
| 3 | Coleford town centre | 80,000 |
| 4 | Cheltenham town centre | 29,000 |
| 5 | Cinderford, Lydney and Newent | 130,050 |
| 6 | Brunswick Square, Albion Street and Brunswick Road, Gloucester | 25,261 |
| 7 | Gloucester Docks | 14,639 |
| 8 | Stroud town centre | 62,199 |
| 9 | Dursley town centre | 31,996 |

No other payments are due from the Home Office CCTV Challenge Competition to partnerships in Gloucestershire.

### Immigration Appeals

**Ms Oona King:** To ask the Secretary of State for the Home Department (1) how many applications were made by his Department for leave to appeal to the Immigration Appeal Tribunal in non-asylum cases in the period 31 May 1997 to 1 June 1998; and how many were *(a)* granted, *(b)* refused and *(c)* withdrawn; [49319]

(2) how many applications were made by his Department for leave to appeal to the Immigration Appeal Tribunal in asylum cases in the period 31 May 1997 to 1 June 1998; and how many were *(a)* granted, *(b)* refused and *(c)* withdrawn; [49313]

(3) how many applications were made by individual appellants for leave to appeal to the Immigration Appeal Tribunal in asylum cases in the period 31 May 1997 to 1 June 1998; and how many were *(a)* granted, *(b)* refused and *(c)* withdrawn; [49314]

(4) how many applications were made by individual appellants for leave to appeal to the Immigration Appeal Tribunal in non-asylum cases in the period 31 May 1997 to 1 June 1998; and how many were *(a)* granted, *(b)* refused and *(c)* withdrawn. [49320]

**Mr. Mike O'Brien:** The available information is that, in the period 1 June 1997 to 31 May 1998, a total of 13,242 applications for leave to appeal to the Immigration Appeal Tribunal were lodged, of which 9,536 related to asylum cases and 3,706 to non-asylum cases. In the same period, 12,616 applications for leave to appeal were decided by the Tribunal, 9,150 in asylum cases and 3,466 non-asylum cases.

Statistics of the breakdown of Immigration Appeal Tribunal applications in asylum cases are not available for the full period requested. However, between June and December 1997, it is estimated that of 5,824 applications for leave to appeal to the Tribunal, 99 per cent. were lodged by the appellant and just over 1 per cent. by the Home Office. In the same period, 5,319 applications were decided, of which approximately 18 per cent. were granted leave to appeal, 17 per cent. to the appellant and 1 per cent. to the Home Office.

I regret that the detailed breakdown requested for non-asylum cases, by appellant and type of decision, would be available only from the inspection of individual cases files and therefore at disproportionate cost.

### Metropolitan Police

**Mr. McNulty:** To ask the Secretary of State for the Home Department what additional costs are incurred within London for policing; and what allowance he makes for this in funding the Metropolitan Police. [49416]

**Mr. Michael:** The additional costs incurred within London for policing fall into two broad categories: firstly, its capital city function—as permanent seat of government and primary location of the Royal Family—and, secondly, its national function (on behalf of the Government).

In 1998–99, £151 million was made available to the Metropolitan Police as a special payment in recognition of this capital city and national function. The special payment is paid as 100 per cent. Home Office grant.

### Police (Compensation)

**Mr. Mitchell:** To ask the Secretary of State for the Home Department, pursuant to his answer of 17 June 1998, *Official Report*, column 222, how much was paid out by the Metropolitan Police in compensation cases in the last year for which figures are available. [49282]

**Mr. Michael:** The Commissioner has provided me with the information set out in the table. During 1996–97, settlement of a number of actions was delayed while claimants awaited the outcome of the judgment of the Court of Appeal in Thompson and Hsu *v.* the Commissioner of Police of the Metropolis (1997) 2 All ER 762. Settlement of the delayed actions had inflated the number of cases settled in 1997–98.

*Damages in respect of civil claims*

| | *Number of claims completed in 1997–98* | *Cost (£000) in 1997–98* |
|---|---|---|
| Court awards | 39 | 530 |
| Out of court settlements | 278 | 2,431 |

### Association of Chief Police Officers

**Mr. William Ross:** To ask the Secretary of State for the Home Department from whom the Commissioner of Police

of the Metropolis sought clearance to take up the positions of *(a)* a director of ACPO Ltd and *(b)* a member of the Executive Committee of ACPO; and what payments or reward in kind attach to the position. [49312]

**Mr. Michael:** The Commissioner did not need to seek clearance to take up the position of a member of the Executive Committee of the Association of Chief Police Officers (ACPO). Members of the Executive Committee of ACPO are regarded as Directors of the Association, which has the status of a private company limited by guarantee. The constitution of the Executive Committee is a matter for ACPO itself. No payments or rewards in kind are attached to the position of Director. I draw the attention of the hon. Member to my letters of 10 and 26 June and 8 July, offering to assist him with his concerns if he will outline or explain what has led to his interest in this topic.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for the Home Department if he will make it his policy to *(a)* record each contact by a lobbying organisation with (i) Ministers and (ii) civil servants and *(b)* publish details of such contacts. [49540]

**Mr. Straw:** I refer my hon. Friend to the reply given to him today by my right hon. Friend the Prime Minister, *Official Report*, column *600*.

## DEFENCE

### Strategic Defence Review

**Ms Squire:** To ask the Secretary of State for Defence which front-line aircraft squadrons will be disbanded as a result of the Strategic Defence Review. [50396]

**Mr. George Robertson:** We considered this matter very carefully and decided the most effective way to meet the reductions in the Tornado F3 and Tornado GR forces was to disband two squadrons. In order to minimise disruption for Service personnel and optimise running cost savings, No 29(f) Tornado F3 Squadron at RAF Coningsby and No 17(F) Tornado GR Squadron at RAF Bruggen will be disbanded by 1 April 1999.

There will be no redundancies as a result of this decision. We wish to place on record our recognition of the distinguished role these squadrons have performed over many years.

### Naval Aircraft Repair Organisation

**Mr. Hutton:** To ask the Secretary of State for Defence what key targets have been set for the Chief Executive of the Naval Aircraft Repair Organisation Defence Agency for 1998–99. [50370]

**Dr. Reid:** In respect of financial year 1998–99 (prior to the formation of the Defence Aviation Repair Agency) the Director General Aircraft (Navy), acting as Owner of the Agency on behalf of my hon. Friend the Secretary of State for Defence under the terms of the Agency's framework document, has set the following key targets:

*Quantity*

Target—to achieve 98 per cent. of scheduled quantity of MoD sales orders in year.

*Customer Quality Satisfaction*

Target—to achieve no more than 56 customer complaints.

*Timeliness*

Target—to achieve 95 per cent. of the delivery dates agreed with the MoD customer.

*Cost*

Target—to achieve a full operating cost of £117.5M by 1 April 1999, assuming constant output. (Equivalent to a 9.5 per cent. reduction in real terms from the 1995–96 baseline).

*Volume*

Target—to utilise 100 per cent. of the available capacity by ensuring existing and, when required, additional customers furnish the programmes work against which resources have been allocated.

### Indonesia

**Ann Clwyd:** To ask the Secretary of State for Defence, pursuant to his answer of 10 June 1998, *Official Report*, columns *609–11*, concerning military personnel serving in Indonesia, what is the period of their deployment; to which units they are attached; where they are deployed; and what their duties are. [49421]

**Mr. George Robertson:** In my answer to the hon. and learned Member for North-East Fife (Mr. M. Campbell) on 10 June 1998, *Official Report*, columns *609–11*, four members of the UK armed forces were listed as serving in Indonesia. They included the Defence Attaché and a supporting Warrant Officer based at the UK Embassy in Jakarta, who are both on a three-year tour which ends in 2000. The other two were RAF Loan Service Personnel stationed at the Perkanbaru air base in Indonesia. They were assisting with the introduction into service of the Hawk aircraft, purchased under a contract signed in 1993, by providing pilot training to the Indonesian Air Force. Their task in Indonesia has since been completed and both officers have now left.

### Challenger 2 Battle Tanks

**Mr. Hoyle:** To ask the Secretary of State for Defence if he will make a statement on the progress of the production of the Challenger 2 battle tank. [49304]

**Mr. Spellar** *[holding answer 7 July 1998]:* Following the successful completion of production reliability growth trials, deliveries of Challenger 2 tanks resumed in January 1998. Deliveries to the first regiment were completed in June 1998, and deliveries of the second regiment are on course for completion by the end of December 1998. The programme remains on schedule for all 386 tanks to be delivered by February 2002, at which stage all our armoured regiments will be equipped with Challenger 2.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for Defence if he will make it his policy to *(a)* record each contact by a lobbying organisation with (i) Ministers and (ii) civil servants and *(b)* publish details of such contacts. [49537]

**Mr. Spellar:** I refer my hon. Friend to the reply given by my right hon. Friend the Prime Minister today.

## CULTURE, MEDIA AND SPORT

### Millennium Compliance

**Mr. David Atkinson:** To ask the Secretary of State for Culture, Media and Sport what contingency plans his Department is making in the event of the failure of computer systems to recognise the year 2000; when he expects them to be in place, and tested; and if he will make a statement. [48844]

**Mr. Tom Clarke:** The Department for Culture, Media and Sport is reviewing its contingency plans in the light of the possible disruption to computer systems due to the Year 2000 date change. The revised plans will reflect the compliance work currently under way and be informed by the state of readiness of those suppliers upon which the Department depends. The plans will be developed and tested over the coming 12 months to ensure that they are in place in good time for the critical dates involved in the Year 2000 date change.

### Tourism

**Mr. Hoyle:** To ask the Secretary of State for Culture, Media and Sport what plans he has to increase the popularity of the United Kingdom as a tourist destination. [48689]

**Mr. Tom Clarke:** We plan to publish a comprehensive strategy for tourism later this year. The strategy, which will draw on the recommendations of our Tourism Forum Working Groups and the findings of our Departmental Spending Review, will address the promotion of Britain as a tourism destination as well as many other issues.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for Culture, Media and Sport if he will make it his policy to *(a)* record each contact by a lobbying organisation with (i) Ministers and (ii) civil servants and *(b)* publish details of such contacts. [49533]

**Mr. Chris Smith:** I refer my hon. Friend to the reply given today by my right hon. Friend the Prime Minister, *Official Report*, column *600*.

### Broadcasting (Listed Events)

**Mr. Hoyle:** To ask the Secretary of State for Culture, Media and Sport at what intervals he plans to undertake future reviews of major events listed under Part IV of the Broadcasting Act 1996. [48442]

**Mr. Chris Smith:** I shall review the list regularly in the future.

## SOCIAL SECURITY

### Pension Funds (Ethical Investment)

**Mr. Purchase:** To ask the Secretary of State for Social Security what steps she will take to ensure that members of pension schemes know the policies of their trustees on ethical investment; and if she will make a statement. [50367]

**Mr. Denham:** The Government are minded, subject to the normal consultation requirements, to introduce regulations which would require occupational pension fund trustees to set out in their Statement of Investment Principles to what extent, if any, ethical and social considerations are taken into account in their investment strategy.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for Social Security if she will make it her policy to *(a)* record each contact by a lobbying organisation with (i) Ministers and (ii) civil servants and *(b)* publish details of such contacts. [49546]

**Mr. Denham:** I refer the hon. Member to the written answer from my right hon. Friend, the Prime Minister today.

### Benefit Reviews

**Mr. Kirkwood:** To ask the Secretary of State for Social Security in which month and year the fieldwork began on each of the main reviews of benefits carried out by BA Security; and in which month and year in each case the report on the methodology and findings of the benefit review was *(a)* presented to Ministers and *(b)* published. [48810]

**Mr. Denham:** The information is set out in the table.

| *Benefit review* | *Period of fieldwork* | *Results reported to Ministers* | *Results published* |
|---|---|---|---|
| Income Support (First Review) | October 1994-December 1994 | March 1995 | July 1995 |
| Unemployment Benefit | October 1994-December 1994 | March 1995 | July 1995 |
| Housing Benefit[1] (First Review) | June 1995-September 1995 | December 1995 | January 1996 |
| Retirement Pension | October 1995-December 1995 | February 1996 | March 1996 |
| Invalid Care Allowance | January 1996-March 1996 | July 1996 | July 1996 |
| Disability Living Allowance | March 1996-April 1996 | September 1996[2] and November 1996[3] | February 1997 |
| Income Support (Second Review) | August 1996-October 1996 | July 1997 | July 1997 |
| Child Benefit/Child Benefit (Lone Parent) | August 1996-October 1996[4] and January 1997-August 1997[5] | December 1997[6] and June 1998 | July 1998 |

[1] Benefit Review of Housing Benefit carried out under the aegis of the Department's Headquarters, Housing Benefit Security Branch
[2] Headline results
[3] Detailed results
[4] First phase (involving customers receiving Child Benefit/Child Benefit with Lone Parent increase and Income Support concurrently)
[5] Second phase (involving customers receiving Child Benefit/Child Benefit with Lone Parent increase but *not* Income Support)
[6] Results of the Child Benefit/Child Benefit (with Lone Parent increase) review were deferred while additional work was undertaken, including a further analysis of the findings from previously completed Benefit Reviews, to ensure that the results accurately differentiated between fraud and other error

## LORD CHANCELLOR'S DEPARTMENT

### Departmental Staff

**Mr. Brake:** To ask the Parliamentary Secretary, Lord Chancellor's Department how staff numbers in the Lords Chancellor's Department have varied between 1 May 1997 and 31 March 1998. [48873]

**Mr. Hoon:** The staff numbers in post on the dates requested are as follows:

*Staff in post in the LCD as at 1 May 1997*

| *Agency* | *Permanent* | *Casual* | *Total* |
|---|---|---|---|
| LCD Headquarters | 855 | 52 | 907 |
| Court Service | 9,196 | 609 | 9,805 |
| Public Trust Office | 537 | 15 | 552 |
| Northern Ireland Court Service | 638 | 24 | 662 |
| Total | 11,226 | 700 | 11,926 |

*Staff in post in the LCD as at 31 March 1998*

| *Agency* | *Permanent* | *Casual* | *Total* |
|---|---|---|---|
| LCD Headquarters | 835 | 28 | 863 |
| Court Service | 8,717 | 561 | 9,278 |
| Public Trust Office | 547 | 13 | 560 |
| Northern Ireland Court Service | 630 | 19 | 649 |
| Total | 10,729 | 621 | 11,350 |

### Smuggling

**Mr. Barry Jones:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement on the consequences for small businesses in Wales of the crossborder smuggling of *(a)* alcohol and *(b)* petrol. [49563]

**Dawn Primarolo:** I have been asked to reply.

I have no information about the consequences of alcohol smuggling relating to Wales in particular. However the Government are very much aware of the illegal trade in alcohol and tobacco goods and its effect on the legitimate trade. In his July Budget last year the Chancellor announced a review to examine the effects of alcohol and tobacco fraud, smuggling and cross-border shopping, 2 July 1997, *Official Report*, columns 303-17. The Government will announce their proposals as part of the outcome of the Comprehensive Spending Review. I have no evidence to suggest the smuggling of petrol is a problem in Wales or anywhere else.

## PRIME MINISTER

### Departmental Staff

**Mr. Brake:** To ask the Prime Minister how staff numbers in his Office have varied between 1 May 1997 and 31 March 1998. [48923]

**The Prime Minister:** Staff numbers in my Office on 1 May 1997 are not readily available and could be provided only at disproportionate cost. For staff numbers at 1 April 1997 and 1 April 1998, I refer the hon. Member to the answer I gave to the right hon. Member for Bromley and Chislehurst (Mr. Forth) on 23 April 1998, *Official Report*, column *675*.

### Government Aims and Objectives

**Mr. Bercow:** To ask the Prime Minister if he plans to publish the annual report on the achievement of the Government's aims and objectives before the summer adjournment. [49305]

**The Prime Minister** *[holding answer 7 July 1998]:* I refer the hon. Member to the reply I gave to the hon. Member for Gordon (Mr. Bruce) on 22 June 1998, *Official Report*, column *350*.

### EU Meetings

**Mr. Trend:** To ask the Prime Minister if he will make it his policy to place *(a)* in the Library and *(b)* on the internet the agenda of every European Communities meeting at which representatives of Her Majesty's Government are in attendance. [49647]

**The Prime Minister:** The Government have taken extensive steps to ensure greater openness in the EU and enhanced parliamentary scrutiny of its activities. We already announce by written parliamentary question each month the subjects expected to be discussed at forthcoming meetings of the Council of Ministers. These are available on the House of Commons website. In addition, in agreement with the European Legislation Committee, arrangements for more detailed pre-Council scrutiny have recently been established on a trial basis.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Prime Minister if he will make it his policy to *(a)* record each contact by a lobbying organisation with (i) him and (ii) civil servants at No. 10 Downing Street and *(b)* publish details of such contacts. [49543]

**The Prime Minister:** The First Report of the Nolan Committee on *Standards in Public Life* expressly recommended against the establishment of a public register of lobbyists. There was no indication in the evidence to Nolan that there was impropriety in meetings between Ministers or officials and lobbying organisations. Ministers and civil servants receive deputations from many groups who are concerned to press their own interests or those of their clients, which Ministers and officials take due care to consider within the wider public interest and Government policy. In addition, some lobbyists may attend meetings with Ministers and civil servants but as part of a delegation led by an MP or outside interest group, and the information will not therefore be separately identifiable. It would not therefore be practicable to keep a register of such contacts.

### Disability and Access

**Mr. Burstow:** To ask the Prime Minister from which organisations Government departments seek advice on access issues. [49554]

**Mr. Alan Howarth:** I have been asked to reply.

The Government consult a wide range of organisations with an interest in disability and access questions.

## INTERNATIONAL DEVELOPMENT

### Malawi

**Mr. Nigel Jones:** To ask the Secretary of State for International Development what assistance she will give to Malawi to deal with the effects of *(a)* climate change, *(b)* HIV and *(c)* malnutrition. [49258]

**Clare Short:** We are preparing a new Country Strategy Paper for our programme in Malawi, which will cover these among other issues. A copy will be placed in the Library of the House.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for International Development if she will make it her policy to *(a)* record each contact by a lobbying organisation with (i) Ministers and (ii) civil servants and *(b)* publish details of such contacts. [49544]

**Mr. Foulkes:** I refer my hon. Friend to the answer given to him today by my right hon. Friend, the Prime Minister, *Official Report*, column *600*.

## SCOTLAND

### Teachers

**Mr. Gorrie:** To ask the Secretary of State for Scotland how many teachers in each council area in Scotland in each academic year from 1993–94 to 1997–98 were employed *(a)* full-time and *(b)* part-time; and how many had (i) permanent contracts, (ii) non-permanent contracts for over 12 months, (iii) contracts for three to 12 months and (iv) contracts for less than three months. [48752]

**Mr. Wilson:** The information which is available is set out in the table.

*Education Authority schools, 1993–94 to 1997–98*

*Number of teachers working full-time and part-time in schools at September*

| | *Number of teachers by mode of working* | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *1993* | | *1994* | | *1995* | | *1996* | | *1997* | |
| | *full-time* | *part-time* | *full-time* | *part-time* | *full-time* | *part-time* | *full-time* | *part-time* | *full-time* | *part-time* |
| Scotland | 45,496 | 12,399 | 45,626 | 12,368 | 45,432 | 11,615 | 45,011 | 11,515 | 44,453 | 11,347 |
| Aberdeen City | 1,613 | 638 | 1,633 | 662 | 1,627 | 657 | 1,628 | 596 | 1,625 | 548 |
| Aberdeenshire | 2,023 | 1,205 | 2,042 | 1,183 | 2,026 | 1,099 | 2,024 | 1,135 | 2,028 | 1,042 |
| Angus | 979 | 325 | 998 | 312 | 998 | 301 | 985 | 309 | 975 | 347 |
| Argyll & Bute | 840 | 275 | 840 | 292 | 842 | 275 | 828 | 300 | 817 | 301 |
| Clackmannanshire | 438 | 92 | 425 | 94 | 417 | 99 | 418 | 110 | 425 | 100 |
| Dumfries & Galloway | 1,357 | 580 | 1,375 | 575 | 1,376 | 550 | 1,318 | 523 | 1,358 | 510 |
| Dundee City | 1,388 | 281 | 1,418 | 269 | 1,422 | 257 | 1,439 | 235 | 1,354 | 230 |
| East Ayrshire | 1,109 | 228 | 1,112 | 215 | 1,118 | 196 | 1,111 | 167 | 1,099 | 175 |
| East Dunbartonshire | 1,035 | 235 | 1,040 | 197 | 1,044 | 177 | 1,048 | 190 | 1,050 | 227 |
| East Lothian | 662 | 190 | 677 | 191 | 688 | 162 | 687 | 178 | 726 | 172 |
| East Renfrewshire | 787 | 167 | 789 | 150 | 791 | 186 | 799 | 201 | 803 | 192 |
| Edinburgh, City of | 2,937 | 716 | 2,972 | 730 | 2,972 | 640 | 2,926 | 554 | 2,932 | 573 |
| Eilean Siar | 341 | 360 | 341 | 331 | 343 | 352 | 344 | 329 | 332 | 337 |
| Falkirk | 1,217 | 253 | 1,196 | 278 | 1,194 | 225 | 1,197 | 253 | 1,225 | 297 |
| Fife | 3,264 | 681 | 3,284 | 717 | 3,307 | 633 | 3,321 | 507 | 3,311 | 484 |
| Glasgow City | 5,483 | 757 | 5,409 | 827 | 5,269 | 770 | 5,196 | 753 | 4,842 | 766 |
| Highland | 2,175 | 923 | 2,175 | 946 | 2,184 | 820 | 2,168 | 891 | 2,143 | 816 |
| Inverclyde | 837 | 126 | 824 | 145 | 814 | 153 | 780 | 161 | 783 | 158 |
| Midlothian | 692 | 307 | 708 | 256 | 746 | 206 | 719 | 241 | 729 | 240 |
| Moray | 789 | 446 | 799 | 430 | 801 | 449 | 786 | 406 | 794 | 336 |
| North Ayrshire | 1,245 | 264 | 1,233 | 267 | 1,219 | 248 | 1,219 | 277 | 1,211 | 263 |
| North Lanarkshire | 3,265 | 424 | 3,285 | 415 | 3,214 | 443 | 3,176 | 443 | 3,110 | 480 |
| Orkney Islands | 221 | 144 | 223 | 143 | 225 | 133 | 220 | 135 | 229 | 136 |
| Perth & Kinross | 1,068 | 429 | 1,110 | 409 | 1,111 | 393 | 1,115 | 361 | 1,093 | 356 |
| Renfrewshire | 1,577 | 262 | 1,574 | 261 | 1,558 | 300 | 1,522 | 295 | 1,496 | 298 |
| Scottish Borders | 900 | 416 | 913 | 402 | 914 | 362 | 917 | 395 | 917 | 379 |
| Shetland Islands | 320 | 220 | 333 | 200 | 318 | 218 | 323 | 219 | 332 | 221 |
| South Ayrshire | 998 | 217 | 995 | 204 | 1,019 | 181 | 996 | 179 | 976 | 201 |
| South Lanarkshire | 2,827 | 371 | 2,824 | 377 | 2,816 | 352 | 2,763 | 421 | 2,697 | 437 |
| Stirling | 748 | 219 | 737 | 235 | 731 | 197 | 729 | 201 | 733 | 206 |
| West Dunbartonshire | 967 | 195 | 961 | 193 | 940 | 187 | 921 | 195 | 888 | 194 |
| West Lothian | 1,394 | 453 | 1,381 | 462 | 1,388 | 394 | 1,388 | 355 | 1,420 | 325 |

The number of part-time teachers includes a small number who work on a part-time basis in more than one school or in more than one sector of a particular school

*Source:*

School Census

### Deaths

**Mr. Chisholm:** To ask the Secretary of State for Scotland if he will list for each month for 1990 to 1997 the number of deaths in Scotland. [49188]

**Mr. McLeish:** The information requested is given in the table.

*Deaths by month of registration, Scotland, 1990–1997*

| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997[1] |
|---|---|---|---|---|---|---|---|---|
| January | 6,884 | 6,014 | 5,894 | 5,762 | 6,008 | 5,793 | 7,141 | 7,104 |
| February | 4,958 | 5,218 | 5,274 | 4,913 | 4,884 | 4,964 | 5,049 | 5,070 |
| March | 5,091 | 5,046 | 5,343 | 6,084 | 5,355 | 5,507 | 4,770 | 4,505 |
| April | 5,276 | 5,451 | 5,040 | 5,361 | 4,744 | 4,722 | 5,138 | 5,058 |
| May | 5,144 | 4,974 | 4,666 | 5,049 | 4,937 | 5,232 | 4,944 | 4,706 |
| June | 4,685 | 4,466 | 4,962 | 4,948 | 4,706 | 4,684 | 4,252 | 4,655 |
| July | 4,805 | 4,861 | 4,684 | 4,571 | 4,345 | 4,663 | 4,926 | 4,586 |
| August | 4,734 | 4,500 | 4,630 | 4,921 | 4,753 | 4,571 | 4,504 | 4,226 |
| September | 4,198 | 4,453 | 4,710 | 4,722 | 4,786 | 4,371 | 4,397 | 4,565 |
| October | 5,211 | 5,328 | 4,960 | 4,930 | 4,854 | 5,046 | 5,054 | 5,025 |
| November | 4,960 | 5,024 | 5,117 | 6,531 | 4,710 | 5,086 | 4,630 | 4,495 |
| December | 5,581 | 5,706 | 5,657 | 6,257 | 5,246 | 5,861 | 5,849 | 5,589 |
| Total | 61,527 | 61,041 | 60,937 | 64,049 | 59,328 | 60,500 | 60,654 | 59,494 |

[1] Provisional

### Trout Fishing

**Mr. Hanson:** To ask the Secretary of State for Scotland how much financial support his Department or its agencies have given for *(a)* the current financial year and *(b)* 1997–98 to the trout fishing industry; and for what purposes. [49286]

**Mr. Macdonald:** Trout fishing rights are privately owned and those involved are responsible for funding. However, as part of its general activities my Department's Freshwater Fisheries Laboratory at Faskally undertakes research into various aspects of trout.

### Dyslexic Children

**Mr. Sarwar:** To ask the Secretary of State for Scotland what measures he has taken to assist dyslexic children in Scotland. [49341]

**Mr. Wilson:** The Government are investing £56 million over 5 years in an Early Intervention Programme to improve basic literacy and numeracy skills in the early years in primary school. This includes £4 million for special educational needs staff training which may include training related to dyslexia. This is in addition to the continuation of the £1.5 million per annum In-Service Special Educational Needs Training Grant for staff at all levels of schooling which may also include training related to dyslexia.

In addition The Scottish Office is engaged in a £30,000 project, announced in December 1997, in partnership with the Scottish Dyslexia Trust which will provide specialist training for up to 165 early years primary teachers on dyslexia awareness and early identification.

Grant will be provided also to the Scottish Dyslexia Forum to run 4 regional seminars in 1998–99 on dyslexia issues for education authority staff in Scotland.

### Prison Population

**Mr. Sarwar:** To ask the Secretary of State for Scotland what was the prison population in each of the last 10 years; what are his estimates for the prison population for the next five years; and if he will make a statement. [49344]

**Mr. McLeish:** The information requested is provided in the table. Projections are available for the years 1998–99—2000–01 only: beyond three years their accuracy is less reliable and the further ahead a series is projected, the greater the scope for departure from the projection.

The prison population reflects the crime rate, the extent to which crimes are cleared-up, the use of custodial remand by the courts and the independent sentencing decisions of the Scottish courts.

| Year | Average daily prison population |
|---|---|
| 1988–89 | 5,168 |
| 1989–90 | 4,886 |
| 1990–91 | 4,738 |
| 1991–92 | 4,897 |
| 1992–93 | 5,395 |
| 1993–94 | 5,588 |
| 1994–95 | 5,630 |
| 1995–96 | 5,632 |
| 1996–97 | 5,992 |
| 1997–98[1] | 6,059 |
| *Projections* | |
| 1998–1999 | 6,350 |
| 1999–2000 | 6,550 |
| 2000–2001 | 6,650 |

[1] Provisional

### Breast Cancer

**Mr. Sarwar:** To ask the Secretary of State for Scotland what plans he has to make Tamoxifen available on prescription to women with breast cancer in Scotland. [49343]

**Mr. Galbraith:** Tamoxifen is available on prescription to women with breast cancer in Scotland.

### Science Teachers

**Mr. Sarwar:** To ask the Secretary of State for Scotland how many science teachers will be employed in schools in Scotland in 1999. [49342]

**Mr. Wilson:** This is a matter for local authorities. The latest available figures relate to 1994 and the table shows the number of full-time equivalent teachers in Scottish secondary schools by main teaching subject. The next data collection from teachers will be in September 1998.

| *Subject* | *Number* |
|---|---|
| General Science | 104 |
| Biology | 1,219 |
| Chemistry | 1,360 |
| Physics | 1,146 |

### Cullen Inquiry

**Mr. Gapes:** To ask the Secretary of State for Scotland if he will list the source of all the evidence which was submitted to the Cullen Inquiry which has not yet been published. [49263]

**Mr. McLeish:** A list of sources of submissions selected in evidence was published as Appendix 4 to Lord Cullen's report, "The Public Inquiry into the Shootings at Dunblane Primary School on 13 March 1996" (Cm 3386). There is at present no list of submissions and their sources that were sent to the Inquiry but were not used in evidence. The submissions themselves have been deposited in the Scottish Record Office on behalf of the Secretary of State for Scotland. Lists are being prepared by Scottish Record Office staff but are not yet available.

**Mr. Gapes:** To ask the Secretary of State for Scotland if he will place in the Library a list of (i) all evidence submitted to the Cullen Inquiry, (ii) all evidence which is yet to be published and (iii) all evidence or submissions on which a restriction as to future publication has been placed. [49264]

**Mr. McLeish:** (i) and (ii) A list of submissions selected in evidence was published as Appendix 4 to Lord Cullen's report, "The Public Inquiry into the Shootings at Dunblane Primary School on 13 March 1996" (Cm 3386). A full list of submissions, both selected and not selected to form part of the written evidence before the Inquiry, is being prepared by the Scottish Record Office and will be placed in the Library as soon as it becomes available. Very little of the evidence before the Inquiry has been formally published.

(iii) There is no restriction on future publication of any formal submission of evidence whether used or not used at the Inquiry.

### Government Expenditure and Revenue

**Mrs. McKenna:** To ask the Secretary of State for Scotland what plans he has to produce an updated Government Expenditure and Revenue in Scotland report, last published in November 1997. [50368]

**Mr. Wilson:** The next edition of the Government Expenditure and Revenue in Scotland report, covering the period 1996–97, will be published in mid-November 1998.

### Interception of Telecommunications

**Mr. Malcolm Bruce:** To ask the Secretary of State for Scotland how many telephone interceptions were authorised by his Department in *(a)* 1996–97, *(b)* 1997–98 and *(c)* 1998–99 to date; and if he will make a statement. [49697]

**Mr. McLeish:** The annual reports of the Commissioner appointed under the Interception of Communications Act 1985, which are presented to Parliament, list the number of interception warrants issued by the Secretary of State for Scotland in the course of each year. In 1996, 228 telecommunications warrants were issued by the Secretary of State. In 1997 the number was 256. During the period 1 January to 30 June this year, 138 such warrants were issued by the Secretary of State.

In his most recent report (Cm. 3678), the Commissioner notes that the number of warrants has increased, and says

"The extent of this increase in interception would be a matter for grave concern if it indicated any relaxation of the strict criteria laid down by the Act for the issue and renewal of warrants. I am satisfied that no such relaxation has occurred . . . The value of interception in the protection of national security and the prevention of serious crime can hardly be overstated".

### University Students

**Mr. Letwin:** To ask the Secretary of State for Scotland how many applications for undergraduate degree courses there have been in the current year to each university in Scotland from pupils attending schools *(a)* in England, *(b)* in Wales, *(c)* in Northern Ireland *(d)* outside the UK but within the EU and *(e)* outside the EU. [49710]

**Mr. Wilson:** The Universities and Colleges Admissions Service (UCAS) does not release applications data on an institutional basis. The table shows total applicants through UCAS to Scottish higher education by domicile of students. Data on institutions which do not use UCAS are not held centrally.

*UCAS applicants to Scottish Higher Education, 1998 entry by domicile of applicant*

| *Domicile of applicant* | *1998–99* |
|---|---|
| Scotland | 27,325 |
| England | 25,615 |
| Wales | 923 |
| Northern Ireland | 6,543 |
| Rest EU—Eire | 2,810 |
| Rest EU—Continent | 2,935 |
| Non EU | 5,395 |
| All applicants | 71,546 |

*Source:*
UCAS, all forms recorded by UCAS by May 16 1998

**Mr. Letwin:** To ask the Secretary of State for Scotland how many undergraduates are currently at each Scottish university who are ordinarily resident in England and what is this figure as a percentage of the total undergraduate population in each university. [49706]

**Mr. Wilson:** The information is shown in the table.

*Undergraduate students in higher education institutions in Scotland 1996–97 by domicile and institution*

| | *Undergraduates from England* | *Total undergraduates* | *Percentage of total undergraduates* |
|---|---|---|---|
| University of Abertay Dundee | 211 | 4,177 | 5.1 |
| Edinburgh College of Art | 432 | 1,297 | 33.3 |
| Glasgow School of Art | 267 | 1,239 | 21.5 |
| Moray House Institute of Education | 24 | 1,466 | 1.6 |
| Northern College of Education | * | 1,161 | * |
| Queen Margaret College | 380 | 3,230 | 11.8 |
| RSAMD | 90 | 412 | 21.8 |
| St. Andrew's College of Education | * | 592 | * |
| The Scottish College of Textiles | 88 | 701 | 12.6 |
| The Robert Gordon University | 290 | 7,859 | 3.7 |
| The University of Paisley | 103 | 8,457 | 1.2 |
| Glasgow Caledonian University | 287 | 11,929 | 2.4 |
| Napier University | 712 | 9,772 | 7.3 |
| University of Edinburgh | 5,747 | 14,180 | 40.5 |
| University of Glasgow | 1,695 | 17,077 | 9.9 |
| University of Strathclyde | 502 | 13,316 | 3.8 |
| University of Aberdeen | 1,047 | 8,862 | 11.8 |
| Heriot-Watt University | 764 | 3,926 | 19.5 |
| The University of Dundee | 1,323 | 9,017 | 14.7 |
| University of St. Andrews | 2,043 | 4,903 | 41.7 |
| The University of Stirling | 987 | 6,260 | 15.8 |
| Scottish Agricultural College | 87 | 961 | 9.1 |
| Total | 17,102 | 130,794 | 13.1 |

*Note:*
To preserve confidentiality some small values are given as '*' but are included in the total

**Mr. Letwin:** To ask the Secretary of State for Scotland how many current undergraduates at each university in Scotland attended *(a)* Eton College, *(b)* Wellington College, *(c)* Charterhouse and *(d)* Westminster school, as part of their secondary education. [49798]

**Mr. Wilson:** Information on students who spent part of their secondary education at a particular school is not available. However, information on students at Scottish higher education institutions whose last school attended was Eton College, Wellington College, Charterhouse or Westminster school is given in the table.

*Undergraduate students in higher education institutions in Scotland 1996–97 by institution and last school attended*

| | *Westminster* | *Wellington* | *Eton College* | *Charterhouse* | *Total* |
|---|---|---|---|---|---|
| University of Edinburgh | 41 | 49 | 109 | 43 | 242 |
| University of St. Andrews | * | * | 12 | 12 | 32 |
| Other institutions | * | * | * | * | 12 |
| Total | * | * | * | * | 286 |

*Notes:*
1. To preserve confidentiality some small values are given as '*' but are included in the total
2. Other institutions include Edinburgh College of Art, Napier University, University of Glasgow, University of Aberdeen, The University of Dundee and The University of Stirling
3. The figures include students from all domiciles

**Mr. Letwin:** To ask the Secretary of State for Scotland how many applications for undergraduate degree courses there have been in the current year to each university in Scotland from pupils at *(a)* Eton College, *(b)* Wellington College, *(c)* Charterhouse and *(d)* Westminster school. [49709]

**Mr. Wilson:** Data on applications made through the Universities and Colleges Admissions Service (UCAS) are not available broken down by schools or institutions. Data on institutions which do not use UCAS are not held centrally.

## Petrol Stations

**Mr. Letwin:** To ask the Secretary of State for Scotland what steps he proposes to take in order to provide assistance for petrol stations in rural Scotland. [49705]

**Mr. Macdonald:** In addition to the schemes to provide rate relief to rural retail outlets, including petrol stations, and the derogation obtained from the Petrol Vapour Recovery Directive, petrol stations will benefit from the Rural Transport Funding Package announced as part of the Budget. Four hundred thousand pounds a year for three years is being targeted at assisting qualifying petrol stations with capital costs arising from complying with regulations.

**Mr. Letwin:** To ask the Secretary of State for Scotland (1) how many petrol stations are eligible for rates relief under the terms of the Local Government and Rating Act 1997; [49701]

(2) if he will estimate the cost in terms of lost business rate revenue of granting all petrol stations in

rural Scottish communities with a population of 3,000 or less 100 per cent. business rate relief; [49702]

(3) how many petrol stations have *(a)* applied for and *(b)* received rates relief under the terms of the Local Government and Rating Act 1997; [49703]

(4) if he will estimate *(a)* the average rates bill paid by petrol stations in rural communities in Scotland with a population of 3,000 or less and *(b)* this figure as a percentage of their total operating costs. [49704]

**Mr. Macdonald:** It is estimated that there are 350 rural petrol filling stations in settlements of less than 3,000 population which may be eligible for rates relief under the provisions of the Local Government and Rating Act 1997. The total estimated cost of providing 100 per cent. rate relief to these filling stations, based on an estimated average rates bill of £1,255, would be £0.44 million. The rate relief provisions which came into effect from 1 April 1998 are administered by the local authorities, and details of the numbers of filling stations applying for and being awarded rate relief are not held centrally. The Government do not hold detailed figures for the total operating costs of rural petrol stations.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for Scotland if he will make it his policy to *(a)* record each contact by a lobbying organisation with (i) Ministers and (ii) civil servants and *(b)* publish details of such contacts. [49531]

**Mr. Dewar:** I refer my hon. Friend to the answer given today by my right hon. Friend, the Prime Minister, *Official Report*, column *600*.

## HEALTH

### Trusts and Health Authorities

**Mr. Simon Hughes:** To ask the Secretary of State for Health (1) if the requirement for NHS trusts and health authorities to eliminate, by 31 March 1999, their aggregate net deficits brought forward at 31 March 1998, has the overall effect of eliminating the 2.2 per cent. real increase in spending planned for the English NHS as between 1997–98 and 1998–99; [46270]

(2) if the English NHS trusts and health authorities are required, by 31 March 1999, to eliminate their aggregate net deficits brought forward at 31 March 1998. [46268]

**Mr. Milburn** *[holding answer 16 June 1998]:* Health authorities and National Health Service trusts are expected to balance income and expenditure within the financial year. Not all reported in-year deficits are indicative of underlying financial problems. Some are described as "technical" and may be caused by the application of Generally Accepted Accounting Practice.

Aggregate deficits are the sum of in-year deficits. Many of these will be caused by the summation of technical in-year deficits, or, in the case of health authorities, inherited on their formation from former district health authorities and family health services authorities.

Health authorities and NHS trusts are not expected to eliminate their aggregate net deficits where these are technical and/or inherited from former health bodies. The real increase in planned spending between 1997–98 and 1998–99 will not be materially affected by the current level of aggregate net deficits.

**Mr. Simon Hughes:** To ask the Secretary of State for Health what was the aggregate net deficit of English NHS trusts and health authorities carried forward at 31 March 1997; and what further net deficits were incurred in the year to 31 March 1998. [46269]

**Mr. Milburn** *[holding answer 16 June 1998]:* The aggregate net deficit of English National Health Service trusts and health authorities carried forward at 31 March 1997, as reported in their 1996/97 audited accounts, was £484 million.

Information from the 1997/98 financial year is not yet available.

### Health Spending

**Mr. Maude:** To ask the Secretary of State for Health by how much health spending would increase in *(a)* 1999–2000, *(b)* 2000–01, *(c)* 2001–02 and *(d)* 2002–03 if the real annual rate of increase were the same as the average rate of increase over the period 1978–79 to 1997–98. [46433]

**Mr. Milburn:** The real terms growth in National Health Service total expenditure for the period 1978–79 and 1997–98 was 2.9 per cent. net and 3.0 per cent. gross. On that basis, the increases in expenditure would be as set out in the table.

*Projected increases in NHS expenditure*

*£ million*

| *Years* | *Net increase* | *Gross increase* |
|---|---|---|
| 1999–2000 | 2,035 | 2,169 |
| 2000–2001 | 2,110 | 2,251 |
| 2001–2002 | 2,224 | 2,376 |
| 2002–2003 | 2,347 | 2,508 |

*Note:*

The gross domestic product deflators published on 17 March 1998 have been used for the years 1999–2000 and 2000–01. A deflator of 2.5 per cent. has been used for later years, in line with that for 2000–01

### Diabetes

**Mr. Cummings:** To ask the Secretary of State for Health if he will introduce a national screening programme for diabetes for those over 40 years of age, who are overweight and have a family history of diabetes; and if he will make a statement. [49280]

**Ms Jowell:** The National Screening Committee, which offers health Ministers advice about the case for introducing or changing individual screening programmes, has not yet considered the case for a national screening programme for diabetes. However, the Committee will be considering the emerging evidence as part of its future programme of work. Any decision on the introduction of a national programme will be made in the light of that consideration.

### Bedblocking

**Mr. Burstow:** To ask the Secretary of State for Health, pursuant to his answer to the hon. Member for Southend, West (Mr. Amess) of 11 November 1997, *Official Report*, column *538*, concerning bedblocking, when his Department plans to issue revised guidance on hospital discharge procedures. [49571]

**Mr. Milburn:** Departmental officials are reviewing the existing hospital discharge guidance to see whether it needs to be updated, new guidance needs to be issued or other action taken.

### Alzheimer's Disease

**Mr. Burstow:** To ask the Secretary of State for Health, pursuant to his answer of 10 July 1997, *Official Report*, column *586*, if he will implement the recommendations contained in the report, "No Accounting for Health", from the Alzheimer's Disease Society. [49570]

**Mr. Boateng:** The Alzheimer's Disease Society plays a valuable role in providing support, information and advice and commissioning research into Alzheimer's Disease and other forms of dementia. The Society's report, "No Accounting for Health", published in 1997, made a number of thoughtful recommendations on the development of policy.

Although not directly in response to "No Accounting for Health" we are undertaking a number of initiatives which will address the Society's concerns. For example, the National Health Service Executive's priorities and planning guidance for 1998–99 includes the development of a range of recovery and rehabilitation services for older people and the development of a national framework for multi-disciplinary assessment of older people in acute and community health care settings. In addition, the significant role carers play is being recognised and taken into account by the Government in my right hon. Friend the Prime Minister's recent announcement of the carer's strategy.

The Royal Commission on Long-Term Care for the Elderly, announced on 4 December 1997, *Official Report*, columns 489–99, is examining the short and long term options for a sustainable system of funding of long-term care for elderly people in the United Kingdom, both in their own homes and in other settings. It is expected to recommend by the end of the year how, and in what circumstances, the cost of such care should be apportioned between public funds and individuals.

### Winter Funding Initiative

**Mr. Burstow:** To ask the Secretary of State for Health, pursuant to his answer of 27 November 1997, *Official Report*, column *651*, concerning the Winter Funding Initiative, what estimate he has made of the amount transferred to social services departments. [49572]

**Mr. Boateng:** Of the £159 million allocated to health authorities in England, over one fifth (some £35 million) was transferred to social services departments.

**Mr. Burstow:** To ask the Secretary of State for Health, pursuant to his answer to the hon. Member for Birmingham, Edgbaston (Ms Stuart), of 27 January 1998, *Official Report*, column *197*, concerning additional winter support, what is his Department's estimate of the number of initiatives funded by winter pressures money; and how many of these initiatives continued after 31 March. [49573]

**Mr. Milburn:** The £159 million allocated to health authorities in England last autumn funded some 1,500 initiatives. Where appropriate, schemes have continued after 31 March 1998 funded from health authorities' general allocations. Information on this funding is not available centrally.

### Access Committee for England

**Mr. Burstow:** To ask the Secretary of State for Health what factors led to the decision to cease funding the Access Committee for England. [49555]

**Mr. Boateng:** I refer the hon. Member to the reply to the hon. Member for Winchester (Mr. Oaten) on 6 April 1998, *Official Report*, columns *126–27*.

### CJD

**Mr. Hinchliffe:** To ask the Secretary of State for Health (1) what action his Department is taking to discover methods of treatment for people who may be infected with new-variant CJD; [49658]

(2) what reports he has received regarding chemicals which can prevent the transmission of spongiform encephalopathies, with particular reference to *(a)* potentially new-variant CJD from blood transfusion and *(b)* CJD from growth hormone; what action his Department is taking to investigate the use of these chemicals; and if he will make a statement. [49657]

**Ms Jowell:** In November 1996 the Department published its "Strategy for Research and Development Relating to the Human Health Aspects of Transmissible Spongiform Encephalopathies (TSEs)". One of the aims of this strategy is the development of curative treatments for patients with new variant Creutzfeldt-Jakob disease. A project for the design and synthesis of potential chemotherapeutic agents for the treatment of TSEs is being funded over a three year period beginning in July 1997 by the Medical Research Council, which also organised a meeting last year between industry and researchers on possible strategies to develop therapies.

We are aware of research findings on the apparent inactivation of the scrapie agent in animal models which indicate that treatment with certain chemicals might have an inhibiting effect on the transmission of TSEs. Before any such chemicals could be licensed for use as an intervention in humans it would need to be proved safe and efficacious. Following discussions between officials and external scientists we are expecting, as a first step, specific research proposals to explore the efficacy of these chemicals.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for Health if he will make it his policy to *(a)* record each contact by a lobbying organisation with (i) Ministers and (ii) civil servants and *(b)* publish details of such contacts. [49545]

**Ms Jowell:** I refer my hon. Friend to the reply my right hon. Friend the Prime Minister gave today, *Official Report*, column *600*.

### Departmental Reviews

**Mr. Allan:** To ask the Secretary of State for Health if he will list, for each of the last four years, all departmental inquiries and reviews instigated by ministers which have been chaired by individuals outside his Department; and in each case if he will give the date of establishment and the name of the chairman. [46833]

**Ms Jowell:** The information requested is in the table.

| | *Date of establishment* | *Name of chairman* |
|---|---|---|
| *Departmental Inquiries* | | |
| Inquiry into the London Ambulance Service | 10 October 1994 | William Wells |
| Committee of Inquiry into the Personality Disorder Unit, Ashworth Special Hospital | 7 February 1997 | His Honour Peter Fallon QC |
| Inquiry into the former paediatric cardiac surgery service at the Bristol Royal Infirmary[1] | Not yet established | Professor Ian Kennedy |
| *Departmental Reviews* | | |
| Investigation into neurosurgery patient transfers | 7 February 1995 | William Wells |
| Review of the Regulation and Inspection of Social Services | 22 September 1995 | Tom Burgner |
| Children's Safeguards Review | 17 June 1996 | Sir William Utting |
| Review of patient-identifiable information | 28 October 1996 | Dame Fiona Caldicott |
| Review of the written consent requirements in the Human Fertilisation and Embryology Act 1990 | 6 February 1997 | Professor Sheila McLean |
| Review of Prescribing, Supply and Administration of Medicines | 21 March 1997 | Dr. June Crown |
| Review of the evidence relating to silicone breast implants | 4 June 1997 | Professor Roger Sturrock |
| Review of the law relating to surrogacy | 11 June 1997 | Professor Margaret Brazier |
| Review of the latest information available on inequalities in health | 7 July 1997 | Sir Donald Acheson |
| Independent Advisory Panel for the review of London's Health Services (Strategic Review of Health Services in London) | 20 June 1997 | Professor Sir Leslie Turnberg |
| Review of cervical screening services in Kent and Canterbury Hospitals NHS Trust | 23 June 1997 | Sir William Wells |
| Independent Review of proposals for the transfer of bulk blood processing and testing from Liverpool to Manchester | 14 August 1997 | Professor John Cash |
| NHS Charter Advisory Group (Review of NHS Charter) | 8 October 1997 | Greg Dyke |

[1] On 18 June 1998, *Official Report*, columns 529–30, the Secretary of State for Health announced that an inquiry into children's heart surgery at Bristol Royal Infirmary will be established shortly

## DUCHY OF LANCASTER

### Braille

**Dr. Harris:** To ask the Chancellor of the Duchy of Lancaster what plans he has to make Braille copies of Acts of Parliament available. [49104]

**Dr. David Clark:** We have no current plans to make Braille copies of Acts of Parliament available. Previous discussions have taken place with the Royal National Institute for the Blind as a result of which it was concluded that there was unlikely to be sufficient demand to make it a viable proposition. The RNIB has, however, a no-charge licence to reproduce Acts of Parliament in Braille, Moon, audio tape and Braille-coded floppy disk formats and will supply an Act in one of these formats in response to requests which they receive. Officials from my Department are currently exploring with RNIB whether their production arrangements can be assisted by delivery of the text of Acts in electronic formats.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Chancellor of the Duchy of Lancaster if he will make it his policy to *(a)* record each contact by a lobbying organisation with (i) Ministers and (ii) civil servants and *(b)* publish details of such contacts. [49542]

**Dr. David Clark:** I refer my hon. Friend to the answer given to him today by my right hon. Friend, the Prime Minister, *Official Report*, column *600*.

## EDUCATION AND EMPLOYMENT

### Teacher Shortages

13. **Mr. Alan Simpson:** To ask the Secretary of State for Education and Employment what is the current level of teacher shortages in secondary education; and what proportion of secondary school teachers are on temporary or supply contracts. [48100]

**Ms Estelle Morris:** In January 1998 there were 968 vacant teaching posts in secondary schools in England. Data on the proportion of secondary school teachers on temporary or supply contracts are not collected. I can however tell my hon. Friend that, in January 1998, 12 per cent. of the contracts of teachers in regular service in the LEA maintained nursery, primary and secondary sector in England were temporary; and that some 3,900 supply teachers were used on 15 January, the date of this year's Schools Census. (Some of the supply teachers will also be holders of temporary contracts.)

### Schools (Worship)

17. **Mr. David Atkinson:** To ask the Secretary of State for Education and Employment what plans he has to change the law requiring collective worship in schools. [48104]

**Ms Estelle Morris:** The Government remain committed to the current statutory requirements; the School Standards and Framework Bill is applying these requirements to the new school framework with minimal adjustments.

### Unemployment

18. **Mr. Amess:** To ask the Secretary of State for Education and Employment what recent representations he has received on the level of unemployment in Essex. [48105]

**Mr. Andrew Smith:** We have received no recent representations.

### New Deal

19. **Mr. Hanson:** To ask the Secretary of State for Education and Employment what progress is being made with regard to the implementation of the new deal for over-25s. [48106]

**Mr. Andrew Smith:** The New Deal for long term unemployed adults aged 25 and over started across the country on 29 June.

23. **Ms Blears:** To ask the Secretary of State for Education and Employment what support exists through the new deal for unemployed people who want to start their own businesses. [48110]

33. **Mr. Borrow:** To ask the Secretary of State for Education and Employment what provision is made under the new deal for an unemployed person to start their own business. [48121]

**Mr. Andrew Smith:** If a young person aged 18–24 years who is in the New Deal Gateway expresses an interest in starting their own business, they will be referred to a training provider who will conduct a basic awareness and information session which lasts up to a day. They will then be referred to a short course, or one to one counselling, depending on their needs, learn about self employment and put together their business plan.

Some young people will leave New Deal after this stage to become independently self-employed or take a Job. Others may enter the Employment Option and set up and run a small business. For up to 26 weeks they will receive training and support and an allowance. Any profits from the business are put into an escrow account.

The young person will continue to receive support from a mentor, appointed by their training provider, for up to 2 years after leaving the option and while they continue to trade.

25. **Dr. Starkey:** To ask the Secretary of State for Education and Employment what will be the nature of help offered to unemployed people over 25-year-olds in the pilots announced in the Budget. [48113]

**Mr. Andrew Smith:** The November pilots will make available 90,000 places for people reaching 12 or 18 months unemployment, with a range of innovative help, tailored to the needs of each individual, including gateway advice, helping with jobs, and entitlement to a mandatory period of work experience and training.

39. **Mr. Burden:** To ask the Secretary of State for Education and Employment if he will make a statement on the progress of the new deal in Birmingham. [48127]

**Mr. Andrew Smith:** New Deal for 18–24 year olds was launched in Birmingham on 6 April 1998. As at 3 July, 1,799 young people have started on the New Deal Gateway; 1,310 clients have been referred to specialist agencies for additional help. 397 companies have signed employer agreements.

A business coalition including members from leading Birmingham firms is advising on implementation and marketing of the programme.

**Mr. Chope:** To ask the Secretary of State for Education and Employment how many young people in the Christchurch constituency have joined the New Deal initiative since it was launched; how many have been placed into jobs; how many have been placed on to options; and how many employer agreements have been signed. [48816]

**Mr. Andrew Smith:** On the 25 June I made public the latest statistical data for New Deal for the period 5 January to 29 May 1998. This information has now been placed in the Library along with the statistical information on each of the New Deal Units of Delivery. Christchurch constituency falls within the Dorset Unit of Delivery. It is, of course, early days for this ambitious undertaking, but I am encouraged by the progress of New Deal so far.

The Employment Service District Manager in Bournemouth and Poole, Letty Scott, is always on hand to discuss New Deal in the hon. Member's local area.

**Mr. Hoyle:** To ask the Secretary of State for Education and Employment how many people have found employment under the New Deal scheme in *(a)* the north-west and *(b)* Chorley. [48449]

**Mr. Andrew Smith:** On 25 June I made public the latest statistical data for New Deal for the period 5 January to 29 May 1998. This information has now been placed in the Library along with the statistical information on each of the New Deal Units of Delivery. Chorley constituency falls within the Central Lancashire Unit of Delivery. It is, of course, early days for this ambitious undertaking, but I am encouraged by the progress of New Deal so far.

The Employment Service District Manager in Preston and Fylde, Jackie Mason, is always on hand to discuss New Deal in my hon. Friend's local area.

**Mr. Hoyle:** To ask the Secretary of State for Education and Employment how many of the jobs created through the New Deal scheme have been full-time jobs in *(a)* the United Kingdom, *(b)* the North West and *(c)* Chorley. [48450]

**Mr. Andrew Smith:** The New Deal is not intended to be a job creation scheme; rather it is a central part of the Government's strategy to promote long term stability and sustainable growth. By improving the employability of the most disadvantaged we will improve the efficiency of the economy.

However, the number of vacancies that have been advertised to New Deal participants up to 5 June 1998 is over 19,300 nationally; over 2,400 in the North West Region and; over 100 in the Central Lancashire Unit of

Delivery which incorporates the Chorley constituency. At this stage it is not possible to give a breakdown of how many of these vacancies are full time and part time.

## Child Care

20. **Mr. Rhodri Morgan:** To ask the Secretary of State for Education and Employment what research he has evaluated on the effect of affordable child care on rates of participation in the economy. [48107]

**Mr. Alan Howarth:** We have evaluated a range of research and are commissioning further work to inform the development of the National Childcare Strategy. We know, for example, that more than 40 per cent. of main carers enjoyed an improvement in their labour market position when their children attended schemes set up under the Out of School Childcare Initiative.

29. **Mr. Plaskitt:** To ask the Secretary of State for Education and Employment what arrangements he proposes for delivery of the national child care strategy at local level. [48117]

**Mr. Blunkett:** I refer my hon. Friend to the oral answer I gave to my hon. Friend the Member for Aberdeen, South (Alan Begg), *Official Report*, column 1237.

36. **Caroline Flint:** To ask the Secretary of State for Education and Employment what plans he has to improve the training and qualifications of child care workers. [48124]

**Mr. Alan Howarth:** A skilled and competent workforce is a key factor in ensuring good quality childcare. The Green Paper, "Meeting the Childcare Challenge", sets out our proposals for improving training and qualifications for people who work with children.

We will establish a clear and comprehensive framework of training and qualifications for the early years and playwork sectors. We have asked the Qualifications and Curriculum Authority to work with the National Training Organisations and others to take this work forward.

**Ms Buck:** To ask the Secretary of State for Education and Employment how many childminders are registered with each local authority in England; how many children aged *(a)* under five and *(b)* five to 11 years are cared for by registered childminders in each authority; and what was the average charge for each full-time place in each local authority area. [48982]

**Ms Estelle Morris:** The latest available information on numbers of registered childminders and available places for children aged under five and five to seven in each local authority area in England is shown in the Department of Health Children's Day Care Facilities at 31 March 1997 publication, copies of which have been placed in the Library.

Information on charges levied by childminders is not available centrally.

**Ms Southworth:** To ask the Secretary of State for Education and Employment what plans he has for providing appropriate information services as part of the National Childcare Strategy. [48111]

**Mr. Alan Howarth:** We are consulting through our National Childcare Strategy Green paper, *Meeting the Childcare Challenge*, on how to ensure good quality information services in all areas which meet parents' needs. We want all information services to meet minimum standards specified at national level, and we plan to support a national childcare helpline.

**Mr. Chaytor:** To ask the Secretary of State for Education and Employment if he will ensure that the new Further Education Funding Council funding for childcare-inclusive learning and basic skills summer schools are available to all FEFC-funded learners. [48974]

**Dr. Howells** *[holding answer 3 July 1998]:* The FEFC intends to make the new funding for childcare provision available to both colleges and sponsored external institutions. The Council has already allocated the funds available for the basic skills summer schools and, in doing so, encouraged colleges to develop local partnerships involving external institutions and other organisations. Colleges will also be encouraged to involve external institutions and independent specialist colleges in the development and delivery of training for the second stage of the *Inclusive Learning* quality initiative.

**Ms Buck:** To ask the Secretary of State for Education and Employment what guidance has been issued to local authorities in respect of the child care requirement arising from the implementation of the New Deal for Lone Parents. [48980]

**Mr. Alan Howarth:** The New Deal for Lone Parents includes help for lone parents to obtain information on childcare and some funding for necessary childcare when they attend interviews or take part in training or Employment Service programmes.

At national level, officials from my Department, the Department of Social Security and Employment Service have been discussing the provision of childcare with a range of interested bodies. At local level, the Employment Service is networking with childcare providers to be able to guide lone parents to childcare provision. At both levels local authorities and their representative bodies have been involved.

## Special Educational Needs

21. **Mr. Loughton:** To ask the Secretary of State for Education and Employment when he expects to be able to report on the results of the consultation exercise on special educational needs. [48108]

**Ms Estelle Morris:** There have been many thoughtful comments on our Green Paper on Special Educational Needs. Taking account of these, and of advice from the National Advisory Group on Special Educational Needs, we expect to publish an action programme in the early autumn.

22. **Mr. Gordon Prentice:** To ask the Secretary of State for Education and Employment what steps he is taking to help children with behavioural problems who have special educational needs. [48109]

**Ms Estelle Morris:** Our guidance to local education authorities on behaviour support plans underlines the links to be made with their Special Educational Need policies; more detailed guidance later this year will set out good practice on discipline and on emotional and behavioural

difficulties. We shall announce further practical support in an action programme following up our Green Paper on Special Educational Needs.

### University Campus, Cornwall

24. **Mr. Andrew George:** To ask the Secretary of State for Education and Employment if he will assess the advantages of establishing a university campus in Cornwall. [48112]

**Dr. Howells:** I welcome the initiative taken by the three higher education institutions in Cornwall to form a new partnership to develop plans for improving the quality and range of higher education opportunities in Cornwall in conjunction with other interested bodies in the region. The first stage will be an assessment of the likely level of future demand for higher education opportunities in Cornwall.

### National Reading Year

26. **Mrs. Organ:** To ask the Secretary of State for Education and Employment if he will make a statement on plans for the national year of reading. [48114]

**Mr. Byers:** We are planning to launch the National Year of Reading on 16 September. It will be supported by large numbers of private and public sector organisations, and will be linked to a major media campaign to encourage reading. Detailed information can be found at the National Year of Reading website on www.yearofreading.org.uk.

### A-levels

27. **Mr. Fabian Hamilton:** To ask the Secretary of State for Education and Employment what plans he has to reform the A-level system. [48115]

**Dr. Howells:** The Government announced on 3 April their response to the Qualification and Curriculum Authority's advice, in the light of the recent Qualifying for Success consultation on post-16 qualifications, on how best to implement our commitment to support broader A levels and upgraded vocational qualifications, underpinned by rigorous standards and Key Skills. Revised GCE A level syllabuses, a new one year AS qualification and modifications to the Advanced GNVQ are due to be introduced from September 2000.

### Schools (Funding)

28. **Mr. Efford:** To ask the Secretary of State for Education and Employment what plans he has further to increase funding for schools; and if he will make a statement. [48116]

**Mr. Byers:** My right hon. Friend the Secretary of State will announce in due course future funding plans for education in light of the Comprehensive Spending Review.

### Grant-maintained Schools

30. **Fiona Mactaggart:** To ask the Secretary of State for Education and Employment what advice is given to grant-maintained schools about consulting parents on school hours. [48118]

**Mr. Byers:** Governing bodies of grant-maintained schools decide when sessions should begin and end on each school day. Guidance was provided in the Department's Circular 7/90. This states that, before making changes, the governing bodies of GM schools should take account of the views of those primarily affected, including parents.

### Grammar Schools

31. **Miss Kirkbride:** To ask the Secretary of State for Education and Employment what representations he has received from grammar school governors about his policies on grammar schools. [48119]

**Mr. Byers:** The Department received some 180 responses last autumn from grammar schools in response to the consultation letter about future admissions arrangements for grammar schools. This figure includes responses from chairs of governors and also from grammar school headteachers. We are currently consulting on the draft grammar school ballot regulations. Responses have been requested by 31 July.

### Class Sizes

32. **Mr. Ian Bruce:** To ask the Secretary of State for Education and Employment what representations he has received from school heads regarding the relationship between lowering class sizes and parental choice. [48120]

**Mr. Byers:** We are currently analysing responses to the consultation on the draft class size regulations and guidance. We will place a copy of the analysis in the Library of the House once we have completed it. Other than any responses which may have been made to the consultation, we are aware of no representations from headteachers concerning the relationship between lowering class sizes and parental choice.

### School Phobics

34. **Helen Jones:** To ask the Secretary of State for Education and Employment what provision he is making for children who are school phobics. [48122]

**Ms Estelle Morris:** Local Educational Authorities must make arrangements for the provision of suitable education for children who are "school phobics". The Department supports the work of Local Educational Authorities in this area through its standards fund grants.

### Further Education Colleges

35. **Mr. Illsley:** To ask the Secretary of State for Education and Employment what representations he has received regarding off-site collaboration between further education colleges and industry and commerce. [48123]

**Dr. Howells:** My right hon. Friend the Secretary of State has received a number of representations on this issue from a number of hon. Members and Further Education college principals, from the Confederation of British Industry and the Engineering Employers' Federation.

### Education Action Zones

37. **Mr. Lock:** To ask the Secretary of State for Education and Employment what criteria he has set for defining income for the education action zones recently announced; and if he will make a statement. [48125]

**Mr. Byers:** The Government will provide a direct grant of up to £750,000 per zone per annum. Additionally, each zone will raise £250,000 a year from independent sources. Contributions towards this can be in cash or kind.

### Temporary Classrooms

38. **Jackie Ballard:** To ask the Secretary of State for Education and Employment how many temporary classrooms were in use in local education authority schools in England in *(a)* 1996–97 and *(b)* 1997–98. [48126]

**Mr. Byers:** The information requested is not collected centrally.

### Minimum Wage

**Mr. Corbyn:** To ask the Secretary of State for Education and Employment what assessment he has made of the impact of minimum wage legislation on the costs of education authorities. [48103]

**Mr. Andrew Smith:** It is for individual Local Education Authorities to assess the impact of the New Minimum Wage, and to take the management action necessary to ensure fair pay for their employees.

### Local Authorities (Pilot Schemes)

**Mr. Burstow:** To ask the Secretary of State for Education and Employment if he will list the pilot schemes announced since 1 May by his Department that involve local authorities in a lead or partnership capacity; if he will list each of the local authorities involved in each case; and what revenue and capital funding each local authority will receive through the pilot in (i) 1997–98, (ii) 1998–99, (iii) 1999–2000 and (iv) 2000–01. [45333]

**Dr. Howells** *[holding answer 11 June 1998]:* The Department has announced a number of pilot schemes which involve local authorities. They are shown in a list, copies of which have been placed in the Library.

### Access Committee for England

**Mr. Burstow:** To ask the Secretary of State for Education and Employment if he will publish the findings and conclusions of the review undertaken by his Department of the Access Committee for England. [49556]

**Mr. Alan Howarth:** I refer the hon. Member to the reply given to the hon. Member for Stroud (Mr. Drew) on 2 July 1998, *Official Report*, column *267*.

### Teachers' Pay

**Mr. Rowe:** To ask the Secretary of State for Education and Employment if he will list the real rates of increase in each teachers' pay award since 1990. [46938]

**Mr. Byers:** The following figures show the real increase in teachers' pay, as measured by the GDP deflator, in each financial year in comparison with the previous financial year.

| *Year* | *Percentage* |
|---|---|
| 1990–91 | −0.1 |
| 1991–92 | 6.3 |
| 1992–93 | 3.6 |
| 1993–94 | −1.4 |
| 1994–95 | 1.4 |
| 1995–96 | −0.1 |
| 1996–97 | 0.1 |
| 1997–98 | 0.4 |
| 1998–99 | 0.6 |

### Mansfield High School

**Mr. Gordon Prentice:** To ask the Secretary of State for Education and Employment for what reasons technology college status has been removed from Mansfield High School. [48166]

**Ms Estelle Morris:** *[holding answer 30 June 1998]:* Mansfield High School's Technology College designation has been withdrawn from 31 August 1998 because of irregularities in its application which have been discovered and brought to the Department's attention. Had these been discovered at the time, the school's Technology College application would not have been successful.

### Public Registers

**Mr. Cohen:** To ask the Secretary of State for Education and Employment if he will list the public registers which his Department has responsibility for. [47356]

**Dr. Howells** *[holding answer 29 June 1998]:* The DfEE does not have responsibility for any public registers.

### Gender Impact Assessments

**Jackie Ballard:** To ask the Secretary of State for Education and Employment if he will place in the Library copies of gender impact assessments which have been undertaken in respect of legislation introduced in this Parliament; if he will make it his policy to do so in respect of future legislation; and if he will make a statement. [47023]

**Mr. Alan Howarth:** I refer the hon. Member to the reply given by the Parliamentary Under-Secretary of State for Women on 24 June 1998, *Official Report*, column *557*.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for Education and Employment if he will make it his policy to *(a)* record each contact by a lobbying organisation with (i) Ministers and (ii) civil servants and *(b)* publish details of such contacts. [49541]

**Dr. Howells:** I refer my hon. Friend to the reply given to him today by the Prime Minister, *Official Report*, column *600*.

## AGRICULTURE, FISHERIES AND FOOD

### Lobbyists

**Mr. Gordon Prentice:** To ask the Minister of Agriculture, Fisheries and Food if he will make it his policy to *(a)* record each contact by a lobbying organisation with (i) Ministers and (ii) civil servants and *(b)* publish details of such contacts. [49532]

**Mr. Morley:** I refer my hon. Friend to the reply given to him today by my right hon. Friend the Prime Minister, *Official Report*, column *600*.

### Quarantine

**Mr. Collins:** To ask the Minister of Agriculture, Fisheries and Food for what reasons the publication of the Kennedy report on quarantine regulations has been delayed; and if he will make a statement. [49633]

**Mr. Rooker:** The Advisory Group on Quarantine has a large volume of evidence to assess, and its Chairman has advised us this has taken longer than expected. It is essential that this be done thoroughly, so that the Group's report will be sound. After the Group's report is received, it will be published, and a full public consultation held.

**Mr. Townend:** To ask the Minister of Agriculture, Fisheries and Food when the Advisory Group on Quarantine is expected to report. [48984]

**Mr. Rooker:** I refer the hon. Member to the reply I gave to my hon. Friend the Member for Linlithgow (Mr. Dalyell) on 17 June 1998, *Official Report*, column *251*.

### British Cattle Movement Service

**Mr. Tyler:** To ask the Minister of Agriculture, Fisheries and Food how many, and what proportion of the total, of the explanatory leaflets issued by his Department's British Cattle Movement Service to livestock farmers were wrongly addressed; what representations he has made to the EU Standing Veterinary Committee on this matter; and if he will make a statement. [49681]

**Mr. Rooker:** We issued approximately 109,000 leaflets on the Cattle Tracing System last week; we estimate that around 50 per cent. had the wrong name matched to the address. The problem arose from a software programme error which has now been resolved. The error concerned the production of address labels only and does not affect the integrity of the Cattle Tracing System database which the BCMS will run. While deeply regrettable, this provided an unexpected early and successful test of the BCMS helpline which the leaflet promoted. A letter of apology has been sent to livestock farmers which again gives the BCMS Helpline details in case they missed this last week. The Standing Veterinary Committee has no locus in this matter.

### Antibiotics

**Mr. Gordon Prentice:** To ask the Minister of Agriculture, Fisheries and Food, pursuant to the reply by the Government to the Fourth report from the Agriculture Committee on Food Safety (HC 331), what steps he proposes to discourage the use of new antibiotics as a prophylactic in animal husbandry. [49453]

**Mr. Rooker:** No veterinary medicinal product is authorised for use unless it satisfies statutory criteria of safety, quality and efficacy. The Government are advised on this by the independent scientific Veterinary Products Committee (VPC). In considering any new application for the authorisation of an antibiotic veterinary medicinal product, the VPC has consistently discouraged prophylactic use.

**Mr. Etherington:** To ask the Minister of Agriculture, Fisheries and Food what proposals he has to encourage a reduction in the use in livestock farming of antibiotics *(a)* for routine prophylactic purposes and *(b)* as growth promoters; and if he will make a statement. [49454]

**Mr. Rooker:** No veterinary medicinal product is authorised for use unless it satisfies statutory criteria of safety, quality and efficacy. The Government are advised on this by the independent scientific Veterinary Products Committee (VPC). In considering any new application for the authorisation of an antibiotic veterinary medicinal product, the VPC has consistently discouraged prophylactic use.

The use of additives in animal feedingstuffs, including growth promoters, is subject to controls under Directive 70/524/EEC. The recent reports from the Agriculture Committee and the House of Lords Select Committee on Science and Technology have been referred to the Veterinary Products Committee. The Advisory Committee on the Microbiological Safety of Food is also expected to report later this year. We will act on this independent scientific advice.

**Mr. Gordon Prentice:** To ask the Minister of Agriculture, Fisheries and Food if he will list the species of *(a)* farm animals and *(b)* birds that routinely receive antibiotic growth promoters in their feed. [49076]

**Mr. Rooker:** Additives to animal feedingstuffs are authorised for use in the European Union in accordance with the provisions of Council Directive 70/524/EEC as amended. The Annexes to that Directive list eight authorised antibiotic growth promoters, which may variously be added to the feed of food-producing animals under the conditions laid down in the Annexes. I will write to my hon. Friend with a set of the Annexes, and I will make them available in the Library of the House shortly.

### Cattle Tag Identification Systems

**Mr. Nigel Jones:** To ask the Minister of Agriculture, Fisheries and Food what steps his Department is taking to amend the EU directive on cattle tag identification systems to allow the use of a lighter nylon cartridge tag. [49252]

**Mr. Rooker:** The relevant EU legislation would need to be amended by the European Commission, not the Department, in order to allow the use of the tag concerned as the primary identification tag for cattle.

**Mr. Nigel Jones:** To ask the Minister of Agriculture, Fisheries and Food if the welfare implications of using a lighter, nylon cartridge tag were investigated by his Department during the consultation period prior to the EU decision on cattle tag identification systems. [49251]

**Mr. Rooker:** Eartags approved for use under earlier EU legislation were re-examined by MAFF prior to being approved for use under the 1997 legislation. This re-examination included consideration of the welfare implications of using all previously approved eartags including the nylon cartridge eartag.

**Mr. Nigel Jones:** To ask the Minister of Agriculture, Fisheries and Food what systems of tagging were considered by his Department during the consultation period prior to the EU decision on cattle tag identification systems. [49250]

**Mr. Rooker:** The Department undertook full consideration with interested parties on the 1997 EU legislation, which includes specifications for cattle eartags, prior to the adoption of this legislation by the EU.

**Mr. Nigel Jones:** To ask the Minister of Agriculture, Fisheries and Food what veterinary advice his Department has received about the number of cattle which will be vulnerable to infection and potential life-threatening complications following removal of existing tags and re-tagging to comply with the EU directive on cattle tag identification systems. [49249]

**Mr. Rooker:** I shall take veterinary advice into account when considering whether cattle tagged with Cooper Marketing tags should be re-tagged.

**Mr. Nigel Jones:** To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the number of cattle in the United Kingdom which will need to be re-tagged with plastic tags following the EU directive on cattle tag identification systems. [49248]

**Mr. Rooker:** The EU legislation agreed in 1997 does not require general re-tagging of cattle. A specific and limited problem has arisen recently following the failure in some cases of one eartag company, Cooper Marketing Ltd., to provide tags which meet EU and UK requirements. Cooper Marketing Ltd. has been excluded from supplying Ministry approved cattle eartags, and the Department is currently considering whether any re-tagging will be necessary.

## European Union Enlargement

**Mr. Cox:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement as to the impact of European Union enlargement on the British farming industry. [49277]

**Mr. Rooker:** The enlargement of the European Union is one of the key challenges facing the EU. Its impact on the British farming industry will depend on the terms of accession of each acceding country.

## Pig Exports

**Dr. Palmer:** To ask the Minister of Agriculture, Fisheries and Food how many pigs were exported for breeding purposes in *(a)* 1992, *(b)* 1993, *(c)* 1994, *(d)* 1995 and *(e)* 1996. [48025]

**Mr. Rooker:** Information on the numbers of pigs exported, or certified for export, specifically for breeding purposes from 1992 to 1996 inclusive is not available. However, information recorded in the official Overseas Trade Statistics shows the total number of pigs exported from the UK.

| *Year* | *Number of pigs* |
|---|---|
| 1992 | 411,239 |
| 1993 | 165,663 |
| 1994 | 190,383 |
| 1995 | 234,997 |
| 1996 | 347,442 |

**Dr. Palmer:** To ask the Minister of Agriculture, Fisheries and Food how many pigs were exported to Spain for *(a)* slaughter, *(b)* further fattening and *(c)* breeding in (i) 1992, (ii) 1993, (iii) 1994, (iv) 1995 and (v) 1996. [48026]

**Mr. Rooker:** Information on the numbers of pigs exported, or certified for export, to Spain for *(a)* slaughter *(b)* further fattening and *(c)* breeding purposes from 1992 to 1996 inclusive is not available. However, information recorded in the official Overseas Trade Statistics shows the total number of pigs exported from the UK to Spain.

| *Year* | *Number of pigs* |
|---|---|
| 1992 | 11,173 |
| 1993 | 2,529 |
| 1994 | 3,770 |
| 1995 | 17,392 |
| 1996 | 20,293 |

## Farm Subsidies (Payment in Euros)

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food if the proposed EU agrimonetary system operational from 1 January 1999 will permit member states not joining the euro zone to pay their farmers EU farm subsidy payments in euros, if so requested. [48617]

**Dr. John Cunningham:** The Commission's proposals on the future of the agrimonetary system suggest that Member States not participating in the Single Currency from 1 January 1999 will be able to offer Euro payments after that date under certain circumstances. Member States' plans for making such payments would need prior approval by the Commission.

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food if he will list those organisations which have requested him to consider allowing UK farmers to receive EU farm subsidy payments in euros. [48618]

**Dr. John Cunningham:** We are currently in the process of consulting interested organisations on the future of the EU agrimonetary regime. The question of making CAP payments in Euro is one aspect of that consultation, which is not yet complete.

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food (1) if it is his intention to enable farmers to receive EU subsidy payments in euros as from 1 January 1999, if they so request; [48615]

(2) if he will make a statement on the preparations his Department is making to enable farmers to receive their EU farm subsidy payments in euros, if they so request, from 1 January 1999. [48620]

**Dr. John Cunningham:** We are currently examining the possibility of offering operators the option of receiving CAP subsidies in Euro after 1 January 1999. We would need to be sure, before offering such an option, that any changes to the system could be achieved without jeopardising standards of service offered to recipients of CAP subsidies.

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food if he will assess the *(a)* advantages and *(b)* disadvantages to UK farmers of receiving their EU farm subsidies in euros, from 1 January 1999, if they so request. [48616]

**Dr. John Cunningham:** No overall assessment has been made of the advantages and disadvantages of farmers receiving CAP payments in Euro: the value of such a mechanism would vary depending on the circumstances of individual farmers.

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food what factors underlie his decision to prevent UK farmers from receiving EU farm subsidy paid in euros, from 1 January 1999. [48619]

**Dr. John Cunningham:** No decision has yet been made on whether UK farmers will be able to receive CAP subsidies paid in Euro after 1 January 1999.

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food if he will list each of the other EU states not joining the single currency on 1 January 1999, which will be allowing their farmers to receive EC subsidy scheme payments in euros. [48609]

**Dr. John Cunningham:** The other Member States not joining the Single Currency on 1 January 1999 have not yet indicated their intentions with regard to the payment of CAP subsidies in Euro.

### Rural England White Paper

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food which organisations attended consultation meetings with Ministers held in connection with its production of the Rural England White Paper, Command 3016. [48608]

**Dr. John Cunningham:** As the right hon. Member will no doubt recall, a number of seminars and other meetings took place in 1995 prior to the publication of the previous administration's White Paper "Rural England" (Cmnd 3016). They were attended by a range of organisations representing rural interests.

### Beef Labelling Scheme

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food in which other EU member states farmers will be required to pay for registration in connection with entry to a beef labelling scheme; and in each case how much is to be charged. [48610]

**Dr. John Cunningham:** In the majority of member states, including the United Kingdom, no fee is charged for approvals under the Beef Labelling Scheme. We understand that in Germany, however, approval fees are charged. The fees vary between DM 800 and DM 2900 depending on the complexity of the application. Because the Scheme applies to operators between abattoir and retail level, farmers as such do not need approvals unless they are also engaged in retail or wholesale activities.

### "Commitment to Service"

**Mr. Campbell-Savours:** To ask the Minister of Agriculture, Fisheries and Food what progress his Department has made in meeting the service delivery targets set out in "Commitment to Service". [50319]

**Dr. John Cunningham:** The table sets out the performance achieved by Regional Service Centres during 1997/98 against the targets published in the Charter document "Commitment to Service", second edition.

*RSC Performance data (%) for financial year 1997/98—(unless otherwise specified)*

| | | *Total percentage* |
|---|---|---|
| Arable Area Payments Scheme Oil Seeds | Main payments | 99 |
| | Advanced payments | 99 |
| | Final payments | 99 |
| Beef Special Premium Scheme | Advance payments (1997) | 96 |
| | Balance payments (1996) | 100 |
| | CID applications issued (1997) | 99 |
| | Premium paid CIDs issued (1997) | 99 |
| Suckler Cow Premium Scheme | Balance payments 1996 | 99 |
| | Advance payments 1997 | 99 |
| Hill Livestock Compensatory Allowances | Claims 1997 | 99 |
| Sheep Annual Premium Scheme | Claims marketing year 1997 | 99 |
| Environmentally Sensitive Areas | Applications | 82 |
| | Claims | 96 |
| Environmentally Sensitive Areas Conservation Plan | Applications | 87 |
| | Claims | 96 |
| Farm and Conservation Grant Scheme 1989 | Plan claims | 98 |
| Farm and Conservation Grant Scheme 1991 | Plan claims | 86 |
| Farm Woodland Premium Scheme | Applications | 93 |
| | Claims (1997) | 80 |
| Injurious Weeds | Complaints | 98 |
| Pilot Nitrate Sensitive Areas Scheme | Claims (1997) | 77 |
| New Nitrate Sensitive Areas Scheme | Applications (1997) | 98 |
| | Claims | 99 |
| Protection of Badgers Act 1992 | Licence applications | 99 |
| Strychnine Permits | Applications | 99 |

*RSC Performance data (%) for financial year 1997/98—(unless otherwise specified)*

| | | *Total percentage* |
|---|---|---|
| Agricultural Wage Inspections | Complaints | 92 |
| Wildlife and Countryside Act | Licence applications | 98 |
| Correspondence | Answered within 10 working days | 98 |
| Complaints | Numbers receiving response within 10 working days | 89 |

*Notes:*

1. The Five Year Set Aside Scheme closed for new applications on 30 September 1996. Performance data are therefore not included in the table. Similarly the Farm and Conservation Grant Scheme (1989) Non-Plan Claims has also been omitted: this scheme closed on 19 February 1996
2. Ten complaints were referred to the MAFF Adjudicator during the year. 3 of these were upheld, 6 were not upheld. One case is outstanding, pending the conclusion of legal action by the complainant
3. The relatively high failure rate for ESA Applications and ESA Conservation Plan Applications is due mainly to problems associated with IACS reconciliation. In the case of F&CGS 1991 Plan Claims, it is due to small numbers of claims giving rise to a disproportionate number of complex problems
4. The relatively high failure rate for the FWPS Claims and the Pilot NSA Claims are due to the diversion of staff resources to higher priority work
5. The total percentage has been calculated by setting the entire number of applications or claims cleared within the target time, against the total number received. Applications and claims not cleared due to reasons beyond our control (incorrect information supplied by applicant, etc.) are not included as failures to meet target
6. The Farm and Conservation Grant Scheme (1991) Plan applications, the Farm Diversification Grant Scheme (Capital Items) Claims, the Farm Diversification Grant Scheme (Feasibility and Marketing) Claims, and the Agricultural Improvement Scheme Plan Claims have all been omitted from the table, as the numbers involved are de-minimis

## WALES

### Gender Impact Assessments

**Jackie Ballard:** To ask the Secretary of State for Wales, pursuant to the answer of 24 June 1998, *Official Report*, columns *557–58*, prior to 18 May, what mechanisms were used to determine how legislation passed in the current session would affect women; what consultation he had with women's organisations; and if he will make a statement. [49087]

**Mr. Ron Davies:** Guidance on policy appraisal for equal treatment has been available since 1992. The Welsh Office has had its own internal guidance in place since July 1994 on ensuring that equal opportunities are properly taken into account in framing policy and legislation.

I hold regular meetings with my hon. Friends the Members for Cardiff, North (Ms Morgan), for Conwy (Mrs. Williams), for Preseli Pembrokeshire (Ms Lawrence) and for Cynon Valley (Ann Clwyd) to discuss a range of issues affecting women. I have also met representatives of the Equal Opportunities Commission Wales, the Wales Assembly of Women, the National Federation of Women's Institutes and Mewn Cymru. I took the views of equality organisations into account in framing the Government of Wales Bill, which includes specific provisions on equality of opportunity.

My Department is currently reviewing the mechanisms available to take forward mainstreaming of Departmental policies to provide a firm basis from which the National Assembly will work and is maintaining contact with the Equal Opportunities Commission Wales on this subject.

### Disabled Voters

**Mr. Evans:** To ask the Secretary of State for Wales what representations he has received concerning access for disabled people to polling stations during Welsh Assembly elections. [49324]

**Mr. Ron Davies:** I have received one letter. The provision of polling stations is the responsibility of the acting returning officer who must provide a sufficient number of polling stations and allot electors to the polling stations in such a manner as he thinks most convenient. The returning officer is required, so far as is reasonable and practicable, to select as polling stations only those buildings which are accessible to voters who are disabled.

My officials are having regular discussions with representatives of the elections administrators about arrangements for the Assembly elections. This matter will be raised with them.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for Wales if he will make it his policy to *(a)* record each contact by a lobbying organisation with (i) Ministers and (ii) civil servants and *(b)* publish details of such contacts. [49530]

**Mr. Ron Davies:** I refer my hon. Friend to the reply given to him today by my right hon. Friend the Prime Minister, *Official Report*, column *600*.

## NORTHERN IRELAND

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for Northern Ireland if she will make it her policy to *(a)* record each contact by a lobbying organisation with (i) Ministers and (ii) civil servants and *(b)* publish details of such contacts. [49535]

**Mr. Paul Murphy:** I refer my hon. Friend to the answer given by my right hon. Friend the Prime Minister today, *Official Report*, column *600*.

## TRADE AND INDUSTRY

### Small Firms Loan Guarantee Scheme

**Mr. Breed:** To ask the President of the Board of Trade how many loans under the Small Firms Loan Guarantee Scheme have been written off in each of the last 10 years; and for what amounts. [49310]

**Mrs. Roche:** The number and value of payments made against the guarantee for loans issued under the Small Firms Loan Guarantee Scheme in each of the last ten years was:

| | *Payments made* | *Gross cost (£ million)* |
|---|---|---|
| 1988–89 | [1]500 | 8.9 |
| 1989–90 | 608 | 10.1 |
| 1990–91 | 1,161 | 21.7 |
| 1991–92 | 1,777 | 31.6 |
| 1992–93 | 1,720 | 22.4 |
| 1993–94 | 1,216 | 16.3 |
| 1994–95 | 1,163 | 22.1 |
| 1995–96 | 1,556 | 34.6 |
| 1996–97 | 1,885 | 43.4 |
| 1997–98 | 2,246 | 50.1 |

[1] Estimate

### Nuclear Reprocessing Industry

**Mr. Chaytor:** To ask the President of the Board of Trade what assessment she has made of the implications for the nuclear reprocessing industry in the United Kingdom of the decision by the German Government to ban the transport of spent fuel. [48074]

**Mr. Battle:** The German ban on the transport of spent fuel arose from contamination found on French flasks. I understand that the UK nuclear reprocessing industry is co-operating with the German authorities to help ensure a timely resumption of spent fuel transports from Germany, in accordance with the appropriate national and international regulations. In the interim, BNFL have postponed the next planned shipment of flasks from Europe.

### Price Maintenance (Medicines)

**Mr. McWalter:** To ask the President of the Board of Trade what estimate her Department has made of the cost to public funds of the legal proceedings in the Restrictive Practices Court to be brought by the Office of Fair Trading in its attempt to end resale price maintenance on over-the-counter medicines. [48241]

**Mr. Nigel Griffiths** *[holding answer 6 July 1998]:* Referrals to the Restrictive Practices Court are a matter for the Director General of Fair Trading. I am asking him to write to my hon. Friend.

### Departmental Reviews

**Mrs. Ewing:** To ask the President of the Board of Trade if she will list the reviews her Department, or its predecessors, initiated in the years *(a)* 1974–75, *(b)* 1979–80 and *(c)* 1992–93. [48522]

**Mrs. Beckett** *[holding answer 6 July 1998]:* This question cannot be answered without incurring disproportionate cost.

### Information Technology

**Mr. Gale:** To ask the President of the Board of Trade if she will place in the Library a copy of the Government's response to the EU Commission communication dated 14 March 1998, relating to proposed changes in the rules and procedures for public procurement of IT equipment, software and services. [49447]

**Mrs. Roche** *[holding answer 7 July 1998]:* The Commission's Communication 'Public Procurement in the European Union' set out the Commission's thoughts on the way forward in the light of responses to its 1996 Green Paper. The Communication went wider than the procurement of IT equipment, software, and services, in particular in encouraging the development of electronic procurement, and promised a number of specific proposals for clarifying the legal framework and bringing it up to date. The Government welcomed these developments and the United Kingdom Presidency was able to secure Community-wide support for them in the Internal Market Council on 18 May. In the circumstances, a written response was unnecessary and much will now depend on the detailed proposals which the Commission will make over the coming months.

### Export Licence Applications

**Mrs. Gillan:** To ask the President of the Board of Trade how many export licence applications were refused by the Export Control Organisation during each of the four-week periods used by her Department from 6 March to date. [48225]

**Mrs. Roche** *[holding answer 30 June 1998]:* The Export Control Organisation's computer databases have been interrogated and numbers of applications for Standard Individual Export Licences and Open Individual Export Licences refused in full for each period are as follows:

| *Period* | *Standard individual export licences* | *Open individual export licences* |
|---|---|---|
| 7 March 1998 to 3 April 1998 | 4 | 1 |
| 4 April 1998 to 1 May 1998 | 8 | 0 |
| 2 May 1998 to 29 May 1998 | 8 | 0 |

This information should be considered in light of my answer to a question from my hon. Friend the Member for Colne Valley (Kali Mountford) on 30 October 1997, *Official Report*, columns *870–71*.

**Mrs. Gillan:** To ask the President of the Board of Trade if she will list the average times taken to process export licence applications in the periods *(a)* 1 May 1996 to 1 May 1997 and *(b)* 1 May 1997 to 1 May 1998. [48226]

**Mrs. Roche** *[holding answer 30 June 1998]:* I refer the hon. Member to the answer given by my right hon. Friend the President of the Board of Trade to the right hon. Member for Wokingham (Mr. Redwood) on 23 February 1998, *Official Report*, column *103*.

**Mrs. Gillan:** To ask the President of the Board of Trade if she will list the total number of export licence applications processed by the Export Control Organisation in each of the four-week periods used by her Department

from 6 March to date broken down into *(a)* those circulated to other Government departments and *(b)* those not circulated. [48224]

**Mrs. Roche** *[holding answer 30 June 1998]:* The information, beginning with the four-week period nearest to the date specified, is as follows:

| *Period* | *Applications circulated to other departments according to their policy requirements and completed during the period* | *Applications not circulated to other departments and completed during the period* |
|---|---|---|
| 7 March 1998 to 3 April 1998 | 1,039 | 111 |
| 4 April 1998 to 1 May 1998 | 704 | 145 |
| 2 May 1998 to 29 May 1998 | 710 | 94 |

This information was taken from the Export Control Organisation's management data which are compiled in order to monitor performance at processing applications for Standard Individual Export Licences. The performance measures do not apply to applications for Open Individual Export Licences (due to the very wide variations between goods and country coverage of such licences) or licences covering Iran or Iraq or exports which are subject to control solely because of United Nations Sanctions.

**Mrs. Gillan:** To ask the President of the Board of Trade how many export licence applications waited more than 20 days for a decision in each of the periods *(a)* 1 May 1996 to 1 May 1997 and *(b)* 1 May 1997 to 1 May 1998. [48230]

**Mrs. Roche** *[holding answer 30 June 1998]:* The Export Control Organisation (ECO) measures its performance against two aims:

to provide a substantive response to an application within 20 working days of receipt for applications that need to be circulated to other Government Departments according to their policy requirements ("circulated cases"), and

to provide such a response within 10 working days of receipt for applications dealt with by DTI itself ("non-circulated" cases).

The ECO's management data on the processing of licence applications are compiled on the basis of four-week periods. For the period 1 May 1996 to 2 May 1997, 3,661 applications which were circulated to other Government Departments according to their policy requirements did not meet the performance target.

For the period 3 May 1997 to 1 May 1998, 5,174 applications which were circulated to other Departments did not meet the performance target.

Records are not kept in such a way as to be able to identify non-circulated cases which took more than 20 working days to complete.

### Plutonium

**Mr. Gorrie:** To ask the President of the Board of Trade if she will make a statement on the United Kingdom's civil stockpile of plutonium, with particular reference to the risk of nuclear proliferation. [48931]

**Mr. Battle:** I refer the hon. Member to the answers given to similar questions asked by my hon. Friend the Member for Croydon, Central (Mr. Davies) on 30 January 1998, *Official Report*, column *415*, my hon. Friend the Member for Gedling (Mr. Coaker) on 2 December 1997, *Official Report*, columns *163–64*, and my hon. Friend the Member for Kirkcaldy, (Mr. Moonie) on 2 June 1998, *Official Report*, column *162*.

In particular, I would refer the hon. Member to the conclusion of the Statement referred to in the answer given to the hon. Member for Croydon, Central, which is available in the Library of the House.

### Medicines

**Mr. McWalter:** To ask the President of the Board of Trade what costs have been incurred by the Office of Fair Trading in preparation for legal proceedings in the Restrictive Practices Court to end resale price maintenance on over-the-counter medicines. [48239]

**Mr. Nigel Griffiths** *[holding answer 3 July 1998]:* The preparation for legal proceedings in the Restrictive Practices Court is a matter for the Director General of Fair Trading. I am asking him to write to my hon. Friend.

**Mr. McWalter:** To ask the President of the Board of Trade what research she has evaluated into the comparative price of over-the-counter medicines in the United Kingdom relative to other EU countries; and if she will make a statement. [48232]

**Mr. Nigel Griffiths** *[holding answer 1 July 1998]:* The DTI has not carried out such research, since the Director General of Fair Trading is responsible for monitoring the market where there are competition problems and for any studies of which result from this.

**Mr. McWalter:** To ask the President of the Board of Trade what assessment she has made of the impact of the loss of resale price maintenance on over the counter medicines on small businesses, with particular reference to pharmacies. [48213]

**Mr. Nigel Griffiths** *[holding answer 30 June 1998]:* The Director General of Fair Trading has published details in his January 1998 report "Material Changes in the Medicaments Markets since 1970", a copy of which has been placed in the Library of the House.

### Energy Review

**Mr. Redwood:** To ask the President of the Board of Trade (1) when she plans to complete her review of electricity pool pricing; [48592]

(2) if her pool price review will require some coal-fired power stations to switch to base load and gas stations to peak load. [48593]

**Mrs. Beckett** *[holding answer 2 July 1998]:* I expect to receive the advice of the Director General of Electricity Supply on the Review of Electricity Trading Arrangements this month. I will announce my decision after considering that advice.

**Mr. Redwood:** To ask the President of the Board of Trade what is her forecast of electricity prices to domestic consumers for the next three years *(a)* on the basis of inherited policies and *(b)* taking into account her

statement on her review of energy sources for power generation of 25 June 1998, *Official Report*, columns 1169-72. [48590]

**Mrs. Beckett** *[holding answer 2 July 1998]:* The precise path of electricity prices will depend on market developments. We inherited an electricity market containing basic flaws which have tended to act to the disadvantage of coal and customers alike.

**Mr. Redwood:** To ask the President of the Board of Trade which specific proposals in her Energy Statement of 25 June 1998 will act to reduce consumer prices of electricity. [48589]

**Mrs. Beckett** *[holding answer 2 July 1998]:* I refer the right hon. Member to the consultation document on the Review of Energy Sources for Power Generation published on 25 June 1998 and, in particular, to paragraph 13 of Chapter 4 and paragraph 17 of Chapter 5.

**Mr. Redwood:** To ask the President of the Board of Trade what representations she has had from the gas industry concerning her electricity review. [48588]

**Mrs. Beckett:** *[holding answer 2 July 1998]:* I refer the right hon. Member to Annex 2 of the consultation document on the Review of Energy Sources for Power Generation, published on 25 June 1998.

### Gas-fired Power Stations

**Mr. Redwood:** To ask the President of the Board of Trade what forecast she has made of the effects on employment levels in *(a)* the construction and *(b)* the gas industry arising from her policy on new gas-fired power stations. [48586]

**Mrs. Beckett:** *[holding answer 2 July 1998]:* The proposals announced for consultation on 25 June 1998 were about energy policy, not employment in particular sectors. Our proposals would bring lower electricity prices, more effective competition, and secure and diverse energy supplies. This will be good for jobs across the economy.

### Business Innovation

**Mr. Redwood:** To ask the President of the Board of Trade if she will make a statement on trends in expenditure on business innovation over the last year. [48338]

**Mrs. Beckett** *[holding answer 2 July 1998]:* The annual R&D Scoreboard provides an important international benchmark of the funds UK companies invest in R&D as part of the innovation process. The 1998 Scoreboard, published on 25 June, lists the reported R&D expenditure over the last financial year of over 500 UK companies. This shows an overall increase of 6.2 per cent. in R&D expenditure to £10.5 billion, with several business sectors (including engineering, media, support services, and telecommunications) showing sizeable increases in R&D expenditure. In addition, the pharmaceuticals sector now leads the world on R&D investment as a proportion of sales, while the increase in R&D shown by the healthcare sector was three times the international average. Although there can be no room for complacency, as the 1998 CBI Innovation Trends Survey shows, it is clear that many UK businesses are investing in innovation and R&D on a par with the best in the world.

### Post Office

**Mr. Redwood:** To ask the President of the Board of Trade when in the autumn she will announce her policy for the Post Office. [48557]

**Mrs. Beckett** *[holding answer 2 July 1998]:* I will present the Government's proposals on the Post Office's future organisation, structure, and financing as soon as I am ready to do so.

### Minimum Wage

**Mr. Redwood:** To ask the President of the Board of Trade (1) how businesses will be expected to account for the value of accommodation when complying with the minimum wage; [48857]

(2) how the value of accommodation will be assessed when setting the minimum wage. [48858]

**Mrs. Beckett** *[holding answer 3 July 1998]:* The government are considering the detailed implementation of the Low Pay Commission's recommendation on taking accommodation into account as an offset towards payment of the minimum wage, and will make their approach clear in the draft regulations on which we have made a commitment to consult.

### Correspondence

**Mr. Sanders:** To ask the President of the Board of Trade what is her Department's average response time to correspondence from members of the public; and how such response times are monitored. [48667]

**Mrs. Beckett:** Information on the average time taken by my Department to respond to correspondence from members of the public could be obtained only at disproportionate cost. One of the six service standards for central Government requires Departments to set a target for responding to letters from the public. All management units in my Department are required to have systems to monitor performance against this standard. I understand that a report on the performance of the main Departments against the six standards in 1997–98 is being prepared for the Chancellor of the Duchy of Lancaster, and will be made available to the House shortly.

### Sellafield

**Mr. Llew Smith:** To ask the President of the Board of Trade what dispersion modelling her Department has evaluated in respect of a breach of containment accident at the Sellafield high-activity liquid waste storage tanks, arising from *(a)* an earthquake, *(b)* a tank explosion and *(c)* a malicious attack. [47877]

**Mr. Battle:** It is not for the Department of Trade and Industry to evaluate the consequences of possible accidents at nuclear installations. The independent Health and Safety Executive (HSE), which is responsible for regulating safety at UK nuclear sites, has looked at all credible risks to safety associated with the storage of liquid High Level Waste (HLW) at the Sellafield site. HSE's views on this, including an assessment of the risks from earthquake and aircraft crash, as well as fire and explosion hazards, were set out in a report published in

December 1995 entitled "Safety of the Storage of Liquid High Level Waste (HLW) at BNFL Sellafield", a copy of which is available in the Library of the House.

Strict security arrangements are in place at Sellafield to protect the site against malicious attack. These arrangements are kept under regular review.

**Mr. Llew Smith:** To ask the President of the Board of Trade, pursuant to her answer to the hon. Member for Daventry (Mr. Boswell) of 24 June 1998, *Official Report*, column *500*, if she will make a statement on the specific work being conducted on safety at Sellafield by the Nuclear Safety Advisory Committee; and what is Government policy on the public disclosure of papers or other documentary materials provided to NUSAC by nuclear operators. [48908]

**Mr. Battle:** The Nuclear Safety Advisory Committee (NuSAC) advises the President of the Board of Trade and the Health and Safety Commission. Its current programme of work includes several items related to the management of safety at Sellafield, specifically the storage of spent fuel, fuel production facilities, and the decommissioning of silos and ponds.

The public disclosure of NuSAC papers and other material passed to NuSAC is governed by statutory requirements. Release of environmental information is governed by the Environmental Information Regulations 1992. Any information supplied to NuSAC which was obtained through the exercise of regulatory powers conferred under the Health and Safety at Work, etc. Act 1974, is covered by the restrictions on disclosure provided for in Section 28 of that Act. Section 28 places restrictions on the disclosure of regulatory information, but also provides for exceptions to these restrictions. For example, HSE has the power to make regulatory information public at any time if it believes that this is necessary to discharge its statutory functions to protect the health and safety of workers and the public. NuSAC publishes a biennial report and regularly reports on specific areas of its work.

### Serial Publications

**Ms Squire:** To ask the President of the Board of Trade which British companies have made applications to the European Commission DGXIII in respect of funding to create union lists of serials &c.; what advice the UK National Focal Point gave in respect of each application; which projects it supported; and if she will list the reasons for the advice and support in each case. [48453]

**Mr. Battle** *[holding answer 3 July 1998]:* It is not the practice of the European Commission to publish details of applicants in answers to calls for proposals, but full details of all participants in successful projects are published widely, including on the Commission web site at http://www2.echo.lu/.

UK National Focal Points, or similar advisory bodies, provide advice on request direct to potential applicants for European Union funds under certain programmes rather than to the Department of Trade and Industry. Advice or support provided is a matter between the advisory bodies and the recipient.

**Ms Squire:** To ask the President of the Board of Trade what assessment *(a)* her Department and *(b)* the UK National Focal Point have made of the application from the Scientific Documentation Centre Ltd. to INFO 2000 for a European resource of serials. [48452]

**Mr. Battle** *[holding answer 3 July 1998]:* Scientific Documentation Ltd.'s application to the INFO 2000 programme was in response to the Call for Proposals (*Official Journal* No. C381 of 16.12.67) to stimulate the development and use of multimedia information content, directed at the exploitation of content resources in the public sector. Decisions on proposals under this call are a matter for the European Commission, as advised by an independent panel of evaluators and taking into account opinions given by Member States. The Commission plans to tell applicants its decisions on the call in the near future.

There is no National Focal Point for INFO 2000. However, advisory support is provided through MIDAS-NET which, in Scotland, is based on Scottish Enterprise, who discussed the application with Scientific Documentation Ltd. Neither Scottish Enterprise nor the Department of Trade and Industry made an assessment of the proposal. This is the function of the evaluators appointed by the European Commission.

### Euro Compliance

**Mr. Cotter:** To ask the President of the Board of Trade (1) what meetings she has had with financial institutions on the issue of reprogramming computers to make them euro compliant at the same time as having to make them year 2000 compliant; [47042]

(2) what research her Department has evaluated on the problems of making computer systems euro compliant at the same time as making them year 2000 compliant; [47050]

(3) what assessment she has made of the technical implications of the introduction of the euro, with particular regard to computer systems; [47005]

(4) what research her Department has undertaken to assess the cost to the United Kingdom economy of reprogramming computers to make them euro compliant. [47045]

**Mrs. Liddell:** I have been asked to reply.

The UK will not be joining the single currency on 1 January 1999. Therefore, while the launch of the euro and the Millennium both have IT consequences, they have very different implications with regard to resources and timing. For the majority of firms in the UK, the IT implications of the launch of the euro will be secondary to strategic considerations.

### Lobbyists

**Mr. Gordon Prentice:** To ask the President of the Board of Trade if she will make it her policy to *(a)* record each contact by a lobbying organisation with (i) Ministers and (ii) civil servants and *(b)* publish details of such contacts. [49538]

**Mrs. Beckett:** I refer my hon. Friend to the answer given to him today by my right hon. Friend the Prime Minister, *Official Report*, column *600*.

### Inward Investment

**Mr. Redwood:** To ask the President of the Board of Trade how much inward investment came to the United Kingdom in *(a)* the latest quarter for which figures are available and *(b)* the same quarter in the previous year. [49194]

**Mr. Ian McCartney:** During the first quarter of 1998 overseas direct investment in the United Kingdom was worth £10.2 billion, compared with £8.9 billion a year earlier.

### ICL Pathway Project

**Mr. Chope:** To ask the President of the Board of Trade when she expects the ICL Pathway Project to be implemented in all Post Office outlets. [49506]

**Mr. Ian McCartney** *[holding answer 8 July 1998]:* Current plans provide for all post offices to be automated by the end of 2000.

**Mr. Chope:** To ask the President of the Board of Trade in how many Post Offices the ICL Pathway Project is being trialled at present. [49507]

**Mr. Ian McCartney** *[holding answer 8 July 1998]:* At present 204 post offices in the North-East and South-East of England have been automated and are paying Child Benefit by Payment Card as part of a limited trial.

# Written Answers to Questions

*Friday 10 July 1998*

## PRIME MINISTER

### Council of the Isles

**Mr. Mitchell:** To ask the Prime Minister if he will ensure that the Council of the Isles includes representation from all the English regions. [49750]

**The Prime Minister:** The Good Friday Agreement provides for the establishment of a British-Irish Council which reflects an earlier proposal for a Council of the Isles.

The Agreement specifies that membership of the British-Irish Council will comprise representatives of the British and Irish Governments, devolved institutions in Northern Ireland, Scotland and Wales, when established, and, if appropriate, elsewhere in the United Kingdom, together with representatives of the Isle of Man and Channel Islands.

The Government are currently working to establish the Council later in the year, in transitional form, as the Agreement requires, and will be consulting interested parties as and when appropriate.

### Welsh Assembly

**Mr. Alan Williams:** To ask the Prime Minister what proposals he has to vary the number of Welsh Office Ministers, and the remuneration of these Ministers, to reflect their reduced responsibilities when the Welsh Assembly is established. [50000]

**The Prime Minister:** This will be a matter for further consideration once the National Assembly has been established.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Prime Minister if he will list those individuals who are not hon. Members or civil servants currently serving on review bodies and taskforces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49768]

**The Prime Minister:** Any individual or group may suggest names for appointment to a non-departmental public body (NDPB), review body or task force. The Public Appointments Unit maintains a central list to which nominations can also be made.

Appointments to NDPBs are made in line with the principles established by the Committee on Standards in Public Life. These require selection on merit and an independent element in the selection process. The Government have recently announced the extension of the remit of the Commissioner for Public Appointments to cover all advisory NDPBs as well as executive NDPBs.

Ministers appoint to review bodies and task forces individuals—whether Members of Parliament, civil servants or others—on the basis of their expertise and the contribution they will make to the particular review or task. In making appointments, Ministers' decisions are not improperly influenced by the views of any outside organisations. No systematic record is kept of the origin of nominations since it is usually not relevant to such decisions.

### Derek Draper

**Mr. Gordon Prentice:** To ask the Prime Minister on how many occasions his Press Secretary has briefed Mr. Derek Draper on the Government's position on matters of current concern. [49961]

**The Prime Minister:** The role of Press Officers at No. 10 is to answer all calls from journalists and to explain Government policy to them in accordance with the rules that apply to the GICS. Mr. Draper has had no briefing from any Press Officer that was not available to any journalist calling the Press Office. No systematic record is kept of the details of the thousands of calls received each week, but any call from Mr. Draper would be dealt with routinely by a Press Officer, rather than the Chief Press Secretary.

## PRESIDENT OF THE COUNCIL

### Office Staff

**Mr. Brake:** To ask the President of the Council how staff numbers in her Office have varied between 1 May 1997 and 31 March 1998. [48881]

**Mrs. Ann Taylor:** The number of permanent staff in the Privy Council Office on both dates was 34.

## HOUSE OF COMMONS

### *Official Report*

**Mr. Oaten:** To ask the Chairman of the Administration Committee what plans there are to publish the daily parts of the *Official Report* in formats amenable to people with sensory impairments. [50033]

**Mrs. Roe:** There are no plans to publish the *Official Report* in the way in which the hon. Gentleman has described. The *Official Report* is published free on the Internet and this service can be used by refreshable braille display or through speech synthesis, in order to provide access to visually impaired people.

## ENVIRONMENT, TRANSPORT AND THE REGIONS

### Taxis (London)

**Mr. Hoyle:** To ask the Secretary of State for the Environment, Transport and the Regions if he will introduce incentives to London taxi drivers to convert their vehicles to use natural gas or LPG as fuel. [48688]

**Ms Glenda Jackson:** The Government recognise the important air quality advantages of cleaner taxis, such as those using road fuel gases. We already provide an incentive for drivers to use gas fuel because the tax on LPG and natural gas is already much lower than the tax on diesel. The Energy Saving Trust Powershift Programme provides grants to support the purchases of alternatively fuelled vehicles. One such grant under consideration could include gas fuelled London taxis. The Public Carriage Office are working with manufacturers to encourage the development of alternative "greener" engines and fuels.

### Local Authority Transport Schemes

**Mr. Matthew Taylor:** To ask the Secretary of State for the Environment, Transport and the Regions what was the total amount of money made available in each of the past five years to local authorities under the Transport Policies and Programmes system. [48913]

**Ms Glenda Jackson:** The information is as follows:

| *Year* | *£ million* |
|---|---|
| 1993–94 | 1,047 |
| 1994–95 | 894 |
| 1995–96 | 960 |
| 1996–97 | 830 |
| 1997–98 | 746 |

Figures in all years include grant under the Industrial Development Act 1982. Figures for the latter four years include credit approvals available to match European Regional Development Fund grant.

**Mr. Matthew Taylor:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the proportion of total TPP money made available to local authorities in each year for the past five years that was spent on on-going road building schemes; and if he will list the schemes. [48915]

**Ms Glenda Jackson:** I have placed this information in the Libraries of the House.

**Mr. Matthew Taylor:** To ask the Secretary of State for the Environment, Transport and the Regions how much money has been allocated in each of the past five years to *(a)* road schemes and *(b)* other transport schemes under the Single Regeneration Budget; and which schemes have benefited. [48918]

**Angela Eagle:** The Single Regeneration Budget Challenge Fund offers support to Partnerships to help them to carry out comprehensive regeneration of their local areas. Partnerships decide local priorities and road and other transport projects may be an element of their schemes. Funding is normally provided for a package of activities and is not allocated by individual elements. Funding commenced on 1 April 1995 and is available for the lifetime of schemes (up to seven years).

I have placed in the Library a list of the names of the schemes and the total lifetime Challenge Fund grant allocated which includes grant for road and other transport related activities.

### Flood Defences (Brentwood)

**Mr. Pickles:** To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will list for each of the financial years since 1983–84 *(a)* the expenditure submitted by Brentwood Borough Council under the heading flood defences, for use in the Department's settlement SSA indicator data, *(b)* the increase in the SSA due to the inclusion of the flood defences estimates in these calculations, *(c)* the amount of additional Government grant received in that year by the Council solely as a result of the inclusion of the flood defences figures, if any, and *(d)* the increase in capping limits in each year solely as a result of the inclusion of the flood defence estimates in the calculations; [49012]

(2) if he will calculate the effect on *(a)* the standard spending assessment, *(b)* the amount of Government grant and *(c)* the capping limit for Brentwood Borough Council for 1998–99 if the flood defence estimates had been nil for each year since 1983–84. [49013]

**Mr. Raynsford:** The following table shows *(a)* the expenditure submitted by Brentwood Borough Council for use in the calculation of the Flood Defence element of standard spending assessments (SSAs) for each year since 1990–91; and *(b)* the resulting increase in the SSA for Brentwood Borough Council:

| *Year for which expenditure was budgeted*[1] | *Year for which budgeted expenditure was used in the SSA calculation* | *Budgeted expenditure (£000)*[2] | *Increase in SSA due to use of budgeted flood defence expenditure in the calculation (£000)*[3] |
|---|---|---|---|
| 1990–91 | 1991–92 | 27 | 30 |
| 1991–92 | 1992–93 | 84 | 94 |
| 1992–93 | 1993–94 | 29 | 30 |
| 1993–94 | 1994–95 | 923 | 944 |
| 1994–95 | 1995–96 | 911 | 915 |
| 1995–96 | 1996–97 | 933 | 975 |
| 1996–97 | 1997–98 | 957 | 1,014 |
| 1997–98 | 1998–99 | 955 | 1,004 |

[1] Figures submitted and used in earlier years are not readily available
[2] Budgeted net current expenditure on flood defence
[3] The figures given are for the Flood Defence SSA element for Brentwood Borough Council in each year. The overall increase in SSA due to the inclusion of figures for flood defence expenditure would have been slightly greater than the amounts quoted due to a consequent small decrease in the size of the reduction for interest receipts. The figures quoted do not take account of any indirect effect of changes in spending patterns which may have taken place as a result of not budgeting for expenditure on flood defence.
*Note:*
The reported budgeted expenditure for 1998–99 is £961,000.

*(c)* The amount of additional Government grant received in each year by the Council solely as a result of the inclusion of the flood defence figures is approximately equal to the increase in SSA quoted in the table.

*(d)* It is impossible to calculate the increase in capping limits for Brentwood Borough Council in each year solely as a result of the inclusion of the flood defence estimates in the calculations because they are likely to have been affected by any changes in budgeting decisions as a result of not budgeting to spend on flood defence.

If the flood defence estimates for Brentwood Borough Council had been nil for each year since 1983–84, the SSA and the amount of Government grant received by the

Council for 1998–99 would have been reduced by approximately the size of the increases indicated previously. It is impossible to know what the Council's capping limit in 1998–99 would have been, since it would depend upon the budget it would have set in 1997–98 and earlier years.

### Gender Impact Assessments

**Jackie Ballard:** To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 24 June 1998, *Official Report*, columns *557–58*, prior to 18 May, what mechanisms were used to determine how legislation passed in the current session would affect women; what consultation he had with women's organisations; and if he will make a statement. [49086]

**Angela Eagle:** Guidance on policy appraisal has been available since 1992. DETR relaunched the initiative in May 1998.

Within this Department we are making use of consultation, research projects and disaggregated statistics to identify the impact of policy on women.

### Birmingham Northern Relief Road

**Dr. Lynne Jones:** To ask the Secretary of State for the Environment, Transport and the Regions what provision has been made in respect of payment of debts owed by Midland Expressway Ltd. in relation to the construction of the BNRR in the event that the company becomes bankrupt. [49349]

**Ms Glenda Jackson:** No financial provision has been made by the Government, since we do not consider it likely that the company will become bankrupt or that if it did liabilities would pass to the Government.

**Dr. Lynne Jones:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the report by Transport Planning Associates commissioned by his Department into the bids to construct the Birmingham Northern Relief Road submitted by BNRR Ltd., MEL and MPC. [49348]

**Ms Glenda Jackson:** None, since the document appears to be part of the material that previous ministers used in reaching their decision to award the BNRR concession. I understand MEL developed their traffic modelling very substantially during and after the bidding process so as to provide a sound basis for putting their scheme to the public inquiry.

**Dr. Tony Wright:** To ask the Secretary of State for the Environment, Transport and the Regions what is the total projected yearly cost of the operation and maintenance of the widened section of the M42 included in the Birmingham Northern Relief Road scheme which would be paid for by the Government if the scheme went ahead. [49287]

**Ms Glenda Jackson:** Reliable maintenance estimates will not be available until, following the resolution of the current High Court challenges, MEL have undertaken the detailed design of the carriageway. The reconstruction of the M42 to provide an entirely new carriageway should mean that, for the foreseeable future, maintenance costs should be very much lower than for the existing carriageway.

**Dr. Tony Wright:** To ask the Secretary of State for the Environment, Transport and the Regions (1) what percentage of the operation and maintenance cost of the section of the M42 included in the BNRR scheme would be paid for by the Government to MEL if the scheme went ahead; [49289]

(2) what percentage of the construction cost of widening the section of the M42 included in the BNRR scheme is to be paid for by the Government if the MEL scheme goes ahead. [49288]

**Ms Glenda Jackson:** Forty per cent.

### Empty Government Properties

**Mr. Nigel Jones:** To ask the Secretary of State for the Environment, Transport and the Regions if he will provide a regional breakdown of the number of empty residential properties owned by Her Majesty's Government, indicating where those properties are located. [49244]

**Mr. Raynsford:** As requested, the following table shows the location of empty residential properties owned by those Departments from which my Department collects figures, using their own regional definitions. Figures for other Government Departments are not collected centrally.

| *Location* | *Number of properties* |
|---|---|
| *Highways Agency:* | |
| Northumberland, Cumbria, Durham, Tyne & Wear, Cleveland, North Yorkshire, North Humberside, Lancashire, Greater Manchester, Merseyside and Cheshire | 112 |
| West Yorkshire, South Yorkshire, Derbyshire, Staffordshire, Shropshire, West Midlands, Warwickshire and Hereford and Worcester | 126 |
| Lincolnshire, Nottinghamshire, Leicestershire, Norfolk, Northamptonshire, Cambridgeshire, Suffolk, Essex, Hertfordshire, Bedfordshire, Buckinghamshire, Oxfordshire, Gloucestershire and South Humberside | 148 |
| Cornwall, Devon, Somerset, Dorset, Avon and Wiltshire | 35 |
| Kent, East Sussex, West Sussex, Surrey, Berkshire and Hampshire | 56 |
| London | 215 |
| *Home Office:* | |
| North Region | 59 |
| Midland Region | 50 |
| South East/West and Wales | 145 |
| *Ministry of Defence:* | |
| South West | 2,712 |
| South East North | 2,262 |
| South East South | 1,502 |
| London/Aldershot | 1,507 |
| Eastern | 3,023 |
| Western | 1,466 |
| Scotland | 1,252 |
| Northern Ireland | 302 |

### Second Homes

**Mr. Nigel Jones:** To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 17 June 1998, Official Report, column *204*, how many second homes are owned and rented in Gloucestershire by households having their main

residence in England, excluding second homes which are the main residence of another household and those which the owners are intending to sell. [49247]

**Mr. Raynsford:** The information is not available at the county level.

### Rented Housing

**Mr. McNulty:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list the average weekly rent during 1997 in *(a)* council, *(b)* housing association and *(c)* private rented housing. [49436]

**Mr. Raynsford:** Figures for England are set out in the table. The latest average weekly rents available for the private rented sector cover 1996–97 and therefore rents used for the council and housing association sectors are for as close to that date as possible.

*Average weekly rent—1996–97*

| | £ |
|---|---|
| Council | 40.17 |
| Housing association[1] | 46.74 |
| Privately rented | 76 |

[1] At 31 March 1997
*Source:*
Council: DETR Housing Subsidy Claim Forms
Housing association: annual Housing Corporation HAR10/1 return
Privately rented: DETR Survey of English Housing

### House Prices

**Mr. McNulty:** To ask the Secretary of State for the Environment, Transport and the Regions what data his Department collates on average house prices for *(a)* London and *(b)* other regions. [49415]

**Mr. Raynsford:** The Department produces two sets of statistics on regional house prices: a regional house price index and average house prices by region. The statistics are available for Government Office Regions and Standard Statistical Regions.

Average house prices by region and the regional house price index are published in the annual volume of *Housing and Construction Statistics*. In addition, part 1 of the quarterly *Housing and Construction Statistics* contains regional average house prices and *Economic Trends* features the regional house price index. All are published by The Stationery Office and are available in the Library.

### Channel Tunnel Rail Link

**Mr. Ottaway:** To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 15 June 1998, *Official Report*, column *46*, what contractual penalties will apply in the event of LCR failing to build the entire railway from the Channel Tunnel to St. Pancras. [49345]

**Ms Glenda Jackson:** The existing Development Agreement between the Government and London and Continental Railways (LCR), which will be updated to reflect the deal outlined by my right hon. Friend the Deputy Prime Minister on 3 June 1998, *Official Report*, columns 367–70, is legally binding on LCR. It requires LCR to build all of the Channel Tunnel Rail Link (CTRL) as detailed in the CTRL Act 1996. Should LCR fail to fulfil its obligation to provide the link in accordance with the Act, it would be in breach of that contract. This would allow the Secretary of State to terminate the Development Agreement.

Moreover, under the revised arrangements, the bulk of the £1.8 billion (NPV) Public Sector Support will be reserved for Phase 2 and would start to be paid only when the majority of the construction costs of that phase had already been incurred.

**Mr. Snape:** To ask the Secretary of State for the Environment, Transport and the Regions if he will review the time scale of phase two of the Channel Tunnel Rail Link between Ebbsfleet and King's Cross to assess ways in which it might be advanced. [49468]

**Ms Glenda Jackson:** A review would serve no useful purpose. As my right hon. Friend the Deputy Prime Minister made clear on 3 June 1998, *Official Report*, columns 367–70, the revised arrangements are specifically designed to incentivise Railtrack to commit to acquire Section 2 as early as possible. Railtrack will have a lesser financial return on Section 1 than for Sections 1 and 2 combined. The sooner Railtrack commits to the second phase, the sooner it can expect to earn the higher return.

### Valuation Tribunals

**Mr. Corbett:** To ask the Secretary of State for the Environment, Transport and the Regions what savings are forecast from the proposed reduction in the number of administrative units for valuation tribunals. [49470]

**Mr. Raynsford:** We estimate that over a three to five year period the move to the new administrative structure should give net savings on current complements of around £1.3 million per annum or 12 per cent. of the VT budget for a one-off cost (spread over several years and financed out of savings) of around £2 million.

**Mr. Corbett:** To ask the Secretary of State for the Environment, Transport and the Regions what savings were *(a)* projected and *(b)* achieved from the previous amalgamation of the administration of neighbouring valuation tribunals. [49471]

**Mr. Raynsford:** Four office mergers have taken place in recent years (as well as a collocation of two administrations earlier this year). Full savings can take a few years to come through because of initial one-off accommodation and staffing costs.

It is difficult to quantify precisely savings due solely to rationalisation, because of changes in other circumstances. However, a comparison of the changes in costs of merged and non-merged offices between 1995–96 and 1997–98 indicate savings of over £240,000 (or 17 per cent.) per annum. This compares with projected savings of £220,000.

### Gipsies

**Mr. Lepper:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment his Department has made of the response by local authorities to the guidance given in Department of the Environment Circular 1/94 requiring local planning authorities to assess the need for gipsy accommodation in their areas; and if he will make a statement. [49469]

**Mr. Raynsford:** My Department part funded research by the Advisory Council for the Education of Romany and other Travellers (ACERT) which examined local authority development plans to assess the adequacy of Gipsy policies. Their report, *A directory of planning for Gypsy site provisions in England*, revealed some gaps in local authorities' compliance with Circular 1/94. My officials have written to all chief planning officers, on 27 May, reminding local planning authorities of the advice in Circular 1/94. Their attention was particularly drawn to the requirement to assess the need for Gipsy accommodation in their areas and to ensure that adequate Gipsy site provision was made in their development plans. A copy of the letter will be placed in the House Library.

### Lobbyists

**Mr. Yeo:** To ask the Secretary of State for the Environment, Transport and the Regions on what occasions *(a)* he, *(b)* ministers in his Department and *(c)* his special advisers have met representatives of (i) GPC Market Access, (ii) Lawson Lucas Mendelsohn and (iii) GJW Government Relations since 1 May 1997; who these representatives were; and what was discussed at these meetings. [49550]

**Mr. Prescott** *[holding answer 9 July 1998]:* Ministers, and their Special Advisers and other civil servants meet many people in the course of their work. This properly includes meetings with interest groups outside Government; indeed one of the specific functions of Special Advisers is to liaise with such interest groups. This liaison is intended to help Ministers draw upon outside contributions—from academics, think-tanks, trade and industry associations, trade unions, lobby groups and others, as well as relevant experience from other countries—during the process of policy analysis and development. By convention it is not the practice of governments to make information on such meetings or their content publicly available—a principle reflected in the Code of Practice on Access to Government Information published in January 1997. Special advisers and other civil servants must observe the requirements of propriety; for instance, they must not provide confidential information without authorisation or allow improper influence on policy. Any breach of these requirements could be a disciplinary offence.

**Mr. Gordon Prentice:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list those individuals who are not hon. Members or civil servants currently serving on review bodies and taskforces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49771]

**Mr. Prescott:** I refer my hon. Friend to the reply given by my right hon. Friend the Prime Minister today, *Official Report*, columns *641-42*.

### Vehicle Number Plates

**Mr. Jenkin:** To ask the Secretary of State for the Environment, Transport and the Regions if he will carry out a compliance cost assessment in respect of the proposed change in the format of vehicle number plates; and if he will make a statement. [49960]

**Ms Glenda Jackson:** The proposed change to the vehicle registration format is not due to be implemented until 2001. Interested parties, including industry, will be consulted on the draft regulation to effect the change before it is laid before Parliament nearer that time. It is Government policy that all such changes are accompanied by a Regulatory Impact Assessment.

### Building Regulations

**Mr. Oaten:** To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 10 June 1998, *Official Report*, column *575*, regarding building regulations, what measures his Department has taken to identify building control notices which may have been obtained to circumvent the new requirements for access and facilities for disabled people. [49762]

**Mr. Raynsford:** Officials are in contact with the NHBC, which is the only approved inspector currently able to give Building Act initial notices for new housing, to identify any cases similar to those in the hon. Member's constituency and to ensure that NHBC have measures in place to avoid any more such cases. I am considering what additional steps are needed to ensure an effective transfer to the new Building Regulation requirements, and I will make a further announcement as soon as possible.

### Water and Fire Services

**Mr. Wood:** To ask the Secretary of State for the Environment, Transport and the Regions what will be the status of the code of practice produced by the National Liaison Group to improve water industry and Fire Service co-operation; and by whom it will be enforced. [50109]

**Angela Eagle:** The Code will provide guidance to water companies and Fire Authorities on issues relating to water for firefighting. It will not have direct enforcement provisions, but water companies and Fire Authorities will be expected to comply with its provisions. Its implementation will be monitored by my Department.

### National Stadium

**Mr. Stringer:** To ask the Secretary of State for the Environment, Transport and the Regions what community use is planned for the National Stadium at Wembley; and if he will make a statement. [49652]

**Mr. Banks:** I have been asked to reply.

There is an agreement in principle that the stadium will be used for community use. The precise arrangements will be required by the English Sports Council, and will be considered as the design brief is prepared and finished.

## WALES

### Lobbyists

**Mr. Letwin:** To ask the Secretary of State for Wales what discussions (i) he, (ii) his special adviser and (iii) his Ministers have held with representatives of *(a)* GPC Market Access, *(b)* Lawson Lucas Mendelsohn and *(c)* GJW Government Relations since 1 May 1997; and if he will make a statement. [49699]

**Mr. Ron Davies** *[holding answer 9 July 1998]:* Ministers, their Special Advisers and other civil servants meet many people in the course of their work. This properly includes meetings with interest groups outside Government; indeed, one of the specific functions of Special Advisers is to liaise with such interest groups. This liaison is intended to help Ministers draw upon outside contributions—from academics, think-tanks, trade and industry associations, trade unions, lobby groups and others, as well as relevant experience from other countries—during the process of policy analysis and development. By convention it is not the practice of governments to make information on such meetings or their content publicly available—a principle reflected in the Code of Practice on Access to Government Information published in January 1997. Special Advisers and other civil servants must observe the requirements of propriety: for instance, they must not provide confidential information without authorisation or allow improper influence on policy. Any breach of these requirements could be a disciplinary offence.

**Mr. Gordon Prentice:** To ask the Secretary of State for Wales if he will list those individuals who are not hon. Members or civil servants currently serving on review bodies and task forces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49781]

**Mr. Ron Davies:** I refer my hon. Friend to the answer given to him today, *Official Report*, columns *641–42*, by my right hon. Friend the Prime Minister.

### Integrated Transport Policy

**Mr. Evans:** To ask the Secretary of State for Wales when the Government's proposals relating to an integrated transport policy in Wales will be published. [49788]

**Mr. Hain:** The Welsh Transport Policy Statement is expected to be published later this month.

### Millennium Compliance

**Mr. Evans:** To ask the Secretary of State for Wales how many innovation and technology counsellors there are in Wales offering free guidance to firms on the Year 2000 problem; and how they may be contacted. [49789]

**Mr. Hain:** There are currently 8 Innovation and Technology Counsellors employed across Wales who are addressing the year 2000 problem as part of their portfolio of providing wide-ranging advice and guidance to Welsh businesses.

A recruitment exercise is, however, currently being undertaken to appoint a further 8 counsellors who will have specific responsibility for addressing the "Year 2000" issue.

Existing ITCs can be contacted via Business Connect Wales on 0345 96 97 98.

### Exports

**Mr. Evans:** To ask the Secretary of State for Wales what was the value of *(a)* all exports and *(b)* manufactured goods exported from Wales to the rest of the EU in (i) 1995, (ii) 1996, (iii) 1997 and (iv) 1998. [49795]

**Mr. Hain:** Export statistics are collected only on a UK basis and cannot be disaggregated.

### Manufacturing Industry

**Mr. Evans:** To ask the Secretary of State for Wales how many people he estimates were employed in manufacturing in Wales in each year since 1992. [49794]

**Mr. Hain:** The latest estimates of the number of employee jobs in manufacturing in each year since 1992 are given in the table.

*Number of employee jobs in manufacturing*[1]

| *Year* | *Thousand* |
|---|---|
| 1992 | 200 |
| 1993 | 199 |
| 1994 | 207 |
| 1995 | 212 |
| 1996 | 209 |
| 1997 | 208 |
| 1998 | 214 |

[1] Excludes the self employed, but data from the Labour Force Survey indicate that, on average since 1992, there have been around 10,000 self employed people in the manufacturing sector in Wales

*Source:*

Employer Survey ONS, at March each year

### Strikes

**Mr. Evans:** To ask the Secretary of State for Wales how many days were lost through strikes in Wales in each year since 1992. [49790]

**Mr. Hain:** The information requested is given in the table.

*Number of working days lost due to labour disputes, Wales 1992–1997*[1]

| *Year* | *Working days lost* |
|---|---|
| 1992 | 10,000 |
| 1993 | 20,100 |
| 1994 | 13,300 |
| 1995 | 14,700 |
| 1996 | 60,400 |
| 1997 | 3,200 |

[1] Labour disputes statistics cover all stoppages of work connected with terms and conditions of employment, except those involving fewer than ten workers or lasting less than one working day. These are excluded unless the total number of working days lost in the dispute is greater than 100

*Source:*

Office for National Statistics

### Inland Investment

**Mr. Evans:** To ask the Secretary of State for Wales how many new jobs he estimates were created by inward investment to Wales in 1997–98. [49793]

**Mr. Hain:** In 1997–98, the Welsh Development Agency recorded inward investment projects which promise the creation of a total of 8,961 new jobs. Not all of the jobs will have been created last year; the majority of the projects will need time gradually to build up to full operating capacity.

### New Deal

**Mr. Evans:** To ask the Secretary of State for Wales how many people are currently on the New Deal in Wales, by travel-to-work area. [49787]

**Mr. Hain:** The figures are not available by travel-to-work area. However, over 5,000 young people in Wales have already joined the New Deal for 18 to 24-year-olds and are receiving the support, training and experience they need to secure lasting employment.

### "Pathway to Prosperity"

**Mr. Evans:** To ask the Secretary of State for Wales what was the cost to public funds of the publication of "Pathway to Prosperity". [49796]

**Mr. Hain:** The charge to the Department for designing, printing, and distributing the document and related materials is expected to be in the region of £16,000.

## TRADE AND INDUSTRY

### Export Credits

**Mr. Redwood:** To ask the President of the Board of Trade what is her latest estimate of likely ECGD losses on its portfolio in *(a)* Indonesia, *(b)* Thailand, *(c)* South Korea and *(d)* Malaysia. [49193]

**Mrs. Beckett** *[holding answer 6 July 1998]:* ECGD does not expect to make any losses on sovereign risk business in these markets. Payment delays have occurred in relation to a small element of commercial risk debts in Thailand and Indonesia, but it is too early to say how much loss (if any) these might lead to.

**Mr. Redwood:** To ask the President of the Board of Trade what recent assessment she has made of Indonesian risk under ECGD. [49197]

**Mrs. Beckett** *[holding answer 6 July 1998]:* ECGD completed its last formal market review of Indonesia in January 1998. The changing circumstances in the region have meant that ECGD has monitored the situation closely since then. A further formal review will commence shortly.

**Mr. Redwood:** To ask the President of the Board of Trade if she will list the country risks reviewed by ECGD in the last six months, along with the changes of terms which resulted. [49196]

**Mrs. Beckett** *[holding answer 6 July 1998]:* Since January 1998 ECGD has reviewed the risks on the following countries:

| *Month/country* | *Change of terms* |
|---|---|
| *January* | |
| Bangladesh | Cover increased. Premium reduced |
| *February* | |
| Pakistan | Premium increased |
| Indonesia | Premium increased |
| Thailand | Cover reduced. Premium increased |
| *March* | |
| Argentina | No changes |
| China | Cover increased. Premium reduced |
| Dominican Republic | Cover increased. Premium increased |
| Hong Kong | No changes |
| *April* | |
| Bolivia | Resumption of medium-term cover |
| Brazil | Cover increased |
| Croatia | Cover increased. Premium decreased |
| Israel | No changes |
| Laos | No medium-term cover |
| *May* | |
| Turkey | Cover increased |
| Greece | Cover increased. Premium reduced |
| *June* | |
| Chile | Cover increased |
| South Korea | Premium increased |
| *July* | |
| Ghana | Review not complete |
| Malaysia | Review not complete |

### Structural Funds

**Mr. Cox:** To ask the President of the Board of Trade if he will list the moneys that have been made available to each of the regions of the United Kingdom from each of the European Union's structural funds in each of the last three years. [49482]

**Mrs. Roche:** Structural Funds allocations under Objectives 1, 2 and 5b (excluding the Community Initiatives) are given in the table. Allocations for the Community Initiatives (which represent approximately 9 per cent of the UK's overall Objectives 1, 2 and 5b allocations) and under Objectives 3, 4 and 5a have not been given, since not all of these are regionally allocated. The decline in allocations under Objective 2 between 1996 and 1997 will be fully offset by higher allocations in 1998 and 1999.

*UK SPD Allocations: 1995–97million ecu, 1998 prices*

| | *1995* | *1996* | *1997* |
|---|---|---|---|
| *Objective 1* | | | |
| Merseyside | | | |
| ERDF | 75 | 80 | 86 |
| ESF | 53 | 57 | 61 |
| EAGGF | 0 | 1 | 1 |
| Total | 129 | 138 | 148 |
| Highlands and Islands | | | |
| ERDF | 29 | 30 | 33 |
| ESF | 9 | 10 | 10 |
| EAGGF | 8 | 9 | 10 |
| FIFG | 4 | 4 | 3 |
| Total | 50 | 53 | 56 |
| Northern Ireland | | | |
| ERDF | 109 | 117 | 126 |
| ESF | 53 | 58 | 62 |
| EAGGF | 29 | 32 | 33 |
| FIFG | 2 | 2 | 3 |
| Total | 194 | 209 | 223 |
| *Total UK Objective 1* | | | |
| ERDR | 213 | 227 | 245 |
| ESF | 116 | 125 | 133 |
| EAGGF | 38 | 41 | 43 |
| FIFG | 6 | 6 | 6 |
| Total | 372 | 400 | 427 |

*UK SPD Allocations: 1995–97million ecu, 1998 prices*

| | 1995 | 1996 | 1997 |
|---|---|---|---|
| *Objective 2* | | | |
| North East England | | | |
| ERDF | 81 | 86 | 46 |
| ESF | 27 | 29 | 18 |
| Total | 109 | 115 | 65 |
| West Cumbria | | | |
| ERDF | 7 | 7 | 2 |
| ESF | 2 | 2 | 2 |
| Total | 9 | 9 | 4 |
| Yorkshire and Humberside | | | |
| ERDF | 83 | 86 | 94 |
| ESF | 28 | 29 | 28 |
| Total | 110 | 115 | 122 |
| East Midlands | | | |
| ERDF | 21 | 22 | 25 |
| ESF | 7 | 7 | 8 |
| Total | 28 | 29 | 33 |
| West Midlands | | | |
| ERDF | 98 | 104 | 68 |
| ESF | 33 | 35 | 27 |
| Total | 131 | 138 | 95 |
| North West | | | |
| ERDF | 81 | 86 | 30 |
| ESF | 35 | 37 | 29 |
| Total | 116 | 123 | 59 |
| East London and Lea Valley | | | |
| ERDF | 20 | 21 | 16 |
| ESF | 7 | 7 | 6 |
| Total | 26 | 28 | 22 |
| Thanet | | | |
| ERDF | 4 | 4 | 5 |
| ESF | 1 | 1 | 1 |
| Total | 5 | 5 | 6 |
| Plymouth | | | |
| ERDF | 8 | 9 | 9 |
| ESF | 2 | 2 | 2 |
| Total | 10 | 11 | 11 |
| Industrial South Wales | | | |
| ERDF | 50 | 53 | 35 |
| ESF | 17 | 18 | 15 |
| Total | 66 | 70 | 50 |
| Eastern Scotland | | | |
| ERDF | 34 | 36 | 38 |
| ESF | 9 | 9 | 9 |
| Total | 43 | 45 | 47 |
| Western Scotland | | | |
| ERDF | 79 | 83 | 50 |
| ESF | 22 | 24 | 20 |
| Total | 101 | 107 | 70 |
| *Total United Kingdom Objective 2* | | | |
| ERDF | 565 | 597 | 417 |
| ESF | 188 | 199 | 166 |
| Total | 753 | 796 | 584 |
| *Objective 5b* | | | |
| South West England | | | |
| ERDF | 24 | 28 | 28 |
| ESF | 5 | 6 | 6 |
| EAGGF | 7 | 8 | 8 |
| Total | 36 | 42 | 42 |
| The Marches | | | |
| ERDF | 4 | 4 | 4 |
| ESF | 1 | 2 | 2 |
| EAGGF | 1 | 1 | 1 |
| Total | 7 | 7 | 7 |
| Midlands Uplands | | | |
| ERDF | 1 | 2 | 2 |
| ESF | 0 | 0 | 0 |
| EAGGF | 0 | 0 | 0 |
| Total | 2 | 2 | 2 |
| Northern Uplands | | | |
| ERDF | 11 | 12 | 12 |
| ESF | 4 | 3 | 5 |
| EAGGF | 3 | 5 | 3 |

*UK SPD Allocations: 1995–97million ecu, 1998 prices*

| | 1995 | 1996 | 1997 |
|---|---|---|---|
| Total | 18 | 21 | 21 |
| Lincolnshire | | | |
| ERDF | 6 | 7 | 7 |
| ESF | 1 | 2 | 2 |
| EAGGF | 2 | 2 | 2 |
| Total | 9 | 10 | 10 |
| East Anglia | | | |
| ERDF | 7 | 8 | 8 |
| ESF | 1 | 1 | 2 |
| EAGGF | 2 | 2 | 2 |
| Total | 10 | 11 | 12 |
| Rural Wales | | | |
| ERDF | 19 | 22 | 22 |
| ESF | 6 | 6 | 6 |
| EAGGF | 6 | 7 | 7 |
| Total | 30 | 35 | 35 |
| Borders of Scotland | | | |
| ERDF | 3 | 4 | 4 |
| ESF | 1 | 1 | 1 |
| EAGGF | 1 | 1 | 1 |
| Total | 5 | 6 | 6 |
| Dumfries and Galloway | | | |
| ERDF | 6 | 7 | 7 |
| ESF | 1 | 1 | 1 |
| EAGGF | 1 | 1 | 1 |
| Total | 8 | 9 | 9 |
| Central Scotland/Tayside | | | |
| ERDF | 3 | 3 | 3 |
| ESF | 1 | 1 | 1 |
| EAGGF | 1 | 1 | 1 |
| Total | 4 | 5 | 5 |
| Grampian | | | |
| ERDF | 5 | 5 | 6 |
| ESF | 1 | 1 | 1 |
| EAGGF | 1 | 1 | 1 |
| Total | 7 | 8 | 8 |
| *Total United Kingdom Objective 5b* | | | |
| ERDF | 88 | 102 | 103 |
| ESF | 24 | 25 | 28 |
| EAGGF | 23 | 29 | 27 |
| Total | 136 | 156 | 157 |

## Lobbyists

**Mr. Redwood:** To ask the President of the Board of Trade on what occasions *(a)* Ministers and *(b)* special advisers in her Department have met representatives of (i) GPC Market Access, (ii) Lawson Lucas Mendelsohn and (iii) GJW Government Relations since 1 May 1997; who their representatives were; and what were the topics of discussions. [49659]

**Mrs. Beckett** *[holding answer 9 July 1998]:* Ministers, their Special Advisers and other civil servants meet many people in the course of their work. This properly includes meetings with interest groups outside Government; indeed, one of the specific functions of Special Advisers is to liaise with such interest groups. This liaison is intended to help Ministers draw upon outside contributions—from academics, think-tanks, trade and industry associations, trade unions, lobby groups and others, as well as relevant experience from other countries—during the process of policy analysis and development. By convention it is not the practice of governments to make information on such meetings or their content publicly available—a principle reflected in the Code of Practice on Access to Government

Information published in January 1997. Special Advisers and other civil servants must observe the requirements of propriety: for instance, they must not provide confidential information without authorisation or allow improper influence on policy. Any breach of these requirements could be a disciplinary offence.

**Mr. Gordon Prentice:** To ask the President of the Board of Trade if she will list those individuals who are not hon. Members or civil servants currently serving on review bodies and task forces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49773]

**Mrs. Beckett:** I refer my hon. Friend to the reply given today, *Official Report*, columns *641-42*, by my right hon. Friend the Prime Minister.

### Hawk Jet Contract (Indonesia)

**Mr. Redwood:** To ask the President of the Board of Trade what assessment she has made of the likelihood of full payments being made by the customer for Hawk jets supplied to Indonesia. [49195]

**Mrs. Beckett** *[holding answer 6 July 1998]:* No specific assessment has been made in relation to the Hawk contracts. It is not usual practice to re-assess risk on individual contracts once the ECGD guarantee has been issued. Payments under the loans guaranteed by ECGD are up to date.

### Millennium Compliance

**Mr. Gale:** To ask the President of the Board of Trade if she will make a statement on the cost of the audit for millennium compliance purposes of the computer systems used in container ships, and at container ports and freight depots. [49449]

**Ms Glenda Jackson** *[holding answer 7 July 1998]:* I have been asked to reply.

The Department of the Environment, Transport and the Regions is very concerned about the issue of millennium compliance and has brought it to the attention of the UK shipping and ports industries through their respective trade associations.

I am aware that the Chamber of Shipping has issued advice to its members, and that the Maritime and Coastguard Agency (MCA) has also published guidance on the need to identify and test critical equipment and systems. Operators are also being advised to develop operational arrangements to mitigate the effect of any system failure.

Of course, any audit of computer systems for millennium compliance purposes would be a matter for individual companies. We therefore do not have any information on the likely costs of such an exercise.

## DEFENCE

### Nerve Agent Pre-treatment Sets

**Mr. Burstow:** To ask the Secretary of State for Defence, pursuant to his answer of 16 June 1998, *Official Report*, columns *164–65*, on nerve agent pre-treatment sets, how many of the tablets manufactured by Roche Products Ltd were used during Operation Granby. [48332]

**Dr. Reid:** The Ministry of Defence has no information on the quantity, if any, of Nerve Agent Pre-treatment Set (NAPS) tablets manufactured by Roche Products Ltd. which were used by UK forces during the 1990–91 Gulf conflict. However, as my written answer of 16 June 1998, *Official Report*, columns *164–65*, explained, MOD let a contract to Duphar BV in July 1988 to replace MOD's holding of Roche tablets; the Duphar tablets were delivered to MOD in February 1989 and distributed to units by August 1989. We therefore believe that the NAPS tablets used during the Gulf conflict were drawn principally, possibly exclusively, from stocks of the Duphar tablets.

**Mr. Burstow:** To ask the Secretary of State for Defence, pursuant to his answer of 16 June 1998, *Official Report*, columns *164–65*, on nerve agent pre-treatment sets, if samples of the tablets manufactured by *(a)* Roche Products Ltd. and *(b)* Duphar BV, were tested again to determine suitability for use between 1990 and 1995. [48331]

**Dr. Reid:** Samples from the batch of Nerve Agent Pre-treatment Sets (NAPS) tablets manufactured by Duphar BV in January 1989 were analysed at the Chemical and Biological Defence Establishment (CBDE) (now known as the Chemical and Biological Defence (CBD) Sector of the Defence Evaluation and Research Agency) at Porton Down in September 1994 and October 1995. In addition, samples from the batch of tablets produced by Duphar BV in February 1991 were tested by CBDE in December 1992. All of these tests found the tablets' mean Pyridostigmine Bromide content to be within the limits set by the United States and British Pharmacopoeiae (USP and BP).

Other than the tests conducted by CBD (then the Chemical Defence Establishment (CDE)) in October 1990, to which I referred in my written answer of 16 June 1998, *Official Report*, columns *164–65*, the Ministry of Defence is not aware of any other occasion on which the tablets produced by Roche in 1982 and 1983 were tested.

### Gulf War Syndrome

**Mr. Hancock:** To ask the Secretary of State for Defence, pursuant to his answer of 29 June 1998, *Official Report*, columns *7–8*, (1) how many staff are currently signed off work for sickness at Porton Down; how many have been signed off for more than a month; and how these figures compare to the average for the last 15 years; [49142]

(2) what health monitoring of staff has taken place at Porton Down in the last 15 years; and what are the results of the monitoring; [49138]

(3) how many staff have left employment at Porton Down for health reasons in the last 15 years; [49140]

(4) how many staff at Porton Down have received inoculations and vaccinations as part of their normal safety regime in the last 15 years; what were the inoculations and vaccinations; and for what specific purpose; [49141]

(5) how many people have retired on health grounds from employment at Porton Down in the last 15 years; [49139]

(6) how many people have been employed at Porton Down in each of the last 15 years; and of these how many were employed on work which required such vaccination. [49143]

**Mr. Spellar:** These are matters for the Chief Executive of the Defence Evaluation and Research Agency. I have asked the Chief Executive to write to the hon. Member.

*Letter from John Chisholm to Mr. Michael Hancock, dated 10 July 1998:*

I have been asked by the Secretary of State for Defence to reply to your questions about the health monitoring and vaccination programmes of staff employed in the Chemical and Biological Defence (CBD) Sector of the Defence Evaluation and Research Agency (DERA) based at Porton Down. The following paragraphs address the areas raised in your six questions.

CBD has an occupational health service on site which routinely monitors the health of its staff. The results of such monitoring are "Restricted—Medical in Confidence".

A proportion of staff, because of the nature of their research work, receive inoculations and vaccinations in accordance with the guidelines recommended by the Advisory Committee for Dangerous Pathogens. Members of staff at CBD only receive such vaccinations if they are working or are intending to work with a pathogenic organism, or to meet recommendations/requirements for overseas travel in connection with their work.

Last year, 130 members of staff received such vaccinations. The research at CBD includes the development of protective measures for the UK Armed Forces against potential biological warfare agents, and I will not disclose full details of the vaccinations under Exemption 1 of the Code of Practice on Access to Government Information. However, I can confirm that these vaccinations include those against plague and anthrax. Details of the numbers of staff who have received vaccinations and the numbers employed on work which has required vaccinations in each of the last fifteen years could only be obtained by examining the individual medical records of all members of staff for that period and would involve disproportionate effort.

Members of the occupational health team are vaccinated in accordance with Department of Health guidelines.

You also asked about staff on sick leave and those who have retired or left for health reasons. There are currently some 600 staff in CBD Sector at Porton Down. On Monday 29 June 1998 eleven staff were on sick leave and, of those, six have been "signed off" for more than one month. Records show that twenty seven members of staff have retired from or left employment at CBD on health grounds over the last ten years. The format of our records is such that I am unable to readily provide the information as requested.

I hope that this information is helpful.

### Bilderberg Meeting, Turnberry

**Mr. Gill:** To ask the Secretary of State for Defence what mode of transport he used to attend the recent Bilderberg meeting at Turnberry; and what was the cost to public funds. [46988]

**Mr. George Robertson:** I flew to Scotland on Friday 14 May in an aircraft of the RAF Communications Fleet, accompanied by the Secretary General of NATO, Snr. Solana. I left the following day in an Army helicopter for a further official engagement. The estimated value of the use of Departmental assets for these flights is £3,840.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for Defence if he will list those individuals who are not hon. Members or civil servants currently serving on review bodies and taskforces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49774]

**Mr. Spellar:** I refer my hon. Friend to the reply given to him by my right hon. Friend the Prime Minister today, *Official Report*, columns *641-42*.

## CULTURE, MEDIA AND SPORT

### One-estate Election

**Mr. Swayne:** To ask the Secretary of State for Culture, Media and Sport what measures he will implement to safeguard the interests of those who maintain historic houses open to the public against the effect of the withdrawal of one-estate election. [47225]

**Mr. Banks:** My right hon. Friend the Secretary of State has no plans to introduce any specific measures in respect of those privately owned historic houses that may be subject to the withdrawal of One-Estate Election (OEE) in April 2001. Treasury Ministers are aware of the concerns about the repeal of OEE. Such matters of taxation policy are for Treasury Ministers.

**Mr. Swayne:** To ask the Secretary of State for Culture, Media and Sport what discussions he has had with the Paymaster General concerning the ending of one-estate election; and if he will make a statement. [47202]

**Mr. Banks:** My right hon. Friend the Secretary of State has exchanged views on One-Estate Election with the Paymaster General and the Financial Secretary to the Treasury.

### Lobbyists

**Mr. Peter Ainsworth:** To ask the Secretary of State for Culture, Media and Sport when (i) he, (ii) his Ministers and (iii) his special advisers have met representatives of *(a)* GPC Market Access, *(b)* Lawson Lucas Mendelsohn and *(c)* GJW Government Relations since 1 May 1997; who these representatives were; and what was discussed at these meetings. [49661]

**Mr. Chris Smith** *[holding answer 9 July 1998]:* Ministers, the Special Advisers and other civil servants meet many people in the course of their work. This properly includes meetings with interest groups outside Government; indeed, one of the specific functions of Special Advisers is to liaise with such interest groups. This liaison is intended to help Ministers draw upon outside contributions—from academics, think-tanks, trade and industry associations, trade unions, lobby groups and others, as well as relevant experience from other countries—during the process of policy analysis and development. By convention it is not the practice of governments to make information on such meetings or their content publicly available—a principle reflected in the Code of Practice on Access to Government Information published in January 1997. Special Advisers and other civil servants must observe the requirements of

propriety: for instance, they must not provide confidential information without authorisation or allow improper influence on policy. Any breach of these requirements could be a disciplinary offence.

**Mr. Gordon Prentice:** To ask the Secretary of State for Culture, Media and Sport if he will list those individuals who are not hon. Members or civil servants currently serving on review bodies and taskforces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49778]

**Mr. Chris Smith:** I refer my hon. Friend to the reply given today, *Official Report*, columns *641-42*, by my right hon. Friend the Prime Minister.

### UK Sports Institute

**Mr. Spring:** To ask the Secretary of State for Culture, Media and Sport what plans have been developed to date for the provision of services for disabled sportsmen and women within the UK Sports Institute; and what representations he has received from disability organisations on the UK Sports Institute. [49207]

**Mr. Banks** *[holding answer 8 July 1998]:* The UK Sports Institute will provide first class facilities for a range of Olympic and other non-commercial sports for our best disabled sportsmen and women, alongside those for the able bodies.

A briefing meeting was recently held with the British Paralympic Association (BPA) to discuss their requirements for facilities and services at the Institute. The BPA Technical Director, and a seconded UK Sports Council project officer for disability sport, are members of the technical services team with responsibility for taking these issues forward.

### Lyric Theatre

**Mr. Peter Ainsworth:** To ask the Secretary of State for Culture, Media and Sport (1) what support was provided to Sir Richard Eyre by his Department for the preparation of his report on lyric theatre in London; [49528]

(2) how many officials from his Department worked on Sir Richard Eyre's report on lyric theatre in London; and what assistance they gave. [49529]

**Mr. Chris Smith** *[holding answer 9 July 1998]:* Sir Richard Eyre and his working group were provided with secretariat support by three officials from my Department. In addition, one official and my special adviser were members of the working group. My Department also made arrangements for the report to be published and launched. The contents of the report were entirely Sir Richard's.

### Wembley Stadium

**Mr. Gardiner:** To ask the Secretary of State for Culture, Media and Sport what discussions have taken place between representatives of the Sports Council and the British Athletics Federation about the need for an athletics track as part of the new English National Stadium at Wembley. [49801]

**Mr. Banks:** The British Athletics Federation were fully involved in the selection process for the National Stadium and in defining the requirements for the project. Further discussions with the athletics governing body will take place as the design brief is prepared to discuss proposals for athletics facilities.

**Mr. Gardiner:** To ask the Secretary of State for Culture, Media and Sport, pursuant to the Adjournment debate of 29 June 1998, *Official Report*, columns 126–30, on Wembley Stadium, when he plans to respond to the questions raised by the hon. Members for Brent, North and Bradford, South (Mr. Sutcliffe). [49800]

**Mr. Banks:** I am pleased to confirm that I wrote to my hon. Friends the Members for Brent, North and for Bradford, South on 9 July.

Copies of my replies have been placed in the Libraries of the House.

### Sporting Achievement

**Mr. Blizzard:** To ask the Secretary of State for Culture, Media and Sport what support he will give to outstanding sportsmen and sportswomen from the Eastern Region. [49634]

**Mr. Banks** *[holding answer 9 July 1998]:* My right hon. Friend the Secretary of State announced on 16 December 1997, *Official Report*, column *77*, that Sheffield was the successful consortium chosen to run and manage the United Kingdom Sports Institute Headquarters. Alongside the HQ there will be a regional network which will provide first class facilities for a range of Olympic and other non-commercial sports for our very best sportsmen and women.

The Home Country Sports Councils have been tasked by Ministers to identify prospective regional centres. The English Sports Council (ESC) have looked very carefully at the siting of the Centres in England and have taken into account many factors including existing facilities, population and transport. They are aware that there are a couple of areas where the location of the Regional Centre is not so obvious or easy; however, that does not mean that the question of a Centre in that area is to be shelved. The ESC have therefore concentrated on finding a solution so that all our elite athletes, wherever they live, will have access to the best training and support services.

I have received the ESC's recommendations, but they will need careful consideration and discussion before any decision and announcement are made.

## HOME DEPARTMENT

### Asylum and Immigration Appeals

**Mr. Heppell:** To ask the Secretary of State for the Home Department if he will publish the results of the review of asylum and immigration appeals. [50528]

**Mr. Straw:** I will publish a consultation paper on the review of asylum and immigration appeals at 10.00 am on Monday 13 July. A copy of the consultation paper will be placed in the Library.

### Police (Entry and Seizure Powers)

**Mr. Timms:** To ask the Secretary of State for the Home Department what guidance he has given to the Metropolitan Police Commissioner on the exercise in London of the powers available under Section 61 of the Criminal Justice and Public Order Act 1994. [49495]

**Mr. Michael:** The decision whether or not to use the powers available under section 61 is an operational one for the Commissioner.

No guidance has been given specifically to the Commissioner. However, Home Office Circular 45/1994, was issued to all Chief Officers. This draws their attention to an undertaking made, by the then Government, during the passage of the Bill through Parliament:

"The decision whether or not to issue a direction to leave is an operational one for the police alone to take in the light of all the circumstances of the particular case. But in making his decision, the senior officer at the scene may wish to take account of the personal circumstances of the trespassers; for example, the presence of elderly persons, invalids, pregnant women, children and other persons whose well-being may be jeopardised by a precipitate move".

The Metropolitan Police issued guidance to their officers in a written notice on 11 August 1995 which contains the following points:

"The powers under section 61 are discretionary.

The type of land. It may be more appropriate to use the powers where trespassers "invade" a person's front garden than if they are camping on derelict land.

The length of time that the trespassers have been on the land. It will be much less appropriate to use the powers if the trespassers have been on the land for several weeks than if they have just arrived.

Policing problems which arise from the presence of the trespassers on the land, namely public disorder, crime or obstruction of the highway (bearing in mind that the offence does not relate to the highway). Good policing reasons for moving the trespassers may well be valid.

It should be borne in mind that the use of the power under the Act may have the effect only of moving the problem to a different site. Indeed it could make matters worse.

The police should not usurp the functions of the civil course. The use of the powers under section 61 are not appropriate where there may be a genuine dispute as to the right to the possession of the land. In such a case, the matter should be left to the civil courts to determine in the normal way.

The officers should certainly consider the effect of a direction to leave land. If the trespassers comply with the direction, the use of it may well be successful. However, if they do not comply the officer should consider what steps it is proposed to take.

It may not be practical to arrest all the trespassers, there may well be children or animals involved. Arresting adults may mean that provision will have to be made for the care of children or animals. Furthermore, arresting large numbers could lead to major disorder with the resulting problems that that would cause.

If it is decided to arrest some or a large number of the trespassers, consideration should be given as to what will happen to vehicles and other property. It must be remembered that some of these vehicles will be used as homes by the trespassers.

Even though section 62 provides a power to remove the vehicles they have to be put somewhere. It would seem undesirable that police stations yards or car pounds should be turned into encampments for travellers or gipsies".

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for the Home Department if he will list those individuals who are not hon. Members or civil servants currently serving on review bodies and taskforces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49770]

**Mr. Straw:** I refer my hon. Friend to the reply given to him today, *Official Report*, columns *641–42*, by my right hon. Friend the Prime Minister.

## AGRICULTURE, FISHERIES AND FOOD

### Lobbyists

**Mr. Gordon Prentice:** To ask the Minister of Agriculture, Fisheries and Food if he will list those individuals who are not hon. Members or civil servants currently serving on review bodies and task forces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49783]

**Mr. Rooker:** I refer my hon. Friend to the reply given to him today, *Official Report*, columns *641-42*, by my right hon. Friend the Prime Minister.

**Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food what meetings or other contacts (i) he, (ii) his Ministers and (iii) his special advisers and officials have had with representatives of *(a)* GPC Market Access, *(b)* Lawson Lucas Mendelsohn and *(c)* GJW Government Relations since 1 May 1997; and what were the dates of such meetings or contacts, the names of the people involved and the subject matter of such exchanges. [49735]

**Dr. John Cunningham** *[holding answer 9 July 1998]:* Ministers, their Special Advisers and other civil servants meet many people in the course of their work. This properly includes meetings with interest groups outside Government; indeed, one of the specific functions of Special Advisers is to liaise with such interest groups. This liaison is intended to help Ministers draw upon outside contributions—from academics, think-tanks, trade and industry associations, trade unions, lobby groups and others, as well as relevant experience from other countries—during the process of policy analysis and development. By convention it is not the practice of governments to make information on such meetings or their content publicly available—a principle reflected in the Code of Practice on Access to Government Information published in January 1997. Special advisers and other civil servants must observe the requirements of propriety: for instance, they must not provide confidential information without authorisation or allow improper influence on policy. Any breach of these requirements could be a disciplinary offence.

### Genetically Modified Crops

**Mr. Flynn:** To ask the Minister of Agriculture, Fisheries and Food what proposals he has to reduce the chances of cross-pollination between genetically modified crops and organic crops. [49434]

**Mr. Rooker** *[holding answer 8 July 1998]:* There are no specific requirements under the current legislation controlling the release of genetically modified organisms to consider organic farming when field testing genetically modified crops. However, where needed, release consents have specific measures attached that are designed to limit the cross-pollination of neighbouring crops whether they are organic or not.

I am aware of the concerns raised by organic farmers in connection with the planting of GM crops and I have asked my officials to explore with DETR, the farming community and organic standards representatives how these can be addressed.

## NORTHERN IRELAND

### Lobbyists

**Mr. MacKay:** To ask the Secretary of State for Northern Ireland when (i) she, (ii) her Ministers and (iii) her special advisers met representatives of *(a)* GPC Market Access, *(b)* Lawson Lucas Mendelsohn and *(c)* GJW Government Relations since 1 May 1997; who these representatives were; and what was discussed at these meetings. [49662]

**Marjorie Mowlam** *[holding answer 9 July 1998]:* Ministers, their Special Advisers and other civil servants meet many people in the course of their work. This properly includes meetings with interest groups outside Government; indeed; one of the specific functions of Special Advisers is to liaise with such interest groups. This liaison is intended to help Ministers draw upon outside contributions—from academics, think-tanks, trade and industry associations, trade unions, lobby groups and others, as well as relevant experience from other countries—during the process of policy analysis and development. By convention it is not the practice of governments to make information on such meetings or their content publicly available—a principle reflected in the Code of Practice on Access to Government Information published in January 1997. Special Advisers and other civil servants must observe the requirements of propriety: for instance, they must not provide confidential information without authorisation or allow improper influence on policy. Any breach of these requirements could be a disciplinary offence.

**Mr. Gordon Prentice:** To ask the Secretary of State for Northern Ireland if she will list those individuals who are not hon. Members or civil servants currently serving on review bodies and task forces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49776]

**Marjorie Mowlam:** I refer my hon. Friend to the reply given to him today, *Official Report*, columns *641–42*, by my right hon. Friend the Prime Minister.

### "Partnership for Equality"

**Mr. Salter:** To ask the Secretary of State for Northern Ireland if she has come to a decision on any of the proposals in the White Paper "Partnership for Equality" on which views were invited. [50527]

**Mr. Worthington:** When the White Paper was published, written comments were invited by 12 June on issues where the Government had not yet made a final decision, or where there were detailed matters to be decided, consequent on a decision in principle. The Government have given urgent consideration to two of these issues—a proposal to create a statutory obligation on the public sector to promote equality of opportunity and the proposal to create a unified Equality Commission. In response to comments received on the proposed statutory equality obligation, it is proposed to set out the requirements on public bodies in more detail in forthcoming legislation, particularly in terms of consultation with outside bodies and the provision of information. The Government have also considered carefully the concerns expressed by a number of respondents on the proposal to bring together the existing statutory equality bodies in a unified Commission. They have decided to proceed with this proposal, while taking steps to ensure that the ethos of the current bodies and the advances which they have made are protected within the new framework, and that all dimensions of equality are given due attention in the new Commission's work. Discussions will take place with the existing statutory equality bodies on the structures of a new Commission. A briefing document, giving further details of changes made to the original proposals, has been placed in the Parliamentary Libraries.

## INTERNATIONAL DEVELOPMENT

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for International Development if she will list those individuals who are not hon. Members or civil servants currently serving on review bodies and task forces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49767]

**Clare Short:** I refer my hon. Friend to the answer given to him today, *Official Report*, columns *641–42*, by my right hon. Friend the Prime Minister.

**Mr. Streeter:** To ask the Secretary of State for International Development on what dates (i) she,(ii) her Ministers and (iii) her special advisers have met representatives of *(a)* GPC Market Access, *(b)* Lawson Lucas Mendelsohn and *(c)* GJW Government Relations since 1 May 1997; who these representatives were; and what was discussed at these meetings. [49569]

**Clare Short:** Ministers, their Special Advisers and other civil servants meet many people in the course of their work. This properly includes meetings with interest groups outside Government; indeed, one of the specific functions of Special Advisers is to liaise with such interest groups. This liaison is intended to help Ministers draw upon outside contributions—from academics, think-tanks, trade and industry associations, trade unions, lobby groups and others, as well as relevant experience from other countries—during the process of policy analysis and development. By convention it is not the practice of governments to make information on such meetings or their content publicly available—a principle reflected in

the Code of Practice on Access to Government Information published in January 1997. Special advisers and other civil servants must observe the requirements of propriety: for instance, they must not provide confidential information without authorisation or allow improper influence on policy. Any breach of these requirements could be a disciplinary offence.

## SCOTLAND

### Gender Impact Assessments

**Jackie Ballard:** To ask the Secretary of State for Scotland, pursuant to the answer of 24 June 1998, *Official Report*, columns *557–58*, prior to 18 May, what mechanisms were used to determine how legislation passed in the current session would affect women; what consultation he had with women's organisations; and if he will make a statement. [49082]

**Mr. McLeish:** Guidance on policy appraisal for equal treatment has been available since 1992. Guidelines were last issued to Scottish Office staff in January 1997. The implementation of the guidelines is monitored by Departmental Management Boards.

The Scottish Office is making full use of consultation and research projects to identify the impact of policies on women. In October 1997 I published a consultation document entitled "Reaching Women in Scotland" which I followed up with a conference on 24 April 1998 to which all responding organisations were invited. The outcome of the consultation is the establishment of the Women in Scotland Consultative Forum which will meet with me at least twice a year. The first meeting will take place on 20 November.

I have also spoken individually to a number of women's organisations and groups and intend to continue to do so.

The Scottish Office appointed a Women's Issues Research Consultant in April 1998. Her remit is to prepare a database of women's organisations and to advise on the best ways of keeping women informed and enabling them to express their views about the development of policy in Scotland. She will also advise on policy priorities and identify opportunities for further research.

### Lobbyists

**Mr. Letwin:** To ask the Secretary of State for Scotland what meetings (i) he and (ii) his Ministers have held since 1 May 1997 with representatives of *(a)* GPC Market Access, *(b)* Lawson Lucas Mendelsohn and *(c)* GJW Government Relations; and if he will make a statement. [49700]

**Mr. Dewar** *[holding answer 9 July 1998]:* Ministers, their Special Advisers and other civil servants meet many people in the course of their work. This properly includes meetings with interest groups outside Government; indeed, one of the specific functions of Special Advisers is to liaise with such interest groups. This liaison is intended to help Ministers draw upon outside contributions—from academics, think-tanks, trade and industry associations, trade unions, lobby groups and others, as well as relevant experience from other countries—during the process of policy analysis and development. By convention it is not the practice of governments to make information on such meeting or their content publicly available—a principle reflected in the Code of Practice on Access to Government Information published in January 1997. Special Advisers and other civil servants must observe the requirements of propriety: for instance, they must not provide confidential information without authorisation or allow improper influence on policy. Any breach of these requirements could be a disciplinary offence.

**Mr. Gordon Prentice:** To ask the Secretary of State for Scotland if he will list those individuals who are not hon. Members or civil servants currently serving on review bodies and task forces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49779]

**Mr. Dewar:** I refer my hon. Friend to the answer given today, *Official Report*, columns *641–42*, by my right hon. Friend the Prime Minister.

### Inward Investment

**Mr. Evans:** To ask the Secretary of State for Scotland how many new jobs he estimates were created by inward investment into Scotland in 1997–98. [49791]

**Mr. Wilson:** Many of the inward investment projects attracted to Scotland in 1997–98 will be implemented over a period of years and the creation of the new jobs associated with them will be phased accordingly. Figures published in the Locate in Scotland Annual Review for 1997–98 show that during that year Locate in Scotland and The Scottish Office helped to attract to Scotland 87 inward investment projects which, if fully implemented, will lead to the creation of 14,524 new jobs and the safeguarding of 3,423 existing jobs. Additionally, we are aware of a further 18 projects involving the planned creation of 850 jobs but in which neither Locate in Scotland nor The Scottish Office had any direct involvement.

The figures are based on the employment forecasts made by companies at the time of the decision to invest. Some projects may subsequently be reduced in scale as a result of changes in the commercial environment. Equally, however, some projects may lead to more investment and more jobs than originally anticipated; and the figures take no account of the substantial number of new jobs created indirectly in supplier companies. Experience over a number of years indicates that, on average, around two-thirds of planned direct jobs are created.

## TREASURY

### Lobbyists

**Mr. Gordon Prentice:** To ask the Chancellor of the Exchequer if he will list those individuals who are not hon. Members or civil servants currently serving on review bodies and taskforces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49777]

**Mrs. Liddell:** I refer to the answer given to my hon. Friend today, *Official Report*, columns *641–42*, by my right hon. Friend the Prime Minister.

**Mr. Maude:** To ask the Chancellor of the Exchequer on what occasions *(a)* he, *(b)* his Ministers and *(c)* his special advisers have met representatives of (i) GPC Market Access, (ii) Lawson Lucas Mendelsohn or (iii) GJW Government Relations since 1 May 1997; who these representatives were; and what was discussed at the meetings. [49670]

**Mrs. Liddell** *[holding answer 9 July 1998]:* Ministers, their Special Advisers and other civil servants meet many people in the course of their work. This properly includes meetings with interest groups outside Government; indeed, one of the specific functions of Special Advisers is to liaise with such interest groups. This liaison is intended to help Ministers draw upon outside contributions—from academics, think-tanks, trade and industry associations, trade unions, lobby groups and others, as well as relevant experience from other countries—during the process of policy analysis and development. By convention it is not the practice of governments to make information on such meetings or their content publicly available—a principle reflected in the Code of Practice on Access to Government Information published in January 1997. Special advisers and other civil servants must observe the requirements of propriety: for instance, they must not provide confidential information without authorisation or allow improper influence on policy. Any breach of these requirements could be a disciplinary offence.

### Inflation

**Mr. Mitchell:** To ask the Chancellor of the Exchequer what assessment he has made of the effect of the current sterling exchange rate on inflation in the United Kingdom. [49615]

**Mrs. Liddell:** The Chancellor of the Exchequer agrees with comments made by the Monetary Policy Committee in its May Inflation Report that

"the lagged effect of sterling's rise on import prices is exerting downward pressure on UK inflation".

### Interest Rates

**Mr. Mitchell:** To ask the Chancellor of the Exchequer what estimate he has made of the effect of the increase in short-term interest rates since May 1997 on *(a)* the RPI, *(b)* wages and salary negotiations and *(c)* house prices. [49626]

**Mrs. Liddell:** Increases in short-term interest rates since May 1997 will return underlying retail price inflation towards target. Rising interest rates will temporarily boost headline RPI inflation because the headline measure includes mortgage interest payments, but this effect unwinds after a year.

### Gender Impact Assessments

**Jackie Ballard:** To ask the Chancellor of the Exchequer, pursuant to the answer of 24 June 1998, *Official Report*, columns *557–58*, prior to 18 May, what mechanisms were used to determine how legislation passed in the current session would affect women; what consultation he had with women's organisations; and if he will make a statement. [49095]

**Mrs. Liddell:** Guidance on policy appraisal for equal treatment has been available since 1992. Application of the guidance has been the responsibility of individual Departments.

Within the Treasury use has been made of consultation and micro-simulation modelling in order to identify the impact of policy upon women. Officials had a number of meetings with members of the Women's Budget Group in the run-up to the March 1998 Budget.

## SOCIAL SECURITY

### Millennium Compliance

**Mr. David Atkinson:** To ask the Secretary of State for Social Security what contingency plans her Department is making in the event of the failure of computer systems to recognise the year 2000; when she expects them to be in place, and tested; and if she will make a statement. [48838]

**Mr. Keith Bradley:** All compliance activity on Departmental systems has been phased to ensure that they are dealt with in priority order relative to their importance to the Department's business.

The major systems (which are key to the payment of benefits and pensions) are designed to hold dates in a format unaffected by the turn of the century. The Department is on target against its published plans to achieve year 2000 compliance of these systems, and expects all will be confirmed as compliant before the end of 1998. The first part of our contingency is that this allows for a full year's running before 2000.

The Department expects to complete the programme of work to upgrade or replace business critical desktop computer systems by the end of March 1999. This target allows adequate contingency before the dates these systems might otherwise fail.

We have a range of plans to support the continuity of Social Security operations and are working closely with the Central IT Unit, other departments and Action 2000 to identify and if necessary deal with specific Year 2000 related threats. It is anticipated that all work on business continuity will be complete by March 1999. However, even beyond this date, we will continue to assess the potential impact of residual risks arising from external factors, over which we have no direct control e.g. electricity supply: for Year 2000 we will continue to update plans and if necessary to take action as more and better intelligence becomes available.

### Elderly People

**Mr. Nigel Jones:** To ask the Secretary of State for Social Security what percentage of retired households in Gloucestershire, by district, rely on social security for 50 per cent. or more of their income. [49256]

**Mr. Denham:** The information requested is not available as neither the Family Expenditure Survey nor the Family Resources Survey provides specific information for the geographical area requested.

### Lobbyists

**Mr. Duncan Smith:** To ask the Secretary of State for Social Security on what occasions *(a)* she, *(b)* her Ministers and *(c)* her Department's special advisers have met representatives of (i) GPC Market Access, (ii) Lawson Lucas Mendelsohn and (iii) GJW Government Relations since 1 May 1997; who these representatives were; and what was discussed. [49674]

**Mr. Field** *[holding answer 9 July 1998]:* Ministers, their Special Advisers and other civil servants meet many people in the course of their work. This properly includes meetings with interest groups outside Government; indeed, one of the specific functions of the Special Advisers is to liaise with such interest groups. This liaison is intended to help Ministers draw upon outside contributions—from academics, think-tanks, trade and industry associations, trade unions, lobby groups and others, as well as relevant experience from other countries—during the process of policy analysis and development. By convention it is not the practice of governments to make information on such meetings or their content publicly available—a principle reflected in the Code of Practice on Access to Government Information published in January 1997. Special Advisers and other civil servants must observe the requirements of propriety: for instance, they must not provide confidential information without authorisation or allow improper influence on policy. Any breach of these requirements could be a disciplinary offence.

**Mr. Gordon Prentice:** To ask the Secretary of State for Social Security if she will list those individuals who are not hon. Members or civil servants currently serving on review bodies and task forces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49765]

**Mr. Denham:** I refer my hon. Friend to the written answer from the Prime Minister today, *Official Report*, columns *641–42*.

### Correspondence

**Mr. Barry Jones:** To ask the Secretary of State for Social Security when she proposes to reply to the letter from the hon. Member for Alyn and Deeside of 10 April originally sent to the Chancellor of the Exchequer and transferred to her on 1 May. [49764]

**Mr. Steen:** To ask the Secretary of State for Social Security when she expects to reply to the letter of 9 June from the hon. Member for Totnes, providing further information about Malcolm Boyd of Thornhill, Ashburton, South Devon, with regard to his eligibility for jobseeker's allowance. [49799]

**Mr. Field:** A reply was sent to my hon. Friend and to the hon. Member on Thursday 9 July 1998.

### Ministerial Engagements

**Mrs. May:** To ask the Secretary of State for Social Security if she will list her engagements and those of the Under-Secretary of State for Women for 29 June. [50003]

**Ms Harman:** I was undertaking Departmental business in Richmond House.

My hon. Friend the Under-Secretary of State for Women had Departmental engagements in Bristol and Taunton all day.

### Departmental Environmental Policies

**Mr. Oaten:** To ask the Secretary of State for Social Security what measures she is taking to discourage car use on departmental business by his Department's employees. [50045]

**Mr. Denham:** Departmental instructions permit the use of cars only when all other forms of transport have been considered and they deliver the best value for money solution.

**Mr. Oaten:** To ask the Secretary of State for Social Security what is the current annual energy consumption of her Department; what targets have been set to reduce this level; and what plans she has to include energy efficiency performance figures in her Department's annual report. [50029]

**Mr. Denham:** The energy consumption for the Department in 1996–97 was 574 million kWh. Figures for 1997–98 will be finalised in September.

Following the PRIME initiative, which transferred the ownership of the Department's estate on 1 April 1998, all building related services are now provided to the Department by the private sector consortium PPM. These services include energy management.

PPM have appointed a National Utilities Efficiency Manager. They are working with the Department to devise initiatives, and to implement innovative techniques, to optimise energy consumption and are acting on our behalf to procure energy supplies cost effectively. PPM are expected to invest in spend to save projects and are currently re-tendering electricity contracts to maximise the opportunities available from the expanded and deregulated utilities market. Consumption targets are to be agreed with the Department and both sides will be incentivised to make savings by reducing energy usage. All energy consumption will be monitored and site specific monthly, quarterly and annual reports will help to identify trends and good practice.

The Social Security Departmental Report 1998–99, Cm 3913, includes a section on Environmental Issues, which details the Department's contribution to the programme to reduce government impact on the environment. The section includes the results of a six-month pilot to introduce an in-line fuel catalyst to the Department's fleet of 3,500 vehicles. The results showed improvements of more than 60 per cent. overall in toxic emissions and a 7 per cent. increase in miles per gallon due to the more efficient combustion.

We will consider including further details of energy efficiency initiatives and performance in future Reports.

### Disability Living Allowance

**Mr. Oaten:** To ask the Secretary of State for Social Security how many *(a)* disabled people and *(b)* people whose main disabling condition is deafness were awarded

disability living allowance (i) between 1 June 1996 and 31 May 1997 and (ii) since June 1997 (1) on their initial application, (2) at review and (3) at appeal. [49797]

**Mr. Denham:** The information is set out in the table.

*Awards of Disability Living Allowance*

| *Awards* | *1 June 1996 to 31 May 1997* | | *1 June 1997 to 31 May 1998* | |
|---|---|---|---|---|
| | *All disabilities* | *Deafness* | *All disabilities* | *Deafness* |
| On initial application | 234,000 | 1,700 | 198,400 | 2,300 |
| At review | 39,700 | 700 | 36,400 | 1,200 |
| At appeal | 13,800 | 600 | 13,200 | 1,000 |

*Notes:*
1. Numbers rounded to nearest hundred
2. Figures for deafness relate to cases where *this* is the main disabling condition

*Source:*
Analytical Services Division: 5 per cent. data

## HEALTH

### Avon Health Authority

**Mr. Webb:** To ask the Secretary of State for Health, pursuant to his oral answer of 30 June 1998, *Official Report*, column 139, if he will set out the conclusions of his officials' examination of Avon Health Authority's policy on beta interferon; and if he will make a statement on the action which follows from that examination. [49273]

**Mr. Milburn** *[holding answer 7 July 1998]:* Health authorities determine their priorities in the light of evidence about the clinical and cost-effectiveness of treatments, but there must be flexibility for them to consider individual exceptional cases on their merits. The Government want to see fairer access to quality services.

Avon Health Authority most recently considered the issue of beta interferon at its meeting on 30 April 1998. The authority decided, after reviewing relevant evidence, that it would not provide specific funding for the drug on the ground that there is insufficient evidence to support such a decision. Clinicians and trusts are however free to prescribe the drug within existing resources. The decision was widely publicised and the authority indicated its intention to review the position on receipt of further evidence.

Officials are following up the matter with Avon Health Authority to ensure that their most recent decision conforms with Government policy.

### Health Authorities (Legal Direction)

**Mr. Brady:** To ask the Secretary of State for Health, pursuant to his answer of 6 July 1998, *Official Report*, column *386*, if he will give the date prior to 1998 on which a Secretary of State for Health last issued a legal direction to a health authority to withdraw a public consultation document. [50044]

**Mr. Milburn:** The information requested is not held centrally.

### Salford and Trafford Health Authority

**Mr. Brady:** To ask the Secretary of State for Health (1) what representations he has received from Trafford CHC relating to his decision to direct the Salford and Trafford Health Authority to withdraw its consultation on children's services; [50007]

(2) what plans he has to provide additional funding to safeguard the future of the children's ward at Trafford General Hospital. [50006]

**Mr. Milburn:** Salford and Trafford Health Authority is already funding the children's services at Trafford General Hospital and will continue to do so. We have received no such representations from Trafford Community Health Council.

### Infertility Services

**Mr. Corbett:** To ask the Secretary of State for Health when he expects to issue guidelines on infertility services. [50071]

**Ms Jowell:** Clinical guidelines on infertility are currently being revised by the Royal College of Obstetricians and Gynaecologists. The first two sets of clinical guidelines, which deal with primary care and local specialist services, should be available in August. The final set, which deals with the most specialised tertiary-level infertility services, will be available in early 1999.

### Correspondence

**Mr. Barry Jones:** To ask the Secretary of State for Health when he proposes to reply to the letters from the hon. Member for Alyn and Deeside of 27 March and 22 May. [49763]

**Ms Jowell:** I regret there is no trace of these letters having been received in the Department. If my hon. Friend will arrange for copies to be sent to me I shall ensure they receive urgent attention.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for Health if he will list those individuals who are not hon. Members or civil servants currently serving on review bodies and taskforces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49766]

**Ms Jowell:** I refer my hon. Friend to the reply given by my right hon. Friend the Prime Minister today, *Official Report*, columns *641–42*.

**Miss Widdecombe:** To ask the Secretary of State for Health on what occasions *(a)* he, *(b)* his Ministers and *(c)* his special advisers have met representatives of (i) GPC Market Access, (ii) Lawson Lucas Mendelsohn and (iii) GJW Government Relations since 1 May 1997; who these representatives were; and what was discussed at these meetings. [49761]

**Ms Jowell:** Ministers, their special advisers and other civil servants meet many people in the course of their work. This properly includes meetings with interest groups outside Government; indeed, one of the specific

functions of special advisers is to liaise with such interest groups. This liaison is intended to help Ministers draw upon outside contributions—from academics, think-tanks, trade and industry associations, trade unions, lobby groups and others, as well as relevant experience from other countries—during the process of policy analysis and development. By convention it is not the practice of governments to make information on such meetings or their content publicly available—a principle reflected in the Code of Practice on Access to Government Information published in January 1997. Special advisers and other civil servants must observe the requirements of propriety; for instance, they must not provide confidential information without authorisation or allow improper influence on policy. Any breach of these requirements could be a disciplinary offence.

## LORD CHANCELLOR'S DEPARTMENT

### Magistrates

**Mr. Paul Marsden:** To ask the Parliamentary Secretary, Lord Chancellor's Department what responses have been received to the consultation paper, Unification of the Stipendiary Bench, published on 1 April. [50428]

**Mr. Hoon:** 54 responses have been received. I have today placed a summary of the responses in the Libraries of both Houses.

### Official Residence

**Mr. Woodward:** To ask the Parliamentary Secretary, Lord Chancellor's Department how many nights the Lord Chancellor has spent in his official residence since the refurbishments were completed. [49786]

**Mr. Hoon:** The Lord Chancellor and Lady Irvine moved into the Official Residence on 27 April 1998. They usually stay in the Residence on weekday evenings, returning to their home in London for weekends.

### Asylum Appeals

**Mr. Burnett:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will provide a breakdown of the number of full-time and part-time special adjudicators employed by the Immigration Appellate Authority to hear and determine asylum appeals *(a)* currently, *(b)* on 1 January 1997, *(c)* on 1 January 1995 and *(d)* at the time the Asylum and Immigration Appeals Act 1993 came into force. [49165]

**Mr. Hoon:** The number of special adjudicators are as follows:

*(a)* currently there are 37 full-time and 118 part-time adjudicators, *(b)* on 1 January 1997 there were 32 full-time and 85 part-time adjudicators, *(c)* on 1 January 1995 there were 21 full-time and 23 part-time adjudicators and *(d)* at the time the Act came into force there were 9 full-time and 6 part-time adjudicators.

### Bar Pupillages

**Mr. Crausby:** To ask the Parliamentary Secretary, Lord Chancellor's Department what steps his Department is planning to ensure that there is an increase in the number of pupillages available at the private bar. [49074]

**Mr. Hoon:** Barristers are part of an independent and self-regulating profession. The number of pupillages available at the private Bar is a matter for the profession itself.

### Contact Orders

**Mr. Levitt:** To ask the Parliamentary Secretary, Lord Chancellor's Department how many women were sent to prison in each of the last three years for refusing to allow an estranged partner access to their children under a contact order. [48941]

**Mr. Hoon:** The information requested is not held centrally. Although there is provision for either party to be committed for non compliance with a contact order, no historical data are kept. Each individual case record would need to be searched and the information could, therefore, be provided only at disproportionate cost.

**Mr. Levitt:** To ask the Parliamentary Secretary, Lord Chancellor's Department what proportion of applications for contact orders from estranged fathers were *(a)* turned down and *(b)* turned down on grounds of a history of physical or sexual abuse in the last year for which figures are available. [48942]

**Mr. Hoon:** The information requested is not held centrally. Although details of the number of refused contact applications can be obtained, the information is not broken down. Each individual case record would need to be searched and the information could, therefore be provided only at disproportionate cost.

**Mr. Levitt:** To ask the Parliamentary Secretary, Lord Chancellor's Department what sanctions the courts may impose on *(a)* a parent with care and *(b)* an estranged parent who breaks the terms of a contact order. [48940]

**Mr. Hoon:** In cases where a parent with care or an estranged parent breaks the terms of a contact order, the court may enforce the order by an injunction. Where an undertaking by a party is incorporated in an order of the court that may also be enforced in the same way. Ultimately, the failure to comply with a defined contact order can amount to contempt of court, for which the penalty can be a fine or committal to prison. Imprisonment is a last resort, although in some cases the threat of it can be as effective.

**Mr. Levitt:** To ask the Parliamentary Secretary, Lord Chancellor's Department what training is available for judges and magistrates to assist them in their understanding of cases involving *(a)* domestic violence and *(b)* contact orders. [48971]

**Mr. Hoon:** Judicial training is the responsibility of the Judicial Studies Board (JSB) which is a non-departmental government body. The JSB also sets the syllabuses for and monitors and evaluates the training of lay magistrates.

In 1997 all District Judges attended a seminar on their new powers in relation to domestic violence under Part IV of the Family Law Act 1996. Domestic violence is included in JSB Continuation Seminars for Circuit Judges, Recorders and Assistant Recorders, private Family Law Induction and Continuation seminars attended by judiciary nominated to hear private family law cases and District Judges Continuation seminars. Domestic violence

is covered in the training for lay magistrates who sit in family panels. It is also included in the Equal Treatment Training Pack recently produced by the JSB.

Contact orders are addressed at JSB Private Family Law Induction and Continuation seminars, and at Public Law Continuation Seminars attended by Circuit Judges nominated for private and public family law proceedings, Deputy High Court Judges, District Judges of the Principal Registry of the Family Division and District Judges nominated for Public Family Law Proceedings. Lay magistrates on family panels also receive training on contact orders.

### Lobbyists

**Mr. Clappison:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list the meetings *(a)* Ministers and *(b)* special advisers in his Department have had with lobbying companies since 1 May 1997. [49667]

**Mr. Hoon:** Ministers, their Special Advisers and other civil servants meet many people in the course of their work. This properly includes meetings with interest groups outside Government; indeed, one of the specific functions of Special Advisers is to liaise with such interest groups. This liaison is intended to help Ministers draw upon outside contributions—from academics, think-tanks, trade and industry associations, trade unions, lobby groups and others, as well as relevant experience from other countries—during the process of policy analysis and development. By convention it is not the practice of government to make information on such meetings or their content publicly available—a principle reflected in the Code of Practice on Access to Government Information published in January 1997. Special advisers and other civil servants must observe the requirements of propriety: for instance, they must not provide confidential information without authorisation or allow improper influence on policy. Any breach of these requirements could be a disciplinary offence.

**Mr. Gordon Prentice:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list those individuals who are not hon. Members or civil servants currently serving on review bodies and task forces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49780]

**Mr. Hoon:** I refer my hon. Friend to the answer given to him today, *Official Report*, columns *641–42*, by my right hon. Friend the Prime Minister.

### Gender Impact Assessments

**Jackie Ballard:** To ask the Parliamentary Secretary, Lord Chancellor's Department, pursuant to the answer of 24 June 1998, *Official Report*, columns *557–58*, prior to 18 May, what mechanisms were used to determine how legislation passed in the current session would affect women; what consultation he had with women's organisations; and if he will make a statement. [49097]

**Mr. Hoon:** The Lord Chancellor's Department has not had any major policy legislation in the current session. More generally, guidance on policy appraisal for equal treatment has been available since 1992. Within this Department we are increasingly using consultation and research to identify the impact of our policies generally, and are working to secure more disaggregated statistics as our information systems are developed further.

## DUCHY OF LANCASTER

### Nuclear Industry (Commercial Confidentiality)

**Mr. Chaytor:** To ask the Chancellor of the Duchy of Lancaster if he will make a statement on the impact of the proposals contained in his Freedom of Information White Paper on commercial confidentiality within the nuclear industry. [48973]

**Dr. David Clark:** The Freedom of Information White Paper, *Your Right to Know*, set out our approach to freedom of information across a wide range of public authorities, including nationalised industries, public corporations and non-departmental public bodies. The White Paper also made it clear that commercial confidentiality is one of the proposed specified interests to which the substantial harm test will be applied in determining whether information should be disclosed. I intend to publish a draft FOI Bill by the end of September which will make clearer the exact coverage of the regime and its operation. However, at this stage it is not possible to predict the effect that the proposals will have on one of the specified interests within a particular industry.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Chancellor of the Duchy of Lancaster if he will list those individuals who are not hon. Members or civil servants currently serving on review bodies and taskforces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49772]

**Dr. David Clark:** I refer my hon. Friend to the answer given to him today, *Official Report*, columns *641–42*, by my right hon. Friend the Prime Minister.

## CABINET OFFICE

### Lobbyists

**Mr. Letwin:** To ask the Minister without Portfolio on what dates since 1 May 1997 he has met representatives of *(a)* GPC Market Access, *(b)* Lawson Lucas Mendelsohn and *(c)* GJW Government Relations; and if he will make a statement. [49675]

**Mr. Peter Ainsworth:** To ask the Minister without Portfolio (1) when (i) he and (ii) his special advisers have met representatives of *(a)* GPC Market Access, *(b)* Lawson Lucas Mendelsohn and *(c)* GJW Government Relations since 1 May 1997; who these representatives were; and what was discussed at these meetings; [49660]

(2) what discussions he had with representatives of Lawson, Lucas Mendelsohn in respect of Tesco's involvement in the Millennium Dome. [49962]

**Mr. Ruffley:** To ask the Minister without Portfolio what dealings, in pursuance of his ministerial responsibilities, he has had with lobbying organisations over the last 6 months; and if he will make a statement. [49878]

**Mr. Mandelson** *[holding answer 9 July 1998]:* Ministers, their Special Advisers and other civil servants meet many people in the course of their work. This properly includes meetings with interest groups outside Government; indeed, one of the specific functions of Special Advisers is to liaise with such interest groups. This liaison is intended to help Ministers draw upon outside contributions—from academics, think-tanks, trade and industry associations, trade unions, lobby groups and others, as well as relevant experience from other countries—during the process of policy analysis and development. By convention it is not the practice of governments to make information on such meetings or their content publicly available—a principle reflected in the Code of Practice on Access to Government Information published in January 1997. Special advisers and other civil servants must observe the requirements of propriety: for instance, they must not provide confidential information without authorisation or allow improper influence on policy. Any breach of these requirements could be a disciplinary offence.

**Mr. Gordon Prentice:** To ask the Minister without Portfolio if he will list those individuals who are not hon. Members or civil servants currently serving on review bodies and task forces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49784]

**Mr. Mandelson:** I refer my hon. Friend to the answer given to him today by my right hon. Friend the Prime Minister.

### Derek Draper

**Dr. Julian Lewis:** To ask the Minister without Portfolio on how many occasions he has received draft articles written by Mr. Derek Draper for scrutiny prior to their publication in the press since 1 May 1997. [50070]

**Mr. Mandelson:** None.

**Mr. Ancram:** To ask the Minister without Portfolio when, in pursuance of his ministerial responsibilities, he last met Mr. Derek Draper. [49879]

**Mr. Mandelson:** I refer the hon. Member to the answer I gave today, *Official Report*, columns *641–42*, to the hon. Member for West Dorset (Mr. Letwin).

## EDUCATION AND EMPLOYMENT

### Lobbyists

**Mr. Willetts:** To ask the Secretary of State for Education and Employment on what occasions *(a)* he, *(b)* his Ministers and *(c)* his special advisers have met representatives of (i) GPC Market Access, (ii) Lawson Lucas Mendelsohn and (iii) GJW Government Relations since 1 May 1997; who attended such meetings; and what was discussed at them. [49632]

**Dr. Howells** *[holding answer 9 July 1998]:* Ministers, their Special Advisers and other civil servants meet many people in the course of their work. This properly includes meetings with interest groups outside of Government; indeed, one of the specific functions of Special Advisers is to liaise with such interest groups. This liaison is intended to help Ministers draw upon outside contributions—from academics, think-tanks, trade and industry associations, trade unions, lobby groups and others, as well as relevant experience from other countries—during the process of policy analysis and development. By convention it is not the practice of governments to make information on such meetings or their content publicly available—a principle reflected in the Code of Practice on Access to Government Information published in January 1997. Special advisers and other civil servants must observe the requirements of propriety: for instance, they must not provide confidential information with authorisation or allow improper influence on policy. Any breach of these requirements could be a disciplinary offence.

**Mr. Gordon Prentice:** To ask the Secretary of State for Education and Employment if he will list those individuals who are not hon. Members or civil servants currently serving on review bodies and taskforces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49769]

**Dr. Howells:** I refer my hon. Friend to the answer given to him today, *Official Report*, columns *641–42*, by my right hon. Friend the Prime Minister.

### Disability Discrimination Act 1995

**Mr. Oaten:** To ask the Secretary of State for Education and Employment what is the timetable for the review of the exemption of small employers under the Disability Discrimination Act 1995. [50026]

**Mr. Alan Howarth:** Section 7 of the Disability Discrimination Act 1995 requires that a review of the effects of the small employer exemption threshold must be completed within 9 months. I announced such a review on 3 December 1997, *Official Report*, column *243*. We have been analysing the responses to the public consultation exercise which ended on 2 March 1998 and hope to announce a decision shortly. Any change to the threshold has to be made within one year of the review commencing.

**Mr. Oaten:** To ask the Secretary of State for Education and Employment (1) if he will list by Government department the timetables for the auditing activity undertaken in connection with Part III of the Disability Discrimination Act 1995; [50027]

(2) if he will publish the areas covered by disability access audits of Government department buildings. [50028]

**Mr. Alan Howarth:** The Disability Discrimination Act does not place a specific duty on service providers to conduct disability access audits of their premises. Access audits are, however, in many cases highly effective means of helping service providers to ensure that their premises comply with the requirements of the Act. Government departments have been made aware of the benefits of

conducting audits and future guidance to them on implementing the remaining provisions of Part III of the Act will re-emphasise this advice.

The specific information requested is not held centrally and, since Government departments and agencies occupy many tens of thousands of premises, could be collected only at disproportionate cost. However, as I described in my reply to the hon. Member on 6 July 1998, *Official Report*, columns *391–99*, departments are well aware of their duties under the legislation and are pressing ahead, in a variety of ways reflecting their particular circumstances, to ensure that they meet the provisions of the Act including those on premises.

### School Records

**Mr. Oaten:** To ask the Secretary of State for Education and Employment what plans he has to allow parents to appeal in respect of information held on their child's record by a school. [49798]

**Ms Estelle Morris:** The Education (School Records) Regulations 1989 provide for parents to appeal to the governing body if a teacher refuses to amend any part of the child's record which the parent regards as inaccurate.

### Schools (Essex)

**Mr. Jenkin:** To ask the Secretary of State for Education and Employment which schools in Essex are to be funded as beacon schools. [49957]

**Mr. Byers:** Subject to the agreement of contracts with DfEE, the following schools in Essex will be funded as beacon schools from September 1998:

Davenant Foundation School, Loughton;

Parkland Junior School, Romford; and

William Ford C. of E. School, Dagenham.

### Education Standard Spending Assessments

**Mr. Drew:** To ask the Secretary of State for Education and Employment what *(a)* percentage and *(b)* amount was allocated to education through the standard spending assessment for area cost adjustment, in each of those authorities that received it in (i) 1997–98, (ii) 1996–97 and (iii) 1995–96. [49113]

**Mr. Byers** *[holding answer 6 July 1998]:* The information is not available in the form in which it has been requested.

**Mr. Drew:** To ask the Secretary of State for Education and Employment (1) what is the current percentage of education standing spending assessment allocated to additional educational needs; [49114]

(2) what sum would be released if the additional educational needs expenditure was reduced by 4.7 per cent. for those authorities coming above the national county average per pupil allocation under standing spending assessment; [49115]

(3) what would be the impact on each local education authority if the additional educational needs expenditure was reduced by 4.7 per cent. for all those authorities above the national county average for per pupil allocation under standard spending assessment, and redistributed to those below the national county average, on the basis of a per pupil funding; [49116]

(4) by what percentage the additional educational needs expenditure would have to be reduced for authorities above the present average if those authorities below were to be brought up to the existing average for pupil allocations. [49117]

**Mr. Byers** *[holding answer 6 July 1998]:* Table 1 sets out the percentage of each of the five education SSA sub-blocks which is allocated on the basis of additional educational needs (AEN). The other information is not available in the form in which it has been requested.

*Table 1*

| *SSA sub-block* | *AEN cash (£ billion)* | *AEN (per cent.)* |
|---|---|---|
| Primary | 1.291 | 15.7 |
| Secondary | 1.277 | 15.7 |
| Post-16 | 0.188 | 16.5 |
| Under fives | 0.427 | 36.4 |
| Other | 0.417 | 58.3 |
| Total | 3.601 | 18.6 |

### Schools (Parents' Meetings)

**Mr. Love:** To ask the Secretary of State for Education and Employment how many *(a)* grant maintained and *(b)* local education authority secondary schools have held (i) compulsory annual parents' meetings and (ii) parents' evenings during OFSTED inspections at which the attendance was (1) zero, (2) zero to five, (3) five to 10, (4) 11 to 20, (5) 21 to 50 and (6) 51 and over. [49687]

**Ms Estelle Morris:** The information requested is not held centrally.

### Teachers (Status)

**Mr. Gordon Prentice:** To ask the Secretary of State for Education and Employment what steps he is taking to improve the status of teachers. [48165]

**Ms Estelle Morris:** The support of well-motivated and talented teachers is central to our drive to raise standards in schools. We must, and do, take every opportunity to acknowledge the professionalism of good teachers and the contribution they make to schools.

The measures we set out in our January response to the Select Committee report on teacher supply will raise the status of teachers: the General Teaching Council will provide a unified voice for the profession; and new curricula for initial teacher training courses, national professional standards, a mandatory induction year, and a new grade of Advanced Skills Teachers will enhance professionalism.

The Teacher Training Agency's campaign, *No-one Forgets a Good Teacher*, aims to raise public awareness of the vital contribution that teachers make to the continued prosperity and success of the nation. Since the launch of the campaign, the TTA's inquiry line has received some 76,000 calls, an average of 2,066 a week.

The National Teaching Awards, which were launched last month under the Chairmanship of The Lord Puttnam, will also help raise the status of teaching.

### Schools (Gloucestershire)

**Mr. Nigel Jones:** To ask the Secretary of State for Education and Employment how much money local education authority schools in Gloucestershire have held in reserves *(a)* as a total amount and *(b)* as a percentage of the total available to be spent on schools, for the most recent five years for which records are available. [50067]

**Mr. Byers:** The table shows the amount held as balances by LEA schools in Gloucestershire for each of the financial years 1993–94, 1994–95, 1995–96 and 1996–97 both in cash terms and as a percentage of the General Schools Budget. Information on the position at the end of the financial year 1997–98 will not be available centrally until local education authorities publish their outturn statements in the Autumn. I will write to the hon. Member when those figures are available, and a copy of my letter will be placed in the Library.

*Gloucestershire LEA—net school balances*

| | *Balances (£000)* | *GSB (£000)* | *Balances as percentage of GSB* |
|---|---|---|---|
| 1993–94 | 6,240 | 117,285 | 5.32 |
| 1994–95 | 6,743 | 117,023 | 5.76 |
| 1995–96 | 4,990 | 111,503 | 4.48 |
| 1996–97 | 4,626 | 115,309 | 4.01 |

### Foreign Language Teaching

**Mr. Cox:** To ask the Secretary of State for Education and Employment what is the proportion of primary schools that offer foreign language teaching. [49276]

**Ms Estelle Morris:** The Department does not collect this information, but a survey conducted in 1995 by the Centre for Information on Language Teaching and Research suggested that about 20 per cent. of primary schools offered foreign language teaching. The Centre intends to conduct a further survey later this year.

## FOREIGN AND COMMONWEALTH AFFAIRS

### Diplomats

**Mrs. Gillan:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list diplomatic posts abroad together with the number of his Department's staff in each on *(a)* 1 May 1997 and *(b)* 24 June 1998. [48203]

**Mr. Fatchett** *[holding answer 30 June 1998]:* The following is the list of FCO Posts overseas giving the number of UK-based staff on the FCO establishment for the dates requested. FCO staff in the Department Territories are listed separately.

*Number of staff at post*

| *Post* | *1997* | *1998* |
|---|---|---|
| Abidjan | 8.00 | 8.00 |
| Abu Dhabi | 11.00 | 10.00 |
| Addis Ababa | 12.00 | 11.00 |
| Al Khobar | 2.00 | 2.00 |
| Alexandria | 1.00 | 1.00 |
| Algiers | 4.00 | 4.00 |
| Almaty | 4.00 | 4.00 |
| Amman | 16.00 | 15.00 |
| Amsterdam | 3.00 | 2.00 |
| Ankara | 16.00 | 14.00 |
| Antananarivo | 3.00 | 2.00 |
| Ashgabat | 2.00 | 3.00 |
| Asuncion | 2.00 | 2.00 |
| Athens | 17.00 | 15.00 |
| Atlanta | 3.00 | 2.00 |
| Auckland | 2.00 | 2.00 |
| Bahrain | 9.00 | 8.00 |
| Baku | 3.00 | 4.00 |
| Bandar Seri Begawan | 6.00 | 7.00 |
| Bangkok | 28.00 | 23.00 |
| Banjul | 8.00 | 6.00 |
| Barcelona | 2.00 | 2.00 |
| Beirut | 7.00 | 7.00 |
| Belgrade | 16.00 | 15.00 |
| Belmopan | 5.00 | 4.00 |
| Berlin | 15.00 | 15.00 |
| Berne | 7.00 | 8.00 |
| Bilbao | 1.00 | 1.00 |
| Bogota | 11.00 | 12.00 |
| Bombay | 19.00 | 19.00 |
| Bonn | 33.00 | 30.00 |
| Bordeaux | 1.00 | 1.00 |
| Boston | 2.00 | 2.00 |
| Brasilia | 12.00 | 12.00 |
| Bratislava | 7.00 | 5.00 |
| Bridgetown | 14.00 | 13.00 |
| Brisbane | 2.00 | 2.00 |
| Brussels (Embassy) | 14.00 | 13.00 |
| Brussels (Joint Mangage) | 4.00 | 4.00 |
| Brussels (UK rep) | 70.00 | 76.00 |
| Brussels UK Del NAT(O) | 36.00 | 38.00 |
| Bucharest | 18.00 | 17.00 |
| Budapest | 18.00 | 16.00 |
| Buenos Aires | 14.00 | 15.00 |
| Cairo | 26.00 | 24.00 |
| Calcutta | 4.00 | 3.00 |
| Canberra | 18.00 | 16.00 |
| Cape Town | 5.00 | 3.00 |
| Caracas | 11.00 | 9.00 |
| Casablanca | 4.00 | 4.00 |
| Castries | 1.00 | 1.00 |
| Chiang Mai | 1.00 | 1.00 |
| Chicago | 4.00 | 3.00 |
| Cleveland | 1.00 | 1.00 |
| Colombo | 16.00 | 15.00 |
| Copenhagen | 12.00 | 11.00 |
| Dakar | 6.00 | 5.00 |
| Dallas | 1.00 | 1.00 |
| Damascus | 12.00 | 10.00 |
| Dhaka | 30.00 | 28.00 |
| Doha | 6.00 | 7.00 |
| Dubai | 13.00 | 11.00 |
| Dublin | 20.00 | 18.00 |
| Durban | 2.00 | 2.00 |
| Dusseldorf | 9.00 | 10.00 |
| Frankfurt | 2.00 | 2.00 |
| Freetown | 5.00 | 5.00 |
| Gaborone | 5.00 | 5.00 |
| Geneva (CG) | 1.00 | 1.00 |
| Geneva (UK Del) | 5.50 | 5.50 |
| Geneva (UK Mis) | 22.00 | 22.50 |
| Georgetown | 6.00 | 5.00 |
| Guangzhou | 3.00 | 5.00 |
| Guatemala City | 4.00 | 4.00 |
| Hamburg | 3.00 | 3.00 |
| Hanoi | 9.00 | 9.00 |

| Post | Number of staff at post 1997 | 1998 |
|---|---|---|
| Harare | 15.00 | 13.00 |
| Havana | 10.00 | 8.00 |
| Helsinki | 12.00 | 11.00 |
| Ho Chi Minh City | 4.00 | 3.00 |
| Holy See (Vatican) | 2.00 | 2.00 |
| Hong Kong (BCG) | 38.00 | 42.00 |
| Hong Kong (JLG) | 5.00 | 4.00 |
| Honiara | 2.00 | 2.00 |
| Houston | 3.00 | 3.00 |
| Islamabad | 60.00 | 61.00 |
| Istanbul | 17.00 | 16.00 |
| Jakarta | 21.00 | 22.00 |
| Jedda | 8.00 | 7.00 |
| Jerusalem | 6.00 | 7.00 |
| Johannesburg | 6.00 | 5.00 |
| Kampala | 10.00 | 10.00 |
| Karachi | 13.00 | 15.00 |
| Kathmandu | 8.00 | 8.00 |
| Khartoum | 9.00 | 9.00 |
| Kiev | 13.00 | 14.00 |
| Kigali | 3.00 | 3.00 |
| Kingston | 13.00 | 13.00 |
| Kingstown, St. Vincent | 1.00 | 1.00 |
| Kinshasa | 3.00 | 5.00 |
| Kuala Lumpur | 18.00 | 17.00 |
| Kuching | 1.00 | 1.00 |
| Kuwait | 11.00 | 11.00 |
| La Paz | 4.00 | 4.00 |
| Lagos | 49.00 | 47.00 |
| Lille | 1.00 | 1.00 |
| Lilongwe | 10.00 | 8.00 |
| Lima | 9.00 | 8.00 |
| Lisbon | 13.00 | 13.00 |
| Ljubljana | 3.00 | 4.00 |
| Los Angeles | 4.00 | 4.00 |
| Luanda | 7.00 | 6.00 |
| Lusaka | 11.00 | 8.00 |
| Luxembourg | 6.00 | 6.00 |
| Lyon | 1.00 | 1.00 |
| Madras | 5.00 | 8.00 |
| Madrid (Embassy) | 21.00 | 21.00 |
| Managua | 2.00 | 2.00 |
| Manila | 16.00 | 16.00 |
| Maputo | 9.00 | 8.00 |
| Marseilles | 1.00 | 1.00 |
| Maseru | 3.00 | 3.00 |
| Mbabane | 3.00 | 3.00 |
| Melbourne | 2.00 | 2.00 |
| Mexico City | 17.00 | 15.00 |
| Miami | 1.00 | 1.00 |
| Milan | 4.00 | 4.00 |
| Minsk | 3.00 | 3.00 |
| Montevideo | 4.00 | 3.00 |
| Montreal | 3.00 | 3.00 |
| Moscow | 83.00 | 84.00 |
| Munich | 3.00 | 2.00 |
| Muscat | 11.00 | 11.00 |
| Nairobi | 27.00 | 20.00 |
| Naples | 2.00 | 2.00 |
| Nassau | 3.00 | 2.00 |
| New Delhi | 47.00 | 47.00 |
| New York (Bis) | 3.00 | 3.00 |
| New York (CG) | 9.00 | 7.00 |
| New York (JMO) | 2.00 | 2.00 |
| New York (UK Mis) | 35.00 | 35.00 |
| Nicosia | 16.00 | 14.00 |
| Nuku'alofa | 1.00 | 1.00 |
| Oporto | 1.00 | 1.00 |
| Osaka | 5.00 | 5.00 |
| Oslo | 9.00 | 10.00 |
| Ottawa | 15.00 | 15.00 |
| Palma | 1.00 | 1.00 |
| Panama City | 2.00 | 2.00 |

| Post | Number of staff at post 1997 | 1998 |
|---|---|---|
| Paris (Embassy) | 48.00 | 46.00 |
| Paris (UK Del OECD) | 6.00 | 7.00 |
| Peking | 46.00 | 46.00 |
| Perth | 2.00 | 2.00 |
| Phnom Penh | 2.00 | 3.00 |
| Port Louis | 6.00 | 7.00 |
| Port Moresby | 6.00 | 4.00 |
| Port of Spain | 7.00 | 7.00 |
| Prague | 12.00 | 13.00 |
| Pretoria | 26.00 | 24.00 |
| Quito | 5.00 | 6.00 |
| Rabat | 7.00 | 7.00 |
| Rangoon | 5.00 | 5.00 |
| Reykjavik | 3.00 | 3.00 |
| Riga | 22.00 | 5.00 |
| Rome | 22.00 | 20.00 |
| San Francisco | 2.00 | 3.00 |
| San Jose | 4.00 | 2.00 |
| San Salvador | 2.00 | 2.00 |
| Sana'a | 10.00 | 9.00 |
| Santiago | 8.00 | 9.00 |
| Santo Domingo | 1.00 | 1.00 |
| Sao Paulo | 5.00 | 5.00 |
| Sarajevo | 11.00 | 10.00 |
| Seattle | 1.00 | 1.00 |
| Seoul | 16.00 | 16.00 |
| Shanghai | 6.00 | 6.00 |
| Singapore | 16.00 | 16.00 |
| Skopje | 2.00 | 2.00 |
| Sofia | 13.00 | 12.00 |
| St. George's, Grenada | 1.00 | 1.00 |
| St. Johns | 1.00 | 1.00 |
| St. Petersburg | 4.00 | 6.00 |
| Stockholm | 12.00 | 12.00 |
| Strasbourg | 4.00 | 4.00 |
| Stuttgart | 1.00 | 1.00 |
| Suva | 5.00 | 5.00 |
| Sydney | 4.00 | 4.00 |
| Taipei | 6.00 | 7.00 |
| Tallinn | 3.00 | 4.00 |
| Tashkent | 5.00 | 5.00 |
| Tbilisi | 4.00 | 4.00 |
| Tegucigalpa | 2.00 | 2.00 |
| Tehran | 10.00 | 13.00 |
| Tel Aviv | 17.00 | 16.00 |
| The Hague | 17.00 | 16.00 |
| Tirana | 3.00 | 4.00 |
| Tokyo | 38.00 | 37.00 |
| Toronto | 4.00 | 4.00 |
| Tripoli | 2.00 | 2.00 |
| Tunis | 11.00 | 12.00 |
| Ulaanbaatar | 2.00 | 2.00 |
| Valletta | 9.00 | 8.00 |
| Vancouver | 2.00 | 2.00 |
| Victoria | 2.00 | 2.00 |
| Vienna (UK Mis) | 3.00 | 7.00 |
| Vienna Embassy | 12.00 | 12.00 |
| Vienna OSCE | 10.00 | 9.00 |
| Vila | 2.00 | 2.00 |
| Vilnius | 3.00 | 4.00 |
| Warsaw | 21.00 | 16.00 |
| Washington (Embassy) | 70.00 | 65.00 |
| Wellington | 10.00 | 10.00 |
| Windhoek | 4.00 | 4.00 |
| Yaounde | 4.00 | 5.00 |
| Yekaterinburg | 1.00 | 3.00 |
| Yerevan | 2.00 | 3.00 |
| Zagreb (Embassy) | 8.00 | 7.00 |
| Zurich | 3.00 | 0.00 (closed) |
| Total | 2,198.50 | 2,112.00 |

*FCO staff in Dependent Territories*

*Number of staff at post*

| *Post* | *1997* | *1998* |
|---|---|---|
| Anguilla | 4.00 | 4.00 |
| Ascension | 1.00 | 1.00 |
| Gibraltar | 8.00 | 9.00 |
| Grand Cayman | 2.00 | 2.00 |
| Grand Turk | 2.00 | 2.00 |
| Plymouth, Montserrat | 4.00 | 4.00 |
| St. Helena | 1.00 | 1.00 |
| Stanley | 5.00 | 5.00 |
| Tortola | 3.00 | 3.00 |
| Tristan da Cunha | 1.00 | 1.00 |
| Total | 31.00 | 32.00 |

### Gender Impact Assessments

**Jackie Ballard:** To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to the answer of 24 June 1998, *Official Report*, columns *557–58*, prior to 18 May, what mechanisms were used to determine how legislation passed in this session would affect women; what consultation he had with women's organisations; and if he will make a statement. [49096]

**Mr. Tony Lloyd:** The FCO has introduced three pieces of legislation in the current session: to implement the Comprehensive Nuclear Test Ban Treaty, the Treaty of Amsterdam and the Ottawa Convention on Landmines. These implement internationally negotiated treaties in the United Kingdom.

Women's groups were not consulted in the preparation of the UK legislation.

### Cyprus

**Mr. Cox:** To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had, and with whom, on the negotiations for Cyprus's accession to the European Union; and if he will make a statement. [49489]

**Mr. Doug Henderson:** My right hon. Friend the Foreign Secretary is in regular contact with our EU partners, the Government of Cyprus and the European Commission on the negotiations for Cyprus's accession to the European Union.

### Nuclear Industry

**Dr. Ladyman:** To ask the Secretary of State for Foreign and Commonwealth Affairs if, following the recent Indian and Pakistan nuclear tests, there has been a change of policy on nuclear-related exports to India and Pakistan, and on contacts between British nuclear industry officials and their Indian and Pakistani counterparts. [50568]

**Mr. Tony Lloyd:** The UK already has in place strict controls on the export of nuclear-related goods to India and Pakistan, and we do not believe there is a loophole in the existing controls. The UK also exercises caution over contacts between personnel from the British nuclear industry and their Indian and Pakistani counterparts. However, following the recent Indian and Pakistani nuclear tests we have decided that it is appropriate to introduce some additional measures.

All export licence applications (ELAs) for items listed on the Nuclear Suppliers Group (NSG) Dual-Use List will be denied to nuclear and nuclear-related end-users in India and Pakistan, as will all other goods to these end-users which could contribute to the Indian and Pakistani nuclear programmes. This will mean that some amendments will be required to existing open general export licences, which will be made in due course.

All contacts by British nuclear scientists or nuclear industry personnel with Indian and Pakistani counterparts will be discouraged, and all visits by Indians or Pakistanis to UK nuclear facilities will be prevented.

As the recent actions by both countries have demonstrated a lack of commitment to the principles of non-proliferation, and have adversely affected regional stability, we will consider all export licence applications concerning either country with particular vigilance.

### Lobbyists

**Mr. Gordon Prentice:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list those individuals who are not hon. Members or civil servants currently serving on review bodies and taskforces set up since May 1997 whose appointment was promoted or canvassed for by *(a)* GPC Market Access, *(b)* LLM, *(c)* GJW and *(d)* other professional lobbying organisations. [49775]

**Mr. Fatchett:** I refer my hon. Friend to the answer given today, *Official Report*, columns *641–42*, by my right hon. Friend the Prime Minister.

**Mr. Howard:** To ask the Secretary of State for Foreign and Commonwealth Affairs on what occasions *(a)* he, *(b)* his Ministers and *(c)* his special advisers have met representatives of (i) GPC Market Access, (ii) Lawson Lucas Mendelsohn and (iii) GJW Government Relations since 1 May 1997; who these representatives were; and what was discussed. [49672]

**Mr. Fatchett:** Ministers, their Special Advisers and other civil servants meet many people in the course of their work. This properly includes meetings with interest groups outside Government; indeed, one of the specific functions of Special Advisers is to liaise with such interest groups. This liaison is intended to help Ministers draw upon outside contributions—from academics, think-tanks, trade and industry associations, trade unions, lobby groups and others, as well as relevant experience from other countries—during the process of policy analysis and development. By convention it is not the practice of governments to make information on such meetings or their content publicly available—a principle reflected in the Code of Practice on Access to Government Information published in January 1997. Special advisers and other civil servants must observe the requirements of propriety: for instance, they must not provide confidential information without authorisation or allow improper influence on policy. Any breach of these requirements could be a disciplinary offence.

# INDEX TO THE

# PARLIAMENTARY DEBATES

## OFFICIAL REPORT

**SIXTH SERIES** **VOLUME 315**

SESSION 1997–98

*29th June—10th July 1998*

## SCOPE OF THE INDEX, ARRANGEMENT AND ABBREVIATIONS

This index is derived from the House of Commons Library's Parliamentary On-Line Information System (POLIS), and the subject terms used are based on those used in POLIS. There are often changes in column numbering, etc., between the daily part or weekly Hansard (which simply collects together the daily parts without revision) and the bound volume. The index for the bound volume is revised to take account of these changes and cannot therefore, be used in connection with the daily part or weekly Hansard. For these versions use the Fortnightly Index.

### *Scope and arrangement of the Index*

Oral and Written Parliamentary Questions are indexed under subject headings and the names of Members asking and Ministers replying to them. Questions are not listed under the names of Departments replying. Departmental listings can be arrived at indirectly by looking under the names of the Minister(s) of that Department. There are, however, the headings 'Northern Ireland', 'Scotland', and 'Wales' under which one can find not only most Questions answered by the Northern Ireland Office, Scottish Office, Welsh Office but also Questions about these areas of the United Kingdom which are answered by other Departments. Ministerial statements are indexed under subject headings, under 'Ministerial statements' and the names of Ministers making them and Members speaking on them. General debates are indexed under broad subject headings and under the names of all Members and Ministers taking part. Debates on legislation (Bills, Orders, Regulations etc.) are indexed under the name of the Bill, Statutory Instruments etc, under subject headings and under the names of those taking part.

Rulings and Statements by Speaker and deputies are brought together under the heading 'Speaker's rulings and statements'.

Other contributions by Speaker and deputies appear under the heading Speaker.

Opposition Day Debates and Estimates Day Debates and Standing Order No. 10 applications are listed under those respective headings and under subject headings too.

The date of each item except Parliamentary Questions is inserted immediately before the reference.

Members' names are given in the form by which they prefer to be known and are printed in bold italics. Under their names, entries are arranged under one of the two headings *Debates, etc.* (to include interventions on statements, points of order and so on) or *Questions.*

### *Abbreviations*

*Bills* 1R = first reading, 2R = second reading, Money res = money resolution, Comm = Committee stage, Rep = Report stage, 3R = third reading, amendt/amendts = amendment/amendments, * = matter taken formally, without debate.

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